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The document and the offer are only addressed to, and directed at, persons in member states of the European Economic Area (“**EEA**”) (each, a “**Relevant State**”) who are “qualified investors” within the meaning of Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations) (“**Qualified Investors**”). In the United Kingdom (“**UK**”), the document and the offer is only addressed to and directed at persons who are “qualified investors” (“**UK Qualified Investors**”) (as defined under Article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) (the “**UK Prospectus Regulation**”) who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); (ii) high net worth entities falling within Article 49(2) (a) to (2d) of the Order; and/or (iii) other persons to whom it may lawfully be communicated (all such persons together “**Relevant Persons**”). Any investment or investment activity to which this document relates is only available to, and will only be engaged with: (i) in any Relevant State, Qualified Investors; and (ii) in the UK, Relevant Persons. In Australia, the document and offer is only provided and addressed to select investors who are able to demonstrate they fall within one or more of the categories of investors available under section 708 of the Corporations Act 2001 (Cth) (“**Corporations Act**”) as set out below.

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to EFG-Hermes UAE Limited (“**EFG DIFC**”), EFG Hermes UAE LLC (“**EFG UAE**”, acting jointly with EFG DIFC and referred to herein together with EFG DIFC as “**EFG Hermes**”) and First Abu Dhabi Bank PJSC (“**FAB**” and together with EFG Hermes, the “**Joint Lead Managers**”), the Company and the Selling Shareholders (as each such term is defined in the attached document) that (i) you are acting on behalf of, or you are an institutional investor outside the United States (as defined in Regulation S under the Securities Act); (ii) if you are in the UK, (a) you are a “Relevant Person” (b) you are a UK Qualified Investor; (c) in the case of any Offer Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, (I) the Offer Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the UK other than qualified investors, as that term is defined in the UK Prospectus Regulation, or in circumstances in which the prior consent of the Joint Lead Managers has been given to the offer or resale; or (II) where Offer Shares have been acquired by you on behalf of persons in the UK other than qualified investors, the offer of those Offer Shares to you is not treated under the UK Prospectus Regulation or FSMA (as defined below) as having been made to such persons; (iii) if you are in any member state of the EEA (a) you are a Qualified Investor; (b) in the case of any Offer Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation: (I) the Offer Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Joint Lead Managers has been given to the offer or resale; or (II) where Offer Shares have been acquired by you on behalf of persons in any Relevant State other than qualified investors, the offer of those Offer Shares to you is not treated under the Prospectus Regulation as having been made to such persons; (iv) if you are in Australia (a) you are either (I) a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act; (II) a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made; (III) a person associated with the Company under section 708(12) of the Corporations Act; or (IV) a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and (b) you warrant and agree that you will not offer any of the Offer Shares for resale in Australia within 12 months of the Offer Shares being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act; and (v) if you are outside the US, UK, EEA and Australia (and the electronic mail addresses that you gave the Company and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

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THE DOCUMENT IS IN PRELIMINARY FORM ONLY, IS NOT COMPLETE AND CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

None of the Lead Managers or any of their respective affiliates, or any of their respective directors, officers, employees, agents or advisers, accepts any responsibility whatsoever for the accuracy, completeness or verification of the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offer. Each of the Joint Lead Managers and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Lead Managers or any of their respective affiliates, or any of their respective directors, officers, employees, agents or advisers as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Joint Lead Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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ALEF EDUCATION HOLDING PLC

(a public company limited by shares incorporated in the Abu Dhabi Global Market (“ADGM”) and subject to the ADGM Companies Regulations 2020 (as amended))

**Global Offering of 1,400,000,000 Offer Shares
Offer Price Range: AED 1.30 to AED 1.35 per Share**

1,400,000,000 ordinary shares with a nominal value of AED 0.01 each (the “Offer Shares”) of Alef Education Holding plc (the “Company”) are being offered in this global offering (the “Global Offering”) by the Company’s shareholders, Tech Nova Investment LLC - Sole Proprietorship L.L.C., and Kryptonite Investments L.L.C. – O.P.C. (the “Selling Shareholders”). The Offer Price Range is indicative only and may change during the course of the Global Offering. The Selling Shareholders reserve the right to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion. The Company will not receive any of the proceeds of the sale of the Offer Shares, all of which will be paid to the Selling Shareholders (net of any expenses relating to the Global Offering).

The Global Offering comprises an offering of Offer Shares (i) outside the United States in reliance on Regulation S (“Regulation S”) under the United States Securities Act of 1933, as amended (the “Securities Act”) (the “Institutional Offering”); (ii) in the Dubai International Financial Centre (“DIFC”) only as an Exempt Offer (the “DIFC Exempt Offer”) pursuant to the Markets Rules of the Dubai Financial Services Authority (“DFSA”); (iii) in the Abu Dhabi Global Market (“ADGM”) only as an Exempt Offer (the “ADGM Exempt Offer” and, together with the Institutional Offering and the DIFC Exempt Offer, the “Qualified Investor Offering”) pursuant to the Market Rules of the Abu Dhabi Financial Services Regulatory Authority (“FSRA”) and (iv) in the United Arab Emirates (the “UAE”) pursuant to a prospectus (the “UAE Prospectus”), the publication of which was approved by the UAE Securities and Commodities Authority (the “SCA”) to certain natural persons, companies, establishments and other entities (the “UAE Retail Offer”).

Prior to the Global Offering, there has been no public market for the Offer Shares. The Company has applied for the Offer Shares to be listed on the Abu Dhabi Securities Exchange (the “ADX”) (the “Admission”). There will be no conditional dealings in the Offer Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Offer Shares will commence on the ADX on or around 12 June 2024 (the “Closing Date”).

Investing in the Offer Shares involves significant risks. Prospective investors should read this document in its entirety and, in particular, prospective investors are advised to examine all the risks that are relevant in connection with an investment in the Offer Shares. See “Risk Factors” in the Second Section of the attached UAE Prospectus for a discussion of certain risks and other factors that should be considered before making an investment decision with respect to the Global Offering.

The Offer Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Offer Shares are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Offer Shares and the distribution of this preliminary offering memorandum (this “Offering Memorandum”), see “Sale of Shares” and “Transfer Restrictions”.

The Offer Shares are offered by the Joint Lead Managers named herein on behalf of the Selling Shareholders when, as and if delivered to, and accepted by, the Joint Lead Managers and subject to their right to reject orders in whole or in part. Purchasers will be required to make full payment for the Offer Shares to the Joint Lead Managers for receipt by the Joint Lead Managers two business days prior to the Closing Date, and delivery of the Offer Shares is expected to be made on the Closing Date through the book-entry facilities operated by the ADX.

The SCA and the ADX have not approved this Offering Memorandum, take no responsibility for the contents of this Offering Memorandum, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, any part of the contents of this Offering Memorandum.

ADGM Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the ADGM in accordance with the Market Rules of the FSRA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The FSRA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The FSRA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

DIFC Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the DIFC in accordance with the Market Rules of the DFSA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

Joint Lead Managers and Joint Bookrunners

EFG-Hermes

First Abu Dhabi Bank

This Offering Memorandum is dated 28 May 2024.

TABLE OF CONTENTS

Offering Memorandum

	Page
ABOUT THIS OFFERING MEMORANDUM.....	W-1
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	W-10
INFORMATION REGARDING FORWARD-LOOKING STATEMENTS.....	W-14
SUMMARY	W-15
THE GLOBAL OFFERING.....	W-28
CAPITALISATION	W-33
SELECTED HISTORICAL FINANCIAL INFORMATION	W-34
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	W-38
FINANCIAL AND OPERATIONAL TARGETS	W-63
INDUSTRY OVERVIEW.....	W-67
SALE OF SHARES.....	W-101
TRANSFER RESTRICTIONS	W-112
INDEPENDENT AUDITORS	W-113
GLOSSARY OF SELECTED TERMS.....	W-114

TABLE OF CONTENTS

UAE Prospectus

	Page
TRANCHE STRUCTURE.....	4
IMPORTANT NOTICE	10
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	11
FORWARD-LOOKING STATEMENTS	12
IMPORTANT INFORMATION	13
DEFINITIONS AND ABBREVIATIONS	16
FIRST SECTION: SUBSCRIPTION TERMS AND CONDITIONS	23
KEY DETAILS OF OFFER SHARES FOR SALE TO THE PUBLIC	23
SECOND SECTION: KEY DETAILS OF THE COMPANY	34
OVERVIEW OF THE COMPANY	34
BUSINESS DESCRIPTION	36
STATEMENT OF CAPITAL DEVELOPMENT	70
RISK FACTORS	72
UAE TAXATION	103
THIRD SECTION: FINANCIAL DISCLOSURES.....	108
SUMMARY OF THE COMPANY’S FINANCIAL STATEMENTS AND A SUMMARY OF KEY NOTES AND KEY FINANCIAL INDICATORS AS OF AND FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2024 AND 2023 AND THE THREE YEARS ENDED 31 DECEMBER 2021, 2022 AND 2023	108
DIVIDEND POLICY	112
MATERIAL EVENTS AND CONTRACTS CONCLUDED BY THE COMPANY (INCLUDING RELATED PARTY AGREEMENTS).....	113
FOURTH SECTION: OTHER DETAILS	126
ANNEX 1 – FINANCIAL STATEMENTS.....	A-1
ANNEX 2 – ARTICLES OF ASSOCIATION	A-52
ANNEX 3 – RECEIVING BANKS’ BRANCHES.....	A-96
ANNEX 4 – COMPANY’S INVESTMENTS IN THE SUBSIDIARIES OF THE COMPANY	A-104
ANNEX 5 – COMPANY’S ORGANIZATION CHART	A-105

ABOUT THIS OFFERING MEMORANDUM

This Offering Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS OFFERING MEMORANDUM CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ALONE, BUT ONLY ON THE BASIS OF THIS OFFERING MEMORANDUM AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

Recipients of this Offering Memorandum are authorised solely to use this Offering Memorandum for the purpose of considering the acquisition of the Shares, and may not reproduce or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Shares. Such recipients of this Offering Memorandum agree to the foregoing by accepting delivery of this Offering Memorandum.

Unless otherwise stated, references to this Offering Memorandum includes the English translation of the SCA approved Arabic language UAE prospectus for the offer of Offer Shares in the UAE, attached hereto, (the “**UAE Prospectus**”). In the event of any discrepancy between the Arabic and English languages of the UAE Prospectus, the Arabic language will prevail. The Offering Memorandum should be read together with the attached UAE Prospectus and is qualified in its entirety by the more detailed information and financial information contained in the attached UAE Prospectus. Terms used but not defined in this Offering Memorandum shall have the meaning given to them in the attached UAE Prospectus. This Offering Memorandum has been drafted in a specific manner to be addressed only to qualified investors, and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA. This Offering Memorandum does not form part of the UAE Prospectus and the information contained in this Offering Memorandum herein does not form part of the UAE Prospectus, the review of this Offering Memorandum or any related advertisements does not fall under SCA’s remit/jurisdiction. The SCA and ADX take no responsibility for the contents of this Offering Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Memorandum.

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this Offering Memorandum in its entirety and, in particular, the section titled “Risk Factors” when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on EFG-Hermes UAE Limited (“**EFG DIFC**”), EFG Hermes UAE LLC (“**EFG UAE**”, acting jointly with EFG DIFC and referred to herein together with EFG DIFC as “**EFG Hermes**”) and First Abu Dhabi Bank PJSC (“**FAB**”, and together with EFG Hermes, “**Joint Lead Managers**”), or any person affiliated with the Joint Lead Managers in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; and (ii) they have relied only on the information contained in this Offering Memorandum, including the attached UAE Prospectus, and the Pricing Notification and (iii) that no person has been authorised to give any information or make any representations concerning the Company or the Offer Shares (other than those contained in this Offering Memorandum) and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Selling Shareholders or the Joint Lead Managers. Neither the delivery of this Offering Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

None of the Company, the Selling Shareholders, Joint Lead Managers or any of their respective representatives is making any representation to any prospective investor of the Offer Shares regarding the legality of an investment in the Offer Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Offering Memorandum should not be construed as legal, financial

or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Offer Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum, including the attached UAE Prospectus, and having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import.

None of the Company, the Selling Shareholders, or the Joint Lead Managers accepts any responsibility for the accuracy, completeness or verification of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholders or the Joint Lead Managers makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

EFG DIFC is regulated by the Dubai Financial Services Authority. EFG UAE is authorised and regulated by the SCA. FAB is authorised and regulated in the UAE by the Central Bank of the United Arab Emirates and the SCA. The Joint Lead Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Global Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Global Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this document. The Joint Lead Managers and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholders for which they would have received customary fees.

In connection with the Global Offering, the Joint Lead Managers and any of their respective affiliates may take up a portion of the Offer Shares in the Global Offering as a principal position and in that capacity, may subscribe for and/or acquire Offer Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this document to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Joint Lead Managers and any of their respective affiliates in such capacity. In addition, certain of the Joint Lead Managers or their affiliates may enter into financing or hedging arrangements with investors in connection with which such Joint Lead Managers (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholders), the Joint Lead Managers (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Lead Managers may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Offer Shares or with the interests of the Company or the Selling Shareholders. None of the Joint Lead Managers intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Joint Lead Managers, the Selling Shareholders or any of their respective affiliates directors, officers, employees or agents, accepts any responsibility or liability whatsoever for the contents of this Offering Memorandum, including its accuracy, completeness or verification and makes no representation or warranty, express or implied, as to the contents of this Offering Memorandum or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Global Offering. The

Joint Lead Managers, the Selling Shareholders and any of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this Offering Memorandum or any such statement. No representation or warranty, express or implied, is made by any of the Joint Lead Managers, the Selling Shareholders or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Memorandum, and nothing contained in this Offering Memorandum, is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future.

The Global Offering relates to securities of a UAE public joint stock company to be listed on the DFM and potential investors should be aware that this document and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to a public joint stock company established in the UAE and listed on the DFM, all of which may differ from those applicable in any other jurisdiction.

This Offering Memorandum is for distribution only to persons who (a) are outside the DIFC, (b) are persons who meet the Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module or (c) are persons to whom an invitation or inducement in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons” for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

This Offering Memorandum is for distribution only to persons who (a) are outside the ADGM, or (b) are Authorised Persons or Recognised Bodies (as such terms are defined in the Financial Services and Markets Regulations 2015 (“FSMR”)), or (c) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons” for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

THE INSTITUTIONAL OFFERING IS BEING MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ONLY. ANY DECISION TO PURCHASE THE OFFER SHARES IN THE INSTITUTIONAL OFFERING MUST BE BASED ON THE INFORMATION CONTAINED HEREIN.

NOTICE TO INVESTORS

The Offer Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in the section “*Transfer Restrictions*”. Each purchaser of the Offer Shares will be deemed to have made the relevant representations described therein.

The distribution of this Offering Memorandum and the offer of the Offer Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders or the Joint Lead Managers to permit a public offering of the Offer Shares or to permit the possession or distribution of this Offering Memorandum (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this Offering Memorandum nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Offer Shares, and the transfer restrictions to which they are subject, see “*Transfer Restrictions*”.

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Offer Shares under the applicable securities laws of any other jurisdiction, including Australia, New Zealand, Canada, Japan or the United States. Subject to certain exceptions, the Offer Shares may not be offered or sold in, or to or for the account or benefit of any national, resident or citizen of, Australia, Canada or Japan. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Offer Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

UNITED STATES RESTRICTIONS

The Offer Shares have not been, and will not be, registered under the US Securities Act, or with any securities regulatory authority of any state of the United States. The Offer Shares offered by this Offering Memorandum may not be offered, sold, pledged or otherwise transferred in the United States, except in a transaction exempt from or not subject to the registration requirements of the Securities Act. The Global Offering is being made only outside the United States in offshore transactions as defined in and in reliance on Regulation S under the Securities Act. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Offer Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. For a description of these and certain further restrictions on offers, sales and transfers of the Offer Shares and the distribution of this Offering Memorandum, see “*Sale of Shares*” and “*Transfer Restrictions*”.

The Offer Shares offered by this Offering Memorandum have not been approved or disapproved by the United States Securities and Exchange Commission (the “SEC”), any State securities commission in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area (the “EEA”) which has implemented the Prospectus Regulation (each, a “**Relevant State**”), with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant State, no Offer Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered to the public in that Relevant State, except that an offer of Offer Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation, if they are implemented in that Relevant State:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Selling Shareholders or any Joint Lead Manager of a Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant State, and each person in a Relevant State who initially acquires any Offer Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Joint Lead Managers that it is a “**qualified investor**” as defined in the Prospectus Regulation.

For the purposes of this provision, the expression an offer of any Offer Shares to the public in relation to any Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information of the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State; the expression Prospectus Regulation means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant State.

In the case of any Offer Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Lead Managers has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, the Joint Lead Managers and their respective affiliates, and others will rely (and the Company and the Selling Shareholders each acknowledge that the Joint Lead Managers and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance.

INFORMATION FOR DISTRIBUTORS IN THE EUROPEAN ECONOMIC AREA

Solely for the purposes of the product governance requirements contained within: (i) Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares to be offered in the Global Offering have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or substantially all of their investment; the Offer Shares to be offered in the Global Offering offer no guaranteed income and no capital protection; and an investment in the Offer Shares to be offered in the Global Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

The Offer Shares have not been offered or will not be offered pursuant to the Global Offering in the UK, except that an offer to the public in the UK of any Offer Shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (iii) in any other circumstances falling under the scope of Section 86 of the FSMA,

provided that no such offer of Offer Shares shall require the Company, the Selling Shareholders or any Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation and each person in the UK who initially acquires any Offer Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a “**qualified investor**”, as defined in the UK Prospectus Regulation.

For the purposes of this provision, the expression an offer of any Offer Shares to the public in relation to any Offer Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares, and the expression UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”).

This Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with persons who are qualified investors as defined under the UK Prospectus Regulation and who are: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (ii) high net worth entities falling within Article 49(2)(a) to (2d) of the Order and/or (iii) other persons to whom it may be lawfully communicated (all being “**Relevant Persons**”). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offer Shares will be engaged only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Offering Memorandum or any of its contents.

The Offer Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”).

INFORMATION FOR DISTRIBUTORS IN THE UNITED KINGDOM

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Requirements**”) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK MiFIR Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Offer Shares to be offered in the Global Offering have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined

in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook and (ii) eligible for distribution through all permitted distribution channels (the “**UK Target Market Assessment**”). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares to be offered in the Global Offering offer no guaranteed income and no capital protection; and an investment in the Offer Shares to be offered in the Global Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS AND DISTRIBUTORS IN AUSTRALIA

The Offer Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

- (i) a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;
- (ii) a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- (iii) a person associated with the Company under section 708(12) of the Corporations Act; or
- (iv) a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission (“**ASIC**”) or the Australian Securities Exchange (“**ASX**”) or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

NOTICE TO PROSPECTIVE INVESTORS IN THE UAE (EXCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE AND THE ABU DHABI GLOBAL MARKET)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the “**SCA**”) or any other authorities in the UAE, nor have the Joint Lead Managers received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE. It should not be assumed that any of the Joint Lead Managers is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Offer Shares offered pursuant to this Offering Memorandum may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer

of securities in the UAE in accordance with the Law No. 32 of 2021 concerning Commercial Companies (as amended) or otherwise.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

NOTICE TO PROSPECTIVE INVESTORS IN THE ABU DHABI GLOBAL MARKET

The Offer Shares have not been offered and will not be offered to any persons in the Abu Dhabi Global Market (the “**ADGM**”) except on the basis that an offer is:

- (i) an “Exempt Offer” in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority (the “**FSRA**”); and
- (ii) made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the Financial Services and Markets Regulations (“**FSMR**”)) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

The FSRA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the FSRA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Offering Memorandum relates to a company which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (“**DFSA**”).

The DFSA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

- (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the DFSA Rulebook; and
- (ii) made only to persons who meet the Deemed Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module and who are not natural persons.

This Offering Memorandum must not, therefore, be delivered to, or relied on by, any other type of person.

The Offer Shares to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares should conduct their own due diligence on the Company and the Offer Shares. If you do not understand the contents of this Offering Memorandum you should consult an authorised financial advisor.

NOTICE TO PROSPECTIVE INVESTORS IN THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

NOTICE TO PROSPECTIVE INVESTORS IN THE REPUBLIC OF SOUTH AFRICA

This Offering Memorandum does not constitute a registered prospectus, written statement or advertisement relating to a public offer in terms of Chapter 4, sections 98, 99 and 101 of the South African Companies Act, No. 71 of 2008 (“**SA Companies Act**”). No offer of Offer Shares to the public in South Africa, whether by way of subscription, sale or otherwise, can be made unless the offeror complies with Chapter 4 of the SA Companies Act and files the requisite disclosure documents with the South African Companies and Intellectual Property Commission in respect thereof. The “public” includes any section of the public. This Offering Memorandum does not constitute an offer of securities to the public in South Africa.

Certain offers of the Offer Shares are deemed, in terms of the safe harbour provisions of section 96 of the SA Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation; (iii) registered banks; (iv) authorised and licensed financial services providers; and (v) financial institutions as defined in the Financial Services Board Act, No. 97 of 1990, or a combination of any of the foregoing. Also included in the safe harbours are offers where the minimum offer consideration per offeree, acting as principal, is R1,000,000 (one million Rand). Accordingly, offers may be made to such institutions, or under such circumstances, in the Republic of South Africa without having to comply with Chapter 4 of the SA Companies Act.

Nothing in this Offering Memorandum shall be construed as being a recommendation, guidance or advice to an addressee or prospective investor in respect of a financial product as contemplated in the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

Alef Education Holding Limited was incorporated on 15 March 2024.

Financial Information

The historical financial information presented in this Offering Memorandum is based on the audited special purpose consolidated financial statements of Alef Education Holding Limited (now Alef Education Holding plc) and its subsidiaries (together, the “**Group**”) as at and for the years ended 31 December 2023, 2022 and 2021, and the three month periods ended 31 March 2024 and 31 March 2023 (the “**Financial Statements**”).

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board, and have been audited by Ernst & Young - Middle East (ADGM Branch) in accordance with International Standards on Auditing (“**ISAs**”) as stated in their report, which is included in Annex 1 (Financial Statements) of the UAE Prospectus attached to this Offering Memorandum.

Non-IFRS Information

The Group presents in this Offering Memorandum certain measures that are not defined or recognised under, and thus not calculated and presented in accordance with IFRS, or any other generally acceptable accounting principles, including Adjusted EBITDA, Adjusted EBITDA margin, Average Adjusted EBITDA margin, Adjusted EBITDA by segment, Adjusted Net Profit, Adjusted Net Profit margin, Capital Expenditure, Capital Expenditure (Cash Portion), Cash Conversion, Net Working Capital, Change in Net Working Capital, Operating Free Cash Flow, Free Cash Flow, Net Cash (Debt), Net Cash (Debt) to Adjusted EBITDA, Days Sales Outstanding and Days Payables Outstanding. These Non-IFRS Measures are used by the Group to evaluate the efficiency of its operations. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company.

As these Non-IFRS Measures are not standardised, these measures, by themselves, do not provide a sufficient basis to compare the Company’s performance with that of other companies and should not be considered in isolation or as a substitute for any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company has presented these Non-IFRS Measures because it believes these are helpful to investors and financial analysts in highlighting trends in the overall business of the Company.

None of the Non-IFRS Measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider these measures as an alternative to net profit or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. Non-IFRS Measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our operating performance reported in accordance with IFRS.

The Non-IFRS Measures are management’s responsibility and are based on management’s review of its financial results and estimates; accordingly, the above information has not been audited or reviewed by Ernst & Young - Middle East (ADGM Branch), or any audit firm, and are to be read in conjunction with the underlying IFRS historical information presented in this Offering Memorandum, but is not intended to form part of the Company’s statement of financial position or profit and comprehensive income up to the date hereof. Accordingly, prospective investors should not place undue reliance on the Non-IFRS Measures contained in this Offering Memorandum.

The definition and method of calculation for the inclusion of Non-IFRS Measures are summarised in the following table:

Non-IFRS financial measure	Definition and method of calculation
Adjusted EBITDA	Profit for the period/year plus depreciation on property and equipment, depreciation on right-of-use assets, interest expense on lease liability, income tax expense and amortisation of intangible assets minus

Non-IFRS financial measure	Definition and method of calculation
	interest income and income from financial assets carried at fair value through profit or loss
Adjusted EBITDA margin	Adjusted EBITDA divided by revenue from contracts with customers
Average Adjusted EBITDA margin	The sum of the Adjusted EBITDA margin for the years ended 31 December 2021, 2022 and 2023, divided by 3
Adjusted EBITDA by segment	Adjusted EBITDA for the education solutions segment, the support and services segment, the financial investments segment and the unallocated segment, respectively
Adjusted Net Profit	Profit for the period/year minus interest income and income from financial assets carried at fair value through profit and loss
Adjusted Net Profit margin	Adjusted Net Profit divided by revenue from contracts with customers
Capital Expenditure	The sum of additions to property and equipment and intangible assets during the year/period
Capital Expenditure (Cash Portion)	The sum of cash paid for purchase of property and equipment and intangible assets during the year/period
Cash Conversion	(Adjusted EBITDA minus Capital Expenditure (Cash Portion)), divided by Adjusted EBITDA
Net Working Capital	The sum of total trade and other receivables (current and non-current) and amounts due from related parties excluding interest-bearing term deposits placed on behalf of the Group, minus trade and other payables and amounts due to related parties
Change in Net Working Capital	With respect to the financial years ended 31 December 2021, 2022 and 2023, calculated as Net Working Capital at the end of the previous year minus Net Working Capital at the end of the current year. With respect to the three month periods ended 31 March 2024 and 2023, calculated as Net Working Capital at the end of the previous year minus Net Working Capital at the end of the three months period.
Operating Free Cash Flow (OFCF)	Adjusted EBITDA plus or minus Change in Net Working Capital
Free Cash Flow (FCF)	Operating Free Cash Flow minus Capital Expenditure (Cash Portion)
Net Cash (Debt)	Cash and cash equivalents minus lease liability
Net Cash (Debt) to Adjusted EBITDA	Net Cash (Debt) at the end of the period/ year divided by Adjusted EBITDA for the period
Days Sales Outstanding (DSO)	Trade and other receivables at the end of the year divided by revenue from contracts with customers for the year, multiplied by 365 days
Days Payables Outstanding (DPO)	Trade and other payables at the end of the year divided by total expenses for the year, multiplied by 365 days

Currency Presentation

The Group's reporting currency is the UAE dirham. The dirham is the lawful currency of the UAE, and since 1997, the dirham has been pegged to the US Dollar. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 to US\$1.00. All US\$ translations of dirham amounts appearing in this Offering Memorandum have been translated at this fixed exchange rate, unless otherwise stated. Such translations should not be construed as representations that dirham amounts have been or could be converted into US Dollars at this or any other rate of exchange.

All references in this Offering Memorandum to "\$", "USD" and "US Dollars" refer to US dollars being

the legal currency of the United States of America; all references to “**dirham**” and “**AED**” are to UAE dirham being the legal currency of the UAE. References to a “**billion**” are to a thousand million.

Rounding

Certain figures and percentages, including data related to financial, statistical and operating information, included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Market, Economic and Industry Data

Unless the source is otherwise stated, the market, economic and industry data in this Offering Memorandum constitute the Group’s estimates, using underlying data from third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other economic and industry data pertaining to the Group’s business and markets in this Offering Memorandum are based on published and publicly available data obtained from multiple third-party sources. The Group cannot assure you that any of the assumptions underlying any statements regarding the markets in which the Group operates are accurate or correctly reflect the Group or its competitors’ position in such markets. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, as well as information publicly available related to the size of the market, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of data or statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data or statistics. Accordingly, the market, economic and industry data and statistics and any other information from such third-party sources included in this Offering Memorandum should be viewed with caution and no representation or warranty is given by any person, including the Company, the Selling Shareholders or the Joint Lead Managers and their respective affiliates, as to their accuracy or completeness.

Unless otherwise specifically stated, the information in the “*Industry Overview*” is based on a report which has been prepared by Tyton Partners (the “**Industry Consultant**”), for the benefit of the Company in relation to the markets in which the Group operates. Information extracted from the Industry Consultant’s report which are referenced in this Offering Memorandum are referred to as the industry report (the “**Industry Report**”). Reliance by any party other than the Company on the contents of the Industry Report shall be at the party’s own risk. The Company confirms that the data and other information extracted or derived from the Industry Report and any other third-party information included herein has been accurately reproduced and that, as far as it is aware and is able to ascertain from the Industry Report and from information published by this and other third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Industry Consultant makes no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of the information attributable to the Industry Consultant contained in the Industry Report. The Industry Report was prepared in March 2024 and, as such, addresses matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since then. The information and opinions expressed in the Industry Report are subject to change without notice and the Industry Consultant has no duty or responsibility to update the Industry Report.

As at the date of this Offering Memorandum, the Industry Consultant has given and not withdrawn its written consent for the use of each of its name, logo, statement market research and data supplied by it to the Company in the manner and format set out in this Offering Memorandum. The Industry Consultant relied upon information provided by the Company as well as publicly sourced information for the Industry Report. Estimates and projections set out in this section are prepared based on the analysis performed by the Industry Consultant. They include research estimates found in published official sources such as, but not limited to the World Bank, UNESCO and the National Center for Education Statistics (NCES).

The Industry Report contains information, estimates and data obtained or derived from a variety of public sources believed to be reliable, but the accuracy and completeness of such information, estimates and data is not guaranteed and has not been independently verified by the Company, the Selling Shareholders, the Industry Consultant, the Joint Lead Managers or their respective affiliates. Taking into consideration the “*Information regarding Forward-Looking Statements*” section, whilst the members of the Board of

Directors believe that the information, estimates and data in this Offering Memorandum obtained from third-party sources, including the information, estimates and data obtained from the Industry Consultant, is information, estimates and data that may be relied upon, this information, estimates and data has not been independently verified by the Company, the Board of Directors, their advisors, the Selling Shareholders, the Joint Lead Managers or their respective affiliates. The Company notes that none of the Industry Consultant or other third-party sources, and none of the Joint Lead Managers or their respective affiliates, directors, officers, agents or advisers, accepts any liability for the accuracy of any such information, estimates or data or any other third-party information, estimates or data included herein, and prospective investors are advised to consider such information, estimates and data with caution.

No Incorporation of Website Information

None of the contents of the Company's website or any website directly or indirectly linked to this website has been verified and they do not form part of this Offering Memorandum, and investors should not rely on such information.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements which relate to, among other things, the Group's plans, objectives, goals, strategies, future operational performance and anticipated developments in markets in which it operates and in which it may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Company's current beliefs and expectations about future events. These forward-looking statements include, without limitation, statements relating to:

Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "risk", "intends", "estimates", "aims", "plans", "targets", "predicts", "continues", "assumes", "potential" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding intentions, beliefs and current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which it operates. In particular, the statements under the headings regarding the Group's strategy and other future events or prospects in the following sections are forward-looking statements: "*Summary*", "*Risk Factors*", "*Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*", and "*Financial and Operational Targets*" in this Offering Memorandum. The forward-looking statements and other statements contained in this Offering Memorandum regarding matters that are not historical facts involve predictions and are based on the beliefs of the Company's management, as well as the assumptions made by, and information currently available to, the Company's management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Group cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from the Group's expectations are contained in cautionary statements in this Offering Memorandum, including, without limitation, in conjunction with the forward-looking statements included in this Offering Memorandum and specifically under the Second Section of the UAE Prospectus entitled "*Risk Factors*" or the underlying assumptions.

If any of these risks and uncertainties materialise, or if any of the Group's underlying assumptions prove to be incorrect, the Group's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward-looking statements in this Offering Memorandum be regarded as a representation or warranty by us, the Selling Shareholders or the Joint Lead Managers or any other person with respect to the achievement of the results set out in such statements. Please refer to "*Information Regarding Forward-Looking Statements*" for further information in this regard.

The forward-looking statements contained in this Offering Memorandum speak only as at the date of this Offering Memorandum. The Company, the Selling Shareholders and the Joint Lead Managers expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

SUMMARY

This summary should be read as an introduction to this Offering Memorandum and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Offering Memorandum. You should read the whole document, including the appendices hereto, which constitute an integral part of this Offering Memorandum. Accordingly, any decision to invest in the Offer Shares should be based on consideration of the Offering Memorandum as a whole. Potential investors should read this entire Offering Memorandum carefully, including “Risk Factors” in the Second Section of the attached UAE Prospectus and the Financial Statements, including the related notes, before making any decision to invest in the Offer Shares.

Overview

The Group’s operations are primarily conducted through the Company’s subsidiary, Alef Education Consultancy L.L.C. (“**Alef Education**”). Alef Education is an award-winning AI-powered learning solutions provider based in Abu Dhabi, United Arab Emirates. The Group, through Alef Education, provides digital and personalised learning solutions for K-12 education, with a strong focus on Arabic learning, and digital educational resources for governments, primary and secondary schools, students, their parents, and schoolteachers in the United Arab Emirates, the United States, and Indonesia.

Alef Education was established in 2016, integrating technology, data analytics, and pedagogy to redefine teaching and learning experiences, developing a leading K-12 digital education platform in the MENA region. The first implementation took place in 2017, with one school and 200 students. The success of the first year of implementation paved the way for the subsequent expansion of Alef Education to all K5-12 public schools in the UAE. In 2018, Alef Education entered the United States and won the Forbes Ai Brave Award for industry-leading AI in education. Alef Education’s entry into the United States was a result of its collaboration with a renowned United States based education institution. Since then, Alef Education has continued to improve the quality of instruction in its core subjects: Math, Science, English, Arabic, Social Studies and Islamic Studies.

As COVID-19 became a global crisis, Alef Education used its digital learning solutions to support the United Arab Emirates government, allowing students in public schools across the country to continue their learning during the lockdown. It also launched the ‘Alef Summer Program’ in 2020 to provide healthcare foundation courses, including infection control and pandemic awareness, in collaboration with Higher Colleges of Technology of the UAE and Capital Health Hospitals in Abu Dhabi.

Currently, Alef Education provides digital educational resources to all public schools and many private schools in the United Arab Emirates. It has close to a 100% penetration rate among Cycle 2 (Grades 5-8) and Cycle 3 (Grades 9-12) public schools in the UAE. Through its branded products, namely the Alef Platform, Alef Pathways (Math), Arabits (Arabic for non-native speakers), and Abjadiyat (Arabic for young native speakers), the Group has garnered attention for its potential to transform the educational landscape, particularly in the MENA region where there is a strong emphasis on innovation in education and technology.

The Group’s overarching goal is to modernise and improve educational outcomes by leveraging technology to address the diverse learning needs of students and to empower educators with practical tools for instruction and assessment.

In 2023, the Group’s platforms served approximately 1.1 million registered students, 50,000 teachers and 7,000 schools, having captured approximately 16 million data points per day. As of February 2024, the Group had published a total of approximately 285,000 assessment questions and 15 academic publications, having produced approximately 17,000 digital lessons and 25,000 videos through its platforms.

History and Development

An overview of the main events in connection with the history and growth of Alef Education’s business is set out below:

The Group was founded in 2016 with the incorporation of Alef Education. In September 2017, with the mandate from the Department of Education and Knowledge of Abu Dhabi (“**ADEK**”), the education regulator for the Emirate of Abu Dhabi, Alef Education launched its first technology-enabled education solution at Al Asayel Abu Dhabi Public School in the UAE.

The following chart sets out the number of schools and geographical locations of the registered schools using Alef Education’s digital education platforms. This also includes all students and schools under pilot phases which do not generate revenues:

Year	No. of registered schools	No. of registered students	Geographical location
2017	1 school	around 200	UAE
2018	62 schools	26,130	UAE and US
2019	194 schools	63,172	UAE and US
2020	587 schools	241,796	UAE and US
2021	2,779 schools	440,481	UAE, US and Indonesia
2022	6,522 schools	907,124	UAE, US, Indonesia and Morocco
2023	6,730 schools	1,100,379	UAE, US, Indonesia and Morocco

On 15 March 2024, the Company was incorporated in ADGM under the name Alef Education Holding Limited.

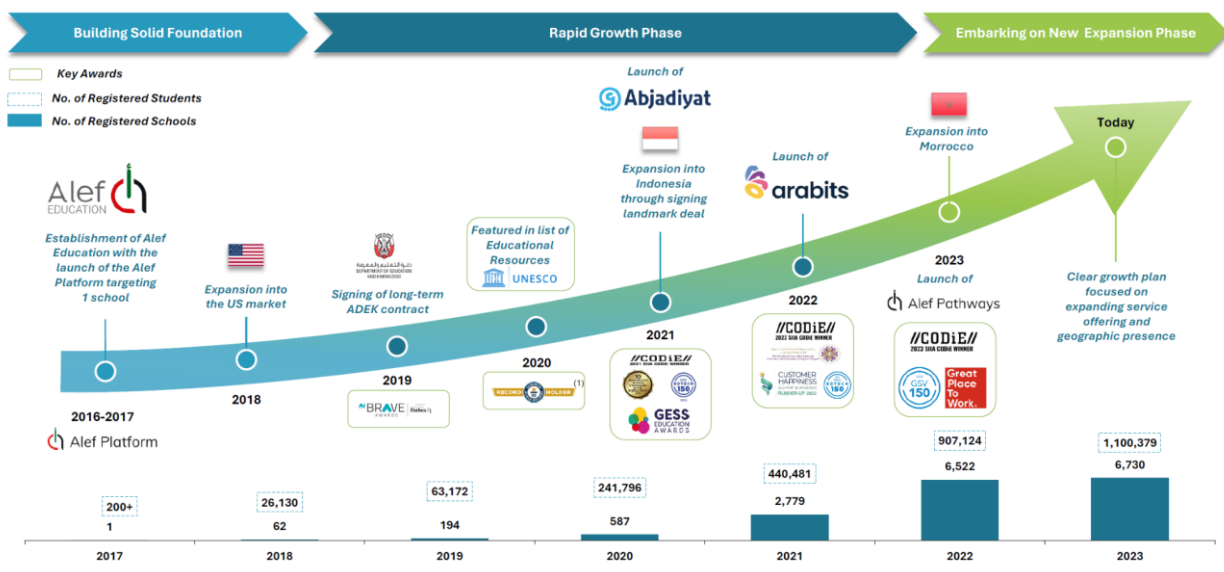
Brand expansion

Alef Education has developed integrated technology-powered education products and service offerings, aiming to offer culturally relevant digital educational resources catering to the learning needs of K-12 students, students, their parents, schoolteachers principals and schools in the UAE and globally.

Alef Education has been expanding its portfolio of teaching, learning, and assessment solutions in multiple languages that leverage the latest data science, digital technology, and learning science.

The Group’s education product and service offerings fulfil the full spectrum of applications for various education scenarios and offer an innovative learning experience. The Group, through Alef Education, currently operates a growing portfolio of products for schools and governments, consisting of the Alef Platform (2017), Abjadiyat (2021), Arabits (2022), and Alef Pathways (2023).

As at 31 December 2023, the Group had approximately 663 registered schools and 434,000 registered students in the UAE (including public and private schools), 6,730 registered schools and 649,000 registered students in Indonesia and approximately 37 registered schools and 15,600 registered students in the US.



Recognition and engagement by the UAE government

In September 2017, the Group launched its first technology-enabled education solution at Al Asayel Abu Dhabi Public School in UAE.

In June 2018, the UAE Ministry of Education (“**UAE MOE**”) expanded its mandate to Alef Education and signed an agreement with Alef Education to apply the Alef Platform in ten Abu Dhabi-based public schools, namely Al Suqoor School, Al Asayel School, Fatima Bint Mubarak School, Sa’ad Bin Mo’ath School, Atika Bint Abdel Muttalib School, Makkah School, Al Dhaher School, Al-Khair School, Qatr Al Nada School, and Al Nokhba School on September 1, 2018.

Following the success of using the Alef Platform in the pioneer public schools in Abu Dhabi, Alef Education was awarded a long-term agreement with ADEK for “*Implementation of Education System in Abu Dhabi Schools*” in 2019. This agreement is valid from January 2019 until the end of the first trimester of the academic year 2030/2031. This long-term arrangement with ADEK has become a cornerstone of the Group’s business model and cemented Alef Education’s market share in the education technology sector in the UAE.

During the height of the COVID-19 pandemic, the Group launched the ‘Alef Summer Program’ initiative with Healthcare Foundation courses in collaboration with Higher Colleges of Technology of the UAE and Capital Health Hospitals in Abu Dhabi, which aimed at driving a deep understanding of the medical profession with practical hands-on experience by students from Grades 7-12, with a vision to increase the next generation’s participation in the nursing profession in the UAE.

In October 2020, Alef Education further collaborated with the Arabic Language Centre/Department of Culture and Tourism – Abu Dhabi to commence cooperation in Arabic language education modernization and support. This memorandum of understanding established a framework focused on utilising modern technologies, data analysis, and a range of regional and international programs geared toward supporting Arabic language adoption and education.

In line with the objectives of the 28th Conference of the Parties of the UNFCCC (COP 28), hosted by the UAE in November and December 2023, Alef Education signed a memorandum of understanding with the UAE MOE in October 2023 to establish a framework for increased collaboration in environmental sustainability and climate education.

On January 19, 2024, Alef Education entered into a collaboration agreement with the UAE MOE in relation to the UAE MOE’s initiative to educate 1,000 displaced students. Pursuant to this collaboration agreement, Alef Education has, amongst other companies, donated devices and provided access to the Alef Platform, including educational content for Grades 3-12, additional product offerings of Abjadiyat and Pathways Math, an AI tutoring system, and support in implementation of the platform for 1,000 students on a pro-bono basis.

Expansion outside of the UAE

In October 2018, Alef Education expanded its offering outside the UAE and launched the Alef Platform with a nonprofit organization for children and families in New York City, the United States.

In November 2020, Alef Education signed a cooperation agreement with the Ministry of Religious Affairs of Indonesia (“**MORA**”), granting schools access to its digital learning platform under its system. The agreement provides access for up to 500,000 students in madrasah schools in Indonesia, beginning in July 2021 at the start of the academic year. Madrasah schools are Islamic schools managed by the Ministry of Religious Affairs of Indonesia. These schools offer predominantly Islamic subjects alongside secular subjects; other madrasahs offer a wholly Islamic curriculum. As part of MORA’s efforts to improve the quality of education in its madrasah schools, it approached Alef Education to enable students to access its AI-powered digital learning platform. The expansion is part of the Group’s global growth plans, with Indonesia serving as an entry point in Asia.

In April 2021, the Group, through Alef Education, entered into a new partnership with MetaMetrics® regarding Math, which enabled teachers in the United Arab Emirates and the United States to access the robust data of MetaMetrics®.

In November 2022, the Group, through Alef Education, supported Moroccan Ministry of National Education in its digital transformation journey and quest to improve literacy and numeracy by distribution

of Alef Platform and courses to a selection of 14 pilot schools, which covered more than 2,000 students, covering English and Math.

In March 2023, the Group, through Alef Education, entered into a memorandum of understanding with the Ministry of Preschool and School Education of the Republic of Uzbekistan (“MPSE”), under which the parties intended to collaborate to support the digital transformation of the schools in Uzbekistan, including the localization and distribution of the Alef Platform and courses across MPSE schools, including among other subjects, English language, Arabic as a second language, and STEM subjects in Uzbek and English.

In September 2023, the Group, through Alef Education, entered into an agreement with the American Samoa Department of Education (ASDOE) to implement Alef Pathways for 10,000 students across all public schools in Samoa. Alef Pathways is a student-centred, self-paced supplemental Math program that provides a comprehensive solution for improving Math instruction.

In March 2024, Alef Education further collaborated with MetaMetrics® to launch an Arabic reading scale to improve the literacy skills of K-12 Arabic speakers.

Recognition by major technology platforms and service providers

In September 2019, the Group, through Alef Education, entered into a memorandum of understanding with Microsoft, under which the parties agreed to integrate the Alef Platform with Microsoft Office 365 and Teams while exploring ways to leverage the recently launched Microsoft Azure UAE Datacentre.

In August 2019, the Group, through Alef Education, formed its strategic technology partnership with Google Ireland Limited for Education as the first content developer in the Middle East to hold a ‘premium level’ partnership in the Google for Education Partner Program.

In February 2020, the Group, through Alef Education, collaborated with Acer to provide approximately 45,000 devices to more than 100 public schools in the UAE, enabling students to enjoy the digitised learning experience offered by the Group. Acer is one of the world’s top global information and communication technology companies. More than 1,000 teachers across public schools in the UAE were equipped and trained on how to use all Acer devices in collaboration with the Group. The partnership aligned with the UAE Vision 2021, which called for transforming the current education system and teaching methods. The strategy also aims for all schools to be equipped with smart systems and devices as a basis for all teaching methods.

In March 2020, Etisalat Digital and Alef Education signed a memorandum of understanding that will enable both entities to collaborate on a series of digital initiatives to empower the region’s education sector, and identify opportunities to access leading-edge platforms, including IoT, Cloud technologies, and 5G networks.

In October 2020, the Group, through Alef Education, entered into a collaboration agreement in October 2020 with Amazon Web Services (“AWS”), which covered three main programs - AWS Educate, AWS Marketplace, and AWS EdStart. Alef Education will carry AWS Educate on its digital learning platform, giving students and educators zero-cost cloud computing learning content and access to the AWS Console to apply their knowledge by building in the cloud. Students can complete AWS Educate Cloud Pathways and Badges via an API integration on the Alef Platform to explore concepts like artificial intelligence, programming, and cybersecurity through interactive challenges and real-world examples. Alef Education joined AWS Marketplace to expand its sales channel. Alef Education was also working to join AWS EdStart, the AWS educational technology (“EdTech”) startup accelerator, which enabled Alef Education to benefit from AWS as it builds new products and services with greater access to technical training and support and access to a global community of EdTech experts.

Awards and accreditations

In 2019, Alef Education won the Ai Brave Award for its innovative use of AI in education. The AI Brave Awards, organised by Forbes AI, celebrate innovative uses of artificial intelligence in various sectors, and recognise companies worldwide for their pioneering achievements in AI technology.

In April 2021, the Alef Platform was named a 2020 SIIA CODiE Award finalist in the Best Use of Emerging Technology for Learning in Education category. The CODiE Awards, founded in the USA, are world-class global excellence awards for software, education, information, and media products.

As a result of the Alef Summer Program initiative in partnership with the Higher Colleges of Technology of the UAE and Capital Health Hospitals in Abu Dhabi, Alef Education was awarded two Guinness World Records™ titles in November 2020 for ‘Most users to take an online infection control lesson in 24 hours’ in August 2020 and ‘Most users to take an online pandemic awareness lesson in 24 hours’ in October 2020.

In June 2022, Alef Education won two SIIA CODiE Awards for Best Science Instructional Solution for Grades 9-12 and Best Mathematics Instructional Solution for Grades 9-12.

In October 2022, Alef Education was awarded runner-up for Best Implementation of Technology to Enhance Customer Happiness.

In October 2023, Alef Education received the Platinum Award in the Education and Awareness category at the prestigious Global ESG Awards, underscoring its commitment to promoting sustainable development and advancing education in line with the United Nations Sustainable Development Goals. Still in October 2023, Alef Education won the Silver Award for Best Technology Initiative to Enhance Customer Happiness.

Alef Education has also obtained two International Organization for Standardization (ISO) certifications, in relation to Alef Education’s information security management system (including services provided to internal and external customers), and IT services management (including services provided to internal and external customers). ISO 27001 is a specification for an information security management system, which is a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation’s information risk management processes. ISO 20000-1 holds the international quality standard for IT service management. The certification focuses on the evaluation of quality-of-service level and delivery to ensure performance meets expectations.

Alef Education is certified for ISO/IEC20000-1:2018 and ISO/IEC 27001:2022.

Collaborations with UAE private schools

In March 2021, Alef Education signed a deal with iCademy Middle East for access to its AI-powered distance learning platform. More than 250 students from Grades 5-11 of iCademy, the UAE’s only online K-12 school, had access to the Alef Platform which provides individualised learning modules and assessments in Arabic and Islamic subjects.

In October 2023, Alef Education entered into a memorandum of understanding with New Century Education, a recently established school group based in Abu Dhabi, to enable real-time data-driven insights and support digital transformation within New Century Education educational institutions in the UAE.

As of March 2024, Alef Education has onboarded 302 private schools in the UAE to use its digital education solutions.

Alef Education continues to adopt a growth-focused strategy, including organic and inorganic expansion in the UAE. It will consider further growth opportunities on a case-by-case basis as they become available.

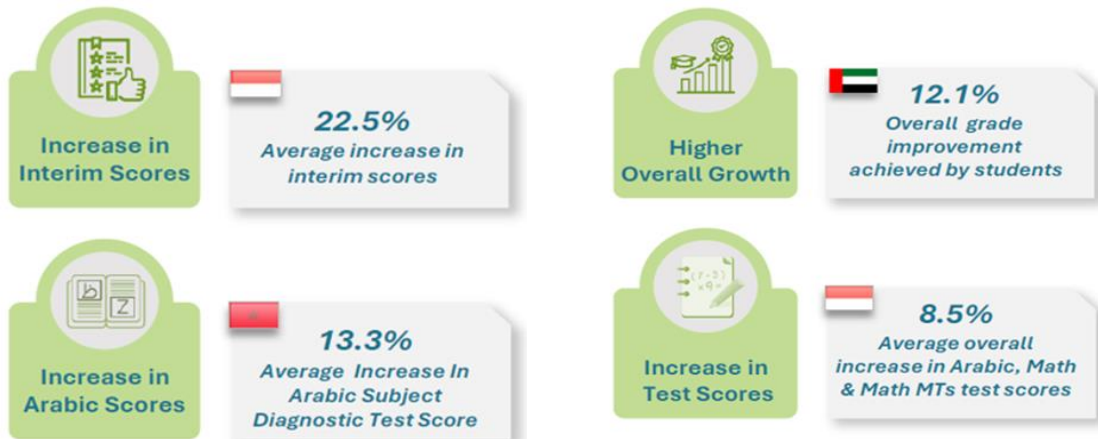
Competitive Strengths

Established Edtech Player with Strong Track Record of Success Across Countries of Operation

Within the education sector, governments worldwide place a particular emphasis on partnering with companies that exhibit a track record of success, especially in improving student outcomes. Governments’ ministries of education focus on providing the best quality education for the budgets available (including through a combination of curriculum, instructional materials, teacher supply and professional development) to upskill a nation’s future workforce. They are often measured on how well students in their countries perform in standardised tests, such as the Program for International Student Assessment (“PISA”). As a result, companies like the Group, which have a strong track record in enhancing student performance are highly sought after by governments seeking to maximise educational outcomes.

Throughout its 7-year history, the Group has invested heavily in its in-house research functions, which serves to empirically assess performance to ensure and validate the efficacy of its offerings to acquire additional market share. The outcome of such research has demonstrated the Group’s ability to improve student test scores across various geographies. In Indonesia, for example, the Group’s platforms contributed to an increase in student scores by an average of 8.5% across Arabic, Math, and Math MT subjects, along with a remarkable 22.5% increase in interim test scores. As a result of its achievements in

Indonesia, the Group had 339,000 onboarded students and 8,000 onboarded teachers in Indonesia as of June 2023 and 649,000 registered students as of December 2023. Similarly, in Morocco, where the Group conducted a 6-month period pilot-program in the 2022-2023 academic year, the Group's platforms contributed to a significant 13.3% increase in Arabic subject diagnostic test scores, a 22.7% increase in overall final exam test scores for students and a 27% increase in test scores for Grade 9 English students, with 465 monthly active users in March 2022. In the 2018-2019 academic year, Alef Education conducted a large-scale, controlled experiment in Abu Dhabi, UAE, analysing final exam results from 357 public schools. The study revealed that students using the Alef platform demonstrated a 12.1% higher growth in their grades compared to their peers.



Additionally, experience gained across various geographies has enhanced the Group's multi-lingual abilities and has served as a proof of concept, showcasing its impact on international student learning, and allowing it to roll out services in various languages with ease, while catering to diverse student populations.

The Group has published several peer-reviewed papers, of which some have identified language difficulties as a leading barrier to student learning, particularly in Math. This research underscores the importance of the Group's multilingual abilities, which enables it to maximise student learning outcomes across different geographies and language backgrounds.

Due to the Group's strong track record of positive results, as well as positive impact on student's learning capabilities and in-house research capabilities and data aggregation, the Group enjoys high levels of customer satisfaction, with governments increasingly relying on the data and insights provided by the Group. This reliance has led to the establishment of a sticky long-term contract, further solidifying the Group's position as a trusted partner in driving educational excellence.

Redefining the Educational Experience Through Fully-Fledged AI-Powered Learning Solutions Catering to All Key Stakeholders in the Education Ecosystem

Classrooms today often struggle to cater to the diverse needs of students, leading to a standardised learning experience that can be ineffective and tedious for many. This lack of personalization is one of the leading problems currently facing the world of education, with some students lagging while others excel, underscoring the need for innovative solutions. Additionally, the traditional teaching model places considerable time constraints and administrative burdens on teachers, limiting their ability to provide individualised attention to those who need it most.

To address these significant hurdles, the Group set out to implement an AI-powered learning platform combined with interactive materials that keeps students engaged, allows teachers to focus on students who need additional support and gives parents visibility on their children's performance on a rolling basis. This approach ultimately addresses some of the most fundamental challenges facing modern education, which has long been in need of alignment with the unique requirements of the 21st century student.

The Group's AI-powered study companion is aiming to bring quality education to an increasingly wide audience whose educational needs were previously unmet, by providing tailored recommendations to students, and acting as an attentive personal tutor able to recognize the unique strengths and areas of weakness of each student. The AI tutor aims to analyse each student's performance to offer personalised study plans in order to maximise the students' learning outcomes. The system also features the added

benefit of being connected with the student’s learner profile allowing for better targeted instructions.

The Group’s platform is distinctive in its cloud-based approach from the outset, which has allowed for improved scalability and reliability. This system – which has been built in-house with all intellectual property and digital assets belonging to the Group – boasts a modular infrastructure facilitating the roll out of select products to different customers, and which can be toggled on and off with ease.

Strong Growth, Profitability and Cash Flow Generation Leveraging Long-Term Contract

The Group has consistently delivered strong financial performance, with revenue from contracts with customers reaching AED 750 million for the financial year ended 31 December 2023, increasing by 12.4% from AED 667 million in the financial year ended 31 December 2021, underpinned by robust profitability margins, with Adjusted EBITDA and Adjusted Net Profit margins standing at 65% and 61%, respectively, for the financial year ended 31 December 2023. This is further underscored by the consistency of these margins, whereby the Group has managed to achieve a similarly high average Adjusted EBITDA margin of 62% between 2021-2023. The Group’s financial stability is further bolstered by visibility on minimum revenue from the ADEK Agreement, supported by a minimum number of students of 80,000 students and a minimum fixed fee per student (subject to cost-based escalations), with seven years remaining plus an additional four years’ extension being formalized. This arrangement provides a reliable revenue stream, enhancing the Group’s financial predictability and resilience.

The Group’s business model, which emphasises embedded technology and data-driven insights, results in sticky contracts with sound margins. As customers and educators increasingly rely on the data gathered by the Group’s platform, the Group believes that there is an inclination to renew contracts, further solidifying the Group’s revenue base. This sticky revenue model enhances the Group’s financial sustainability and long-term growth prospects.

Furthermore, the Group currently maintains an un-levered balance sheet, which provides ample capacity for financing going forward. The Group plans to capitalise on financial flexibility in executing its ambitious growth plans, including expanding into new markets, investing in research and development, and acquiring complementary businesses. The Group’s strong financial position and financing capacity position it well to capitalise on growth opportunities, with the aim to continue delivering significant value to its stakeholders.

The following chart provides an overview of the Group’s financial performance as at and for the years ended 31 December 2021 and 31 December 2022 and 31 December 2023 and for the three months period ended 31 March 2024:

	As at/ for the year ended 31 December			As at/ for the three months period ended 31 March
	2021	2022	2023	2024
	<i>(all amounts in AED millions, unless otherwise indicated)</i>			
Revenue from contracts with customers	667	773	750	177
Adjusted EBITDA ⁽¹⁾	396	476	489	130
Adjusted EBITDA margin (%) ⁽²⁾	59%	62%	65%	73%
Adjusted Net Profit ⁽³⁾	359	437	455	110
Adjusted Net Profit margin (%) ⁽⁴⁾	54%	57%	61%	62%
Net cash (used in) generated from operating activities	251	496	478	(73)
Lease liabilities	-	-	0.5	0.2
Cash conversion	95%	94%	93%	57%
Capital Expenditure	18	33	37	57
Operating Free Cash Flow ⁽⁵⁾	248	493	480	196
Dividend distributed	-	-	1,632 ⁽⁶⁾	-

Note:

- (1) Adjusted EBITDA = Profit for the period/year + depreciation on property and equipment and right of use assets + amortisation of intangible assets + interest expense on lease liability + income tax expense – income from financial assets carried at fair value through profit or loss – interest income.
- (2) Adjusted EBITDA margin = Adjusted EBITDA / revenue from contracts with customers.
- (3) Adjusted Net Profit = Profit for the period/year – income from financial assets carried at fair value through profit or loss – interest income.
- (4) Adjusted Net Profit margin = Adjusted Net Profit / revenue from contracts with customers.
- (5) OFCF = Adjusted EBITDA +/- Change in Net Working Capital. Refer to Net Working Capital reconciliation. Current trade and other receivables as at 31 March 2024 amounted to AED 382,663,056. The amount of current trade and other receivables used in this Net Working Capital calculation for the three month period ended 31 March 2024 excludes

ADEK receivable of AED 129,480,278 (majority of receivable received in April 2024) and PC receivables of AED 128,495,048 which were adjusted due to administrative delay.

- (6) The dividends for the financial year ended 31 December 2023 were recommended by the board of Alef Education, approved by the Selling Shareholders on 13 December 2023, and beneficially assigned on 17 December 2023. The total dividend distributed amounted 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 to the Selling Shareholders in full settlement of the dividend liability. The dividend was settled through receivables from a related party (Capital Investment L.L.C.) and financial assets recorded at fair value of AED 1.017 billion and AED 0.615 billion respectively. Dividends paid through a related party can also be compared with financing activities in the Group's Statement of Cash Flows. The movement in the relevant accounting items due to the payment of dividends is summarised below (please refer to Note 25 of the Financial Statements for further details):

Description	Amount before dividends	Dividends	Amount after dividends
Amount due from related party - Capital Investment (Note 15)	AED 1,126,891,526	AED (1,017,489,192)	AED 109,402,334
Financial assets recognised at fair value through profit or loss (Note 8)	AED 614,606,186	AED (614,606,186)	
		AED (1,632,095,378)	

Seasoned Management Team with Extensive Experience in Education and Technology Backed by a Reputable Shareholder Base

The Group's management team is recognized for its deep industry expertise and strong leadership in the educational sector. The team consists of alumnus from key education sector companies including Pearson, McGraw Hill and Houghton Mifflin Harcourt. Comprised of professionals with diverse backgrounds in education, the team is well-equipped to drive the Group's success in the future. Management's extensive experience also allows them to develop innovative solutions that meet the evolving needs of educators, students and institutions.

Backed by strong shareholders, which indirectly include Abu Dhabi Capital Group, the Group's management team is well-positioned to unlock the next phase of growth. Their strategic vision and commitment to excellence have already propelled the Group to new heights, and their continued guidance and leadership are expected to drive sustained growth and value creation. With a proven track record of delivering results and a clear roadmap for the future, the management team plays a pivotal role in shaping the Group's success story.

Strategy

Large and Growing Addressable Market Underpinned by Strong Tailwinds

The Group operates within a sizeable market that is set to realize significant growth in the coming years, both on a regional and global basis, with the global K-12 education sector market size estimated at AED 14.75tn in 2020, projected to grow at a CAGR of approximately 5% between 2020 and 2030. Additionally, the global total addressable market for learning materials, which is defined as all spend on learning materials, print and digital, on all the subjects in each grade from Kindergarten through Grade 12 ("TAM") is estimated at AED 323 billion in 2023, and is projected to increase to AED 338 billion by 2027. Within that, the education technology ("EdTech") market's share of the industry is forecasted to increase from 36% to 65% across the same period, growing from AED 117 billion to AED 220 billion respectively (source: Industry Report).

Growth thus far has been strongly supported by - and continues to benefit from - the UAE government's focus on providing quality education to a wide student base, with the fiscal budget allocated to education representing 15% of the total federal budget, at approximately AED 10 billion in 2023 (source: Industry Report). Similarly, neighbouring GCC countries share the same vision of improving human capital development to drive a knowledge-based economy and have also allocated significant portions of GDP towards the education sector.

Beyond the GCC, the Group's future growth potential is also buoyed by the significant fiscal education spend across the wider MENA region - an area which the Group proudly calls home - a region which the Group estimates has allocated an average of 4% of GDP towards education spending in 2022. Additionally, the Group is also set to realize further growth in various other geographies which also underscore education as a key driver for long term social and economic empowerment.

The sector is further supported by increasing NGO spend, with UNICEF having invested USD 1.2 million in Egyptian K-12 market and unlocked an additional funding of USD 16.5 million from the UK and the

GPE to advance the implementation of Education 2.0; meanwhile the World Bank loaned USD 500 million for its “Supporting Egypt Education Reform Project,” which aligns with Education 2.0 (source: Industry Report).

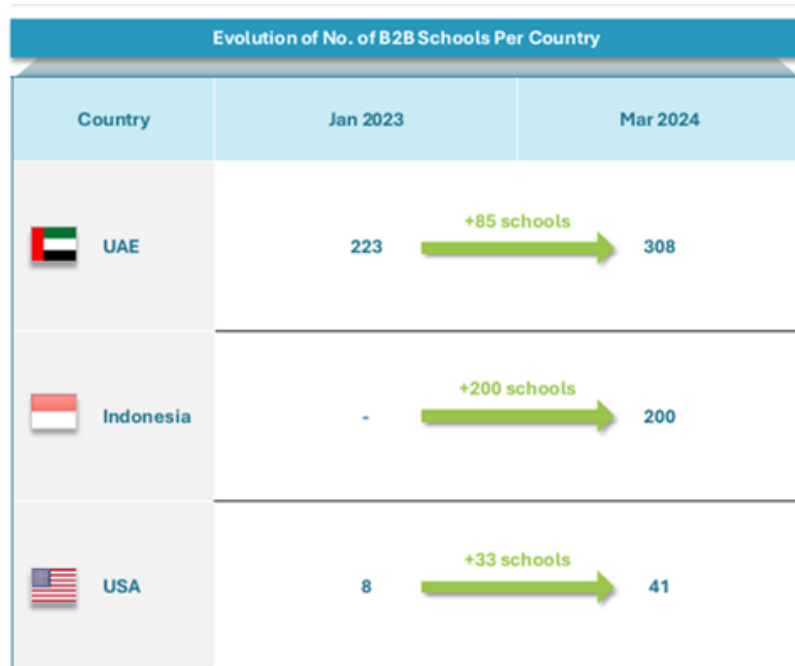
Alongside sizable public spending in the sector, countries like KSA have seen a rapidly growing share of private sector involvement, both on a national and international level. With the region playing host to some of the world’s top K-12 schools from various curricula including International Baccalaureate (IB), A-Levels, IGCSE and American AP system.

Ultimately, the Group aspires to be both a beneficiary and a proponent of the market’s push towards EdTech, as it aims to increase its presence across several key markets, and within key segments including early childhood education, assessments for K-12 and teacher development.

Scalable Business Model Building on Strong Digital Foundation Well-Positioned to Harness Future Growth on the Back of Well-Defined Growth Strategy

The Group believes it is well positioned to achieve its strategy to become a global leader in the EdTech industry, with a scalable business model that leverages its various unique strengths including a proprietary multiplatform solution, a multi-lingual approach adaptable to many geographies, as well as a customizable core curriculum that can adapt to the unique requirements of local syllabi.

As part of its multi-pronged growth strategy, the Group has set out a strategy to super-serve the UAE’s business-to-government (“B2G”) and business-to-business (“B2B”) markets, representing the first of its key growth pillars. Having already captured significant market share within the country’s B2G market at the G5-12 level, the Group aims to unlock further growth by offering its services to a younger student base. On the B2B front, the Group currently serves approximately 40-50% of the UAE’s private school market, offering a small handful of subject areas. To expand within this space, the Group plans to expand its offerings into more subjects and content areas, as well as catering to a wider range of age groups within the private market. The following chart illustrates the evolution of the number of B2B schools served by the Group in the UAE, Indonesia and the US between January 2023 and March 2024.



Another key pillar of the Group’s growth strategy is its high-impact B2G strategy. The TAM for the high impact B2G market in focus geographies identified by the Group for its expansion strategy was estimated by the Group to amount to approximately AED 22 billion, inclusive of physical and digital instructional material. As mentioned, governments around the world are prioritizing educational improvement as a means for social and economic empowerment, presenting a significant opportunity for the Group while allowing it to make a tangible impact on students’ lives. The Group has previously achieved immense success within the Indonesian market, whereby it was able to roll out its services to approximately 650

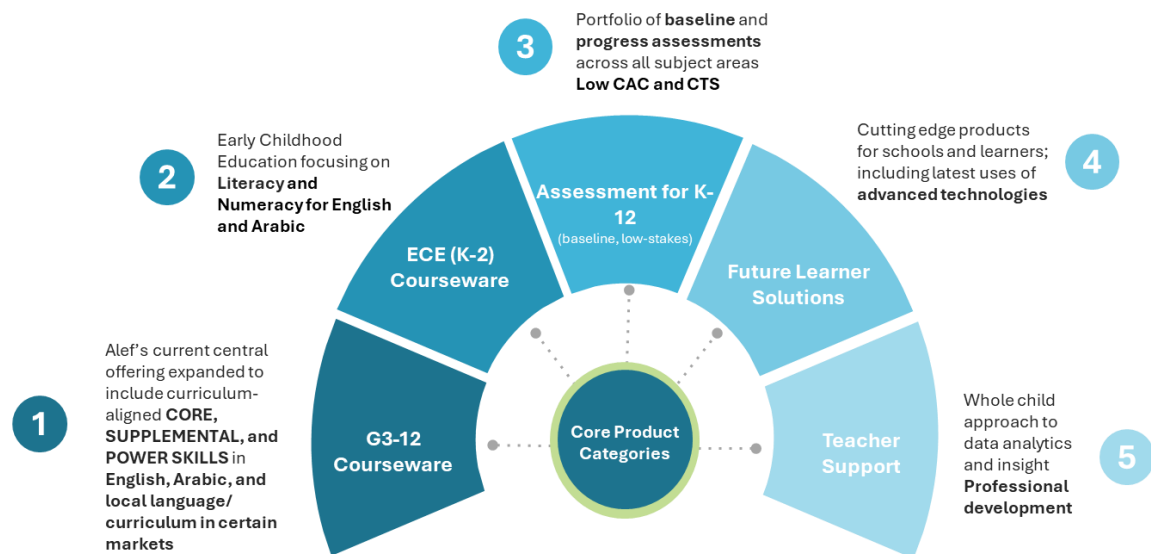
thousand students across approximately 6,000 schools as of 2023, offering a variety of subjects in the Bahasa Indonesian language, all from within its native multi-platform solution.

Furthermore, the Group has also tested its platform within the North African market, having completed a pilot program in Morocco, as well as various initiatives in certain Arabic speaking countries. The Group is also in discussions with several governments to expand its offering to other jurisdictions, highlighting its potential to become a global leader in this segment.

The final key growth strategy pillar centres on the Group expanding into the global B2B market to unlock additional growth, further strengthening its potential to become a global leader in EdTech. The TAM for the global B2B market in focus geographies identified by the Group for its expansion strategy was estimated by the Group to amount to approximately AED 25 billion, inclusive of digital instructional material. The Group operates on a software-as-a-service (SAAS) model catering to private education groups, which provides it with stable recurring revenues from thousands of potential clients. With a successful expansion into Indonesia and traction in the US market, the Group has demonstrated its ability to scale internationally. Additionally, the Group has recently onboarded an on-the-ground sales team in Saudi Arabia and Egypt, further enhancing its growth prospects within these two large markets.

To achieve its stated mission, the Group plans to focus on both organic and inorganic growth strategies. Organically, the Group aims to build its go-to-market capabilities and collaborate with distributors and resellers, while expanding its product offering. The Group’s go-to-market plans are developed with the goal to achieve certain key objectives, namely maximising school penetration, optimising pricing, increasing products per school and minimising churn, through investing in targeted local sales and marketing, investing in product portfolio as well as customer success. Inorganically, the Group will pursue a strategy similar to that of successful peer companies (including some in the US), by either acquiring or investing in companies either with products or capabilities that complement its own (Capability Targets), or those which would allow the Group to cross sell its services to a wide customer base (Distribution Targets). This approach will enable the Group to expand its reach and enhance its distribution capabilities, accelerating its growth trajectory.

The Group’s strategic focus areas include the UAE as its core market, where there is ample room for growth. The Group will also target home markets that share cultural, language, and pedagogical similarities, as well as developed markets where EdTech adoption is high. Additionally, in time and when the economics are satisfactory, the Group will focus on high-growth emerging markets. This multi-faceted approach to market targeting positions the Group as a formidable player in the global EdTech landscape. The following chart provides an overview of the Group’s product portfolio expansion strategy through organic and inorganic means:



Risk Factors

Investing in and holding the Offer Shares involve significant risk, including the following:

Risks Relating to the Group and its business

- The Group's revenues and financial performance is currently highly dependent on a single client which means the Group faces a prolonged period of operational and economic reliance on this single contractual relationship for its revenue stream. Any violation of the terms of this agreement will have a detrimental effect on the Group.
- Alef Education is party to a number of supply agreements that subject the Group to various economic, legal, and financial risks that could materially impact the Group's operations and reputation.
- Alef Education is a party to a number of supply contractual arrangements and any breach of the terms of these agreements could cause financial and operational risks to the Group.
- Risks relating to regulatory oversight and the licensing requirements in the UAE and the Group is subject to a wide variety of regulations and is required to obtain and maintain various licenses and permits, any failure of which may have a material adverse effect on us.
- The Group's financial performance depends on the level of student enrolment in the Group's online educational platforms.
- The Group is providing services to Northern Emirates and Dubai Public schools without any revenue and incurring costs. The Group's inability to monetize these services could significantly impact its financial performance over the long term, potentially affecting its ability to sustain operations and achieve.
- A significant portion of the Group's revenue is generated from a business relationship with Presidential Court (PC) without a formal written agreement. The reliance of the Group on informal agreements places the Group in a vulnerable financial situation.
- The Group's financial performance depends in part on its ability to increase its fixed or capped fees and maintain the profitability of the Group's online educational platforms.
- If the pattern of payment of fees in the Group's Online educational platforms materially changes, this may have a negative effect on the Group's cash flows and operations.
- The Group faces competition, which could divert schools and students to the Group's competitors, lead to pricing pressure and loss of market shares, and significantly reduce the Group's results of operations.
- The Group's business depends heavily on the strength of the Group's brand awareness and reputation, and end users' recognition and their trust in the Group's smart learning may be materially and adversely affected if the Group fails to maintain and enhance the Group's brand and reputation.
- The Group depends on its dedicated and capable educational resource research and development crew and other research staff, and if the Group is not able to continue to hire, train and retain such qualified staff, it may not be able to maintain consistent quality of the courseware, pre-recorded video resources and other digital educational resources. As such, the Group's brand, business and operating results may be materially and adversely affected.
- The Group's development strategies may not achieve the expected goals in the near term, or at all.
- Alef Education has entered into several related party agreements. These agreements carry specific legal, economic, and business risks that could materially impact the Group's operations, financial performance, and strategic objectives.
- The Group is subject to risks associated with international market expansion and diversification.
- Any errors, inaccuracies, or outdated materials in the educational content could lead to customer dissatisfaction, regulatory penalties, or legal liabilities.
- The Group's future prospects are subject to the development of population structure in the UAE and its ability to penetrate the private school sector.
- The Group's IT systems and infrastructure is reliant on third party vendors and as such could experience unexpected system failures, interruptions, inadequacies or security breaches, outside of its control.
- The Group business is subject to complex and evolving laws and regulation regarding data security and privacy.
- The Group's reliance on modern third party SAAS products in its day to day running of operations, its

own Cloud Hosted products, and the general usage of internet connected work devices exposes it to cybersecurity risks such as data breaches, hacking, malware attacks, or system failures, which could compromise user data, disrupt operations, or damage its reputation.

- The Group's failure to detect or prevent fraudulent or illegal activities or other misconduct by its employees, distributors, suppliers or other third parties may have a material adverse effect on its business.
- The Group's revenues are concentrated in the UAE and are affected by the economic and political conditions in the markets in which it operates.
- Any damage to the reputation of any of the Group's online educational platforms may adversely affect the Group's business.
- If the Group fails to help its students achieve their academic goals, student and parents' satisfaction with the Group's services and online educational platforms may decline.
- If the Group's online educational platforms lose or fail any of the regulatory inspections, or if there be a change in regulatory approach leading to the implementation of performance and quality evaluations and the Group experiences a downgrade in ratings or fail to obtain international curriculum accreditations required to provide any of its international programs and curricula, the attractiveness of the online educational platforms may decline.
- The Group may fail to successfully develop and introduce new education technology services and programmes or launch and diversify new products and educational resources to adapt to changing customer demands in a timely manner.
- The Group's success depends on its ability to recruit, train, retain and motivate qualified and dedicated professional educational staff.
- The Group may not be able to retain key personnel or hire and retain additional personnel needed to sustain and grow its business as planned.
- The Group may be liable for adverse events that occur on the Group's online educational platforms or from the provision of certain related services and the Group's insurance may be inadequate or premiums may increase substantially due to the occurrence of such events.
- The Group has limited insurance to cover its potential losses and claims.
- The Group's historical results, growth rates and profitability may not be indicative of its future performance, including if user and subscriber acquisition does not continue to increase at the same rate.
- If the Group is unable to maintain or upgrade or keep pace with changes in technology or the education technology market, its technology and other offerings may be less attractive to students, which may materially and adversely affect its business.
- Significant disruptions to the Group's information technology systems, breaches of the Group's data security, unauthorised disclosures or manipulation of sensitive personal data could expose the Group to litigation or could adversely affect its business or reputation.
- The Group's internal controls, procedures and policies may fail to ensure adherence to applicable regulations and the Group's risk management and internal control systems may not be adequate or effective.
- The Group's brand is dependent upon its intellectual property rights, and any failure or inability to protect those rights could reduce the value of the Group's services and brand.
- Risk relating to the Group's inability to execute its growth strategy.
- Future financing and the associated covenant restrictions and compliance Implications, non-compliance with which could result in acceleration of payment of financed amounts or termination of such agreements.
- The Group may be involved in claims, disputes and legal proceedings in its ordinary course of business.

Risks Relating to Abu Dhabi, the UAE and the MENA Region

- General economic, financial and political conditions in the UAE, where the Group conducts the majority of its operations, may materially adversely affect the Group's business, financial position and results of operations.
- The UAE's economy is significantly affected by volatility in international crude oil prices and its economy has in the past been, and is likely in the future to continue to be, materially adversely affected

by lengthy periods of low crude oil prices.

- Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect the Group's business, financial condition and results of operations.
- Governments in the MENA region have exercised and continue to exercise significant influence over their respective economies, and legal and regulatory systems in the MENA region, which may create an uncertain environment for investment and business activities.
- Abu Dhabi and the UAE may decide to introduce new laws and regulations, and have recently introduced corporate income tax, which could adversely affect the way in which the Group is able to conduct its businesses and its results of operations and financial condition.
- The UAE's Emiratisation initiative may increase the Group's costs and may reduce its ability to rationalise its workforce.
- The Group's financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.

Risks Relating to the Offering and to the Shares

- The Company is a holding company and substantially all of its operations are conducted through its subsidiaries.
- Substantial sales of Shares by the Shareholders or future issuances of Shares by the Company could depress the price of the Shares.
- The Selling Shareholders will retain significant interest in, and exercise significant control over, the Group and their interests may differ from those of the other.
- The Shares have never been publicly traded and the Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.
- The market price of the Shares may rise or fall rapidly, the Shares may trade at a discount to the Offer Price and Shareholders may be unable to realise their investments through the secondary market at the Offer Price.
- The Company may not pay dividends on the Shares and consequently, investors may not receive any return on their investment unless they sell their Shares for a price greater than that which was paid for them.
- It may be difficult for shareholders to enforce judgments against the Group in the UAE, or against the Company's directors and senior management.
- Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their preemptive rights if the Company increases its share capital.

THE GLOBAL OFFERING

“Company”	Alef Education Holding plc
“Selling Shareholders”	Tech Nova Investment LLC – Sole Proprietorship L.L.C., and Kryptonite Investments L.L.C. – O.P.C. Immediately following completion of the Global Offering, Tech Nova Investment LLC – Sole Proprietorship L.L.C., and Kryptonite Investments L.L.C. – O.P.C. will continue to own in aggregate at least 80 % of the Company’s issued and outstanding share capital assuming that the Selling Shareholders sell all of the Offer Shares being offered and that the size of the Global Offering is not increased.
“Joint Lead Managers and Joint Bookrunners”	EFG Hermes and FAB have been appointed as Joint Lead Managers and Joint Bookrunners.
“Global Offering”	1,400,000,000 ordinary shares are being offered in the Global Offering (the “Offer Shares”). The Global Offering comprises the Qualified Investor Offering (including the Institutional Offering) and the UAE Retail Offer. All of the Offer Shares are being sold by the Selling Shareholders. The Selling Shareholders reserve the right to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion. The net proceeds generated by the Global Offering (after base fees and discretionary fees are paid) will be received by the Selling Shareholders. The Company will not receive any proceeds from the sale of Offer Shares by the Selling Shareholders other than reimbursement from the Selling Shareholders for any expenses relating to the Global Offering. The Offer Shares are being offered outside the United States in reliance on Regulation S. The Exempt Offer is being made in the DIFC pursuant to an exemption from registration under the Markets Rules of the DFSA and in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA. Subject to the approval of the SCA, the Selling Shareholders reserve the right to alter the percentage of the Global Offering which is to be made available to either the UAE Retail Offer, which shall not exceed 40% of the total Offer Shares offered in the Global Offering, or the Qualified Investor Offering, which shall not be reduced to less than 60% of the total Offer Shares offered in the Global Offering.
“Qualified Investor Offering”	92% of the Offer Shares being offered in the Global Offering are being offered to certain investors in the Qualified Investor Offering: (i) outside the United States in reliance on Regulation S; and (ii) pursuant to the Exempt Offer.
“Exempt Offer”	A number of Offer Shares to be determined by the Joint Lead Managers, the Selling Shareholders and the Company are being offered in the DIFC Exempt Offer in the DIFC pursuant to an exemption from registration under the Markets Rules Module of the DFSA Rulebook, and in an ADGM Exempt Offer in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA.
“UAE Retail Offer”	8% of the Offer Shares are being offered in the UAE pursuant to the UAE Prospectus, the publication of which was approved by the SCA, to (A) natural persons who hold a national investor number (“NIN”) with the ADX and (B) other investors (including natural persons, companies and establishments) who do not participate in the Qualified Investor Offering that hold a

	NIN with the ADX.
“Shares”	The Company’s share capital consists of 7,000,000,000 ordinary shares, each with a nominal value of AED 0.01, which are fully paid, issued and outstanding.
“Offer Price Range”	The offer price range is AED 1.30 to AED 1.35 per Share.
“Commencement of the Global Offering”	On or around 28 May 2024.
“Expected Pricing Date”	On or around 6 June 2024.
“Expected Closing Date”	On or around 12 June 2024.
“Payment and settlement”	<p>Payment for the Offer Shares purchased in connection with the Qualified Investor Offering shall be made in AED, specified by each purchaser to the Joint Lead Managers during the book building process. Purchasers will be required to make full payment for the Offer Shares to the Joint Lead Managers for receipt by the Joint Lead Managers two business days prior to the Closing Date. In the event of a failure to make timely payment, purchasers of Offer Shares may incur significant charges.</p> <p>Delivery of the Offer Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the ADX. Trading of the Offer Shares will take place through the trading system of the ADX. Offer Shares will be held under NINs assigned by the ADX either to the holders directly or through custodian omnibus accounts and the ownership of the Offer Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the ADX by brokers or custodians may be performed only through members of the ADX that are authorised clearing members (the “Clearing Members”). Settlement of securities trading on the ADX is governed by the ADX’s rules and regulations, which are available from its website, www.adx.ae.</p>
“Exchange” or “ADX”	The Abu Dhabi Securities Exchange.
“Restrictions on Purchases and Transfers of Offer Shares”	The Offer Shares are subject to certain restrictions on their purchase, resale and transfer. For more information, see “ <i>Sale of Shares</i> ” and “ <i>Transfer Restrictions</i> ”.
“Dividends”	<p>The Company’s ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, the amount such dividend will be. See “<i>Risk Factors—Risks Relating to the Offer Shares—The Company may not pay dividends on the Shares and consequently, investors may not receive any return on their investment unless they sell their Shares for a price greater than that which was paid for them</i>”. Any level or payment of dividends will depend on, among other things, future profits, the Company’s business plan and expansion plans, including both organic and inorganic growth plans, and is at the discretion of the Board of Directors and subject to the approval from the shareholders in the General Assembly.</p> <p>Subject to the foregoing, the Company intends to distribute 90%</p>

of its net profit for the financial years ending 31 December 2024 and 2025.

For the financial years ending 31 December 2024 and 2025, the Company intends to pay a target minimum dividend amount to investors equivalent to annualized dividend of AED 135 million relating to the performance for the financial year ending 31 December 2024 and AED 135 million relating to the performance for the financial year ending 31 December 2025 (the targeted minimum dividend amount for the financial years ended 31 December 2024 and 2025, (the “**Minimum Dividend Guaranteed Period**”) (the “Target Minimum Dividend Amount”).

If, during the Minimum Dividend Guaranteed Period, the portion of the declared dividend to all shareholders (other than the Selling Shareholders) falls below the intended Target Minimum Dividend Amount, then the Selling Shareholders may, subject to not breaching AAOIFI Shariah standards forgo their right to receive dividends to the extent necessary to pay the intended Target Minimum Dividend Amount to all other shareholders (other than the Selling Shareholders).

See “*Dividend Policy*” in Third Section of the UAE Prospectus.

“Use of Proceeds”

The Company will not receive any proceeds from the Global Offering. All proceeds will be received by the Selling Shareholders and all expenses of the Global Offering (including Joint Lead Managers fees and commissions) will ultimately be borne by the Selling Shareholders. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of their shareholding, while providing increased trading liquidity in the Offer Shares and raising the Group’s profile with the investment community.

“Listing and Trading”

Prior to the Global Offering, there has not been any public market for the Offer Shares. There will be no conditional dealings in the Offer Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Offer Shares will commence on the ADX on or about the Closing Date.

“Lock-up”

The Selling Shareholders have contractually agreed, for a period of 180 days after Admission (the “**Lock-up Period**”), not to (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholders), (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Lead

Managers, such consent not to be unreasonably withheld or delayed.

The foregoing restriction will not apply to, among others: (i) the offer and sale of the Shares in the Global Offering; (ii) any inter-company transfers of Shares by the Selling Shareholders in favour of their affiliates (provided that the transferee agrees to comply with the foregoing restrictions); (iii) accepting a general offer (including from the Company) made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein); (iv) taking up any rights granted in respect of a pre-emptive share offering by the Company; (v) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company; (vi) any disposal by and/or allotment and issue of shares to the Selling Shareholders pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholders; or (vii) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

The Company has contractually agreed, for the duration of the Lock-up Period, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The Fatwa issued in relation to the Global Offering does not approve the transactions listed above unless such transactions are structured in a Shari'ah compliant manner.

See “*Sale of Shares—Lock-up Arrangements*” for information on the lock-up or any applicable exceptions thereto.

“Taxation”

For a discussion of certain tax considerations relevant to an investment in the Offer Shares, see the Second Section of the

UAE Prospectus "*UAE Taxation*".

"General Information"

The security identification numbers of the Offer Shares offered hereby are as follows:

Offer Shares ISIN: AEE01388A243

ADX Trading Symbol: AlefEdT

"Risk Factors"

You should read "*Risk Factors*" under the Second Section of the attached UAE Prospectus for a discussion of factors that you should consider carefully before deciding to invest in the Global Offering.

CAPITALISATION

The tables should be read together with “*Presentation of Financial and other Information*”, “*Selected Historical Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the Financial Statements and the related notes thereto, appearing in Annex 1 (*Financial Statements*) of the UAE Prospectus attached to this Offering Memorandum.

The following table sets out the Group’s cash and cash equivalents, and total capitalisation as at 31 March 2024.

	As at 31 March 2024
	<i>(AED)</i>
Cash and cash equivalents	168,891,054
Indebtedness	
Lease Liability- non-current	12,210
Lease Liability- current	208,137
Total indebtedness	220,347
Equity	
Share capital	70,000,000
Shareholders’ contribution	167,559,022
Other reserve	75,000
Retained earnings	389,813,735
Total equity	627,447,757
Total capitalisation⁽¹⁾	627,668,104

(1) Total capitalisation is calculated as the sum of total equity and total indebtedness.

SELECTED HISTORICAL FINANCIAL INFORMATION

The selected historical financial information set forth below is based upon the Financial Statements, which have been prepared in accordance with IFRS.

The selected historical financial information should be read in conjunction with the “Presentation of financial and other information”, and “Management Discussion and Analysis of Financial Condition and Results of Operations” sections, and the Financial Statements, including the related notes, included elsewhere in Annex I (Financial Statements) of the UAE Prospectus attached to this Offering Memorandum.

Special purpose consolidated statement of comprehensive income data

	3 months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
INCOME					
Education solution fees	164,078,655	163,730,173	656,945,193	654,596,955	585,660,789
IT set-up fees.....	-	-	43,084,230	69,377,251	37,450,483
IT maintenance fees	12,572,171	12,144,052	49,496,003	48,719,133	44,248,071
Revenue from contracts with customers.....	176,650,826	175,874,225	749,525,426	772,693,339	667,359,343
EXPENSES					
Salaries and other benefits.....	(27,103,018)	(30,189,215)	(127,643,829)	(136,889,693)	(120,517,009)
Technology expenses	(8,508,908)	(6,867,232)	(63,061,653)	(83,033,402)	(80,527,815)
Software licenses.....	(6,413,550)	(5,298,317)	(24,111,194)	(23,076,971)	(20,712,747)
Amortisation for intangible assets	(8,409,112)	(7,778,730)	(30,732,894)	(30,238,093)	(26,512,823)
Legal and professional fees	(2,049,630)	(5,787,666)	(30,788,935)	(41,657,037)	(36,729,513)
Depreciation on property and equipment	(396,671)	(1,420,165)	(3,271,862)	(8,563,942)	(9,748,633)
Lease expenses.....	(941,780)	(885,116)	(3,530,964)	(4,120,597)	(4,022,688)
Marketing expenses.....	(1,123,847)	(2,648,537)	(7,845,303)	(4,488,845)	(5,598,668)
Others.....	(753,421)	(840,610)	(3,624,960)	(3,648,022)	(3,732,334)
Total expenses.....	(55,699,937)	(61,715,588)	(294,611,594)	(335,716,602)	(308,102,230)
OPERATING PROFIT FOR THE PERIOD / YEAR.....	120,950,889	114,158,637	454,913,832	436,976,737	359,257,113
Income from financial assets carried at fair value through profit or loss.....	-	91,362,983	122,795,687	237,947,155	67,893,713
Interest income.....	3,218,014	534,845	8,698,380	171,505	-
PROFIT FOR THE PERIOD / YEAR BEFORE TAX	124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Income tax expense	(11,141,451)	-	-	-	-
PROFIT FOR THE PERIOD / YEAR	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Other comprehensive income	-	-	-	-	-
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD / YEAR.....	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Earnings per share attributable to the Equity holders of the Parent:					
- basic and diluted earnings per share (AED).....	0.49	-	-	-	-

Special purpose consolidated statement of financial position data

	As at 31 March		As at 31 December		
	2024	2023	2023	2022	2021
			(AED)		
ASSETS					
Non-current assets					
Property and equipment	2,279,278	3,350,011	2,540,005	4,649,091	10,518,818
Intangible assets	127,985,269	76,432,728	79,898,352	74,785,546	75,101,023
Right of use assets	422,875	653,526	480,533	-	-
Trade and other receivables	4,984,419	9,367,250	12,425,319	10,562,585	10,364,798
Total non-current assets	135,671,841	89,803,515	95,344,209	89,997,222	95,984,639
Current assets					
Investments carried at fair value through profit or loss	-	936,223,905	-	869,032,026	269,863,572
Trade and other receivables	382,663,056	128,152,118	154,947,624	137,305,049	154,605,809
Amounts due from related parties	76,227,021	558,932,491	109,755,488	387,010,412	249,833,130
Cash and cash equivalents	168,891,054	202,785,106	261,773,715	171,437,937	205,585,278
Total current assets	627,781,131	1,826,093,620	526,476,827	1,564,785,424	879,887,789
TOTAL ASSETS	763,452,972	1,915,897,135	621,821,036	1,654,782,646	975,872,428
EQUITY AND LIABILITIES					
Equity					
Share capital	70,000,000	-	-	-	-
Shareholders' contribution	167,559,022	167,559,022	167,559,022	167,559,022	167,559,022
Other reserve	75,000	75,000	75,000	75,000	75,000
Retained earnings	389,813,735	1,598,530,227	346,786,283	1,392,473,762	717,378,365
Total equity	627,447,757	1,766,164,249	514,420,305	1,560,107,784	885,012,387
Non-current liabilities					
Provision for employees' end of service benefits	13,720,285	11,587,687	12,921,328	11,216,918	6,018,357
Lease liability	12,210	219,591	241,965	-	-
Total non-current liabilities	13,732,495	11,807,278	13,163,293	11,216,918	6,018,357
Current liabilities					
Amount due to a related party	-	-	-	-	37,826
Trade and other payables	122,064,583	137,705,314	94,008,382	83,457,944	84,803,858
Lease liability	208,137	220,294	229,056	-	-
Total current liabilities	122,272,720	137,925,608	94,237,438	83,457,944	84,841,684
Total liabilities	136,005,215	149,732,886	107,400,731	94,674,862	90,860,041
TOTAL EQUITY AND LIABILITIES	763,452,972	1,915,897,135	621,821,036	1,654,782,646	975,872,428

Special purpose consolidated statement of cash flows data

	3 months ended 31 March		Year ended 31 December		
	2024	2023	2023 (AED)	2022	2021
Operating activities					
Profit for the period / year before tax....	124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Adjustments for:					
Depreciation on property and equipment	396,671	1,420,165	3,271,862	8,563,942	9,748,633
Depreciation on right of use asset.....	57,658	38,371	211,364	-	967,582
Amortisation of intangible assets.....	8,409,112	7,778,730	30,732,894	30,238,093	26,512,823
Income from financial assets carried at fair value through profit or loss.....	-	(91,362,983)	(122,795,687)	(237,947,155)	(67,893,713)
Interest expense on lease liability	8,208	6,919	38,055	-	-
Write-off of intangible asset	-	-	-	-	741,266
Write-off of property and equipment....	-	-	-	17,571	-
Provision for employees' end of service benefits	1,195,000	969,199	4,286,824	7,480,607	6,322,132
Gain on disposal of property and equipment	-	-	(6,538)	-	-
Interest income	(3,218,014)	(534,845)	(8,698,380)	(171,505)	-
	131,017,538	124,372,021	493,448,293	483,276,950	403,549,549
Working capital changes:					
Amounts due from related parties.....	55,454	3,982	(289,966)	1,739,801	(1,525,274)
Trade and other receivables.....	(219,693,338)	10,348,266	(19,505,309)	17,102,973	(144,919,777)
Trade and other payables.....	15,665,359	54,247,370	6,444,006	(3,798,857)	(1,829,806)
Amount due to a related party	-	-	-	(37,826)	37,826
Cash (used in) generated from operating activities	(72,954,987)	188,971,639	480,097,024	498,283,041	255,312,518
Employees' end of service benefits paid	(396,043)	(598,430)	(2,582,414)	(2,282,046)	(4,517,158)
Net cash (used in) generated from operating activities	(73,351,030)	188,373,209	477,514,610	496,000,995	250,795,360
Investing activities					
Purchase of property and equipment....	(135,944)	(121,085)	(1,162,776)	(2,711,786)	(1,182,247)
Purchase of financial assets carried at fair value through profit or loss.....	-	(30,432,952)	(61,464,112)	(757,637,124)	(374,248,455)
Proceeds from disposal of financial assets carried at fair value through profit or loss.....	-	48,287,331	418,270,957	386,820,214	169,410,489
Dividend income from financial assets at fair value through profit or loss....	-	6,316,725	20,414,682	9,595,611	2,868,107
Amounts due from related parties.....	33,473,013	(171,926,061)	280,856,346	(138,917,083)	(248,030,141)
Purchase of intangible assets	(55,246,638)	(9,425,912)	(31,739,268)	(27,469,673)	(16,852,819)
Term deposit.....	(140,000,000)	-	-	-	-
Proceeds from disposal of property and equipment	-	-	6,538	-	-
Net cash (used in) generated from investing activities	(161,909,569)	(157,301,954)	625,182,367	(530,319,841)	(468,035,066)
Financing activities					
Interest income	2,636,820	534,845	5,386,924	171,505	-
Dividend paid through a related party ..	-	-	(1,017,489,192)	-	-
Payment of principal portion of lease liability.....	(258,882)	(258,931)	(258,931)	-	(1,151,111)
Net cash generated from (used in) financing activities	2,377,938	275,914	(1,012,361,199)	171,505	(1,151,111)
Net (decrease) / increase in cash and cash equivalents	(232,882,661)	31,347,169	90,335,778	(34,147,341)	(218,390,817)
Cash and cash equivalents at the beginning of the period / year	261,773,715	171,437,937	171,437,937	205,585,278	423,976,095
Cash and cash equivalents at the end of the period / year	28,891,054	202,785,106	261,773,715	171,437,937	205,585,278
Significant non-cash transactions:					
Issuance of share capital	70,000,000	-	-	-	-
Addition to intangible assets.....	1,249,391	-	4,106,432	2,452,943	-
Dividend paid through a related party ..	-	-	614,606,186	-	-

Special purpose consolidated statement of changes in equity data

	Share capital	Shareholder s' contribution	Statutory Reserve	Retained earnings	Total
			<i>(AED)</i>		
Balance at 1 January 2021	-	167,559,022	75,000	290,227,539	457,861,561
Total comprehensive income for the year.....	-	-	-	427,150,826	427,150,826
Balance at 31 December 2021	-	167,559,022	75,000	717,378,365	885,012,387
Total comprehensive income for the year.....	-	-	-	675,095,397	675,095,397
Balance at 31 December 2022	-	167,559,022	75,000	1,392,473,762	1,560,107,784
Total comprehensive income for the three- month period.....	-	-	-	206,056,465	206,056,465
Balance at 31 March 2023	-	167,559,022	75,000	1,598,530,227	1,766,164,249
Total comprehensive income for the nine- month period.....	-	-	-	380,351,434	380,351,434
Dividend	-	-	-	(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.....	70,000,000	-	-	(70,000,000)	-
Total comprehensive income for the three- month period.....	-	-	-	113,027,452	113,027,452
Balance at 31 March 2024	70,000,000	167,559,022	75,000	389,813,735	627,447,757

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Group's financial condition and results of operations as at and for the years ended 31 December 2021, 2022 and 2023 and as at, and for the three month periods ended 31 March 2023 and 2024 should be read in conjunction with the information set out in "Presentation of Financial and Other Information", "Selected Historical Financial Information" and the Financial Statements (in each case including the related notes) in Annex 1 (Financial Statements) of the UAE Prospectus attached to this Offering Memorandum and the information relating to the Group's business. Investors should read the whole of this Offering Memorandum and not just rely upon summarised information.

This discussion contains forward-looking statements that reflect the current view of the Group's management and involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Offering Memorandum, particularly under the headings "Information Regarding Forward-Looking Statements" and "Risk Factors" in the Second Section of the UAE Prospectus.

Overview

The Group is an award-winning AI-powered learning solutions provider based in Abu Dhabi, United Arab Emirates. The Company, Alef Education Holding plc, was established in March 2024 and is a holding company whose objective is to manage its subsidiaries. The Group's operations are primarily conducted through the Company's subsidiary, Alef Education Consultancy L.L.C. ("**Alef Education**"). The Group, through Alef Education, provides digital and personalised learning solutions for K-12 education, with a strong focus on Arabic learning, and digital educational resources for governments, primary and secondary schools, students, their parents, and schoolteachers in the United Arab Emirates, the United States, and Indonesia. 99% of the Group's revenue from contracts with customers for the year ended 31 December 2023 was generated in connection with the ADEK Agreement and the PC Arrangement, whereby Alef Education provides comprehensive digital education solutions through its platform to government funded schools for students in Grade 5 to Grade 12 in Abu Dhabi.

The Group has consistently delivered strong financial performance, with revenue from contracts with customers reaching AED 750 million for the financial year ended 31 December 2023, increasing by 12.4% from AED 667 million in the financial year ended 31 December 2021, underpinned by robust profitability margins, with Adjusted EBITDA and Adjusted Net Profit margins standing at 65% and 61%, respectively, for the financial year ended 31 December 2023 and Adjusted EBITDA margins of 73% and 70%, respectively for the three month periods ended 31 March 2024 and 2023, respectively.

Directors' Declaration on the Financial Statements

To the best of the Directors' knowledge, the Financial Statements fairly represent in all material respects, the consolidated financial position, results of operation and cash flows for the Group.

Overview of Operating Segments

The Group is organized into business units based on its products and services for management purposes. The Chief Executive Officer monitors the operating results of the Group's 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 special purpose consolidated financial statements.

The Group's 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; and
- iii. financial investments segment, pertains to maintenance of investment portfolio for returns based on market dynamics.

For further information refer to Note 22 of the Financial Statements.

Key Factors Affecting the Results of Operations and Financial Performance

The most significant factors that have affected or are expected to affect the Group's results of operations and financial condition include the following:

- Revenue concentration, ADEK Agreement and informal arrangement with PC;
- Impact of enrolment levels on IT fees and the Group's growth strategy and transition from MoE Schools to Charter Schools;
- Monetizing services provided in the Northern Emirates in the UAE and in Indonesia;
- Dividends and disposal of investment portfolio/assets and income from financial assets;
- Asset purchase transactions in connection with the Group's inorganic growth strategy;
- Introduction of the Corporate Tax Law; and
- Related party transactions.

The above factors are described in more detail below.

Revenue concentration, ADEK agreement and informal arrangement with PC

The Group's revenue from contracts with customers is subject to concentration in the UAE, particularly from revenue received in connection with the ADEK Agreement. 99% of the Group's revenue from contracts with customers for the financial year ended 31 December 2023 and the three month period ended 31 March 2024 was earned from ADEK under the ADEK Agreement and PC through payment of invoices raised in connection with the ADEK Agreement, with ADEK contributing 60% of such revenue from contracts with customers and PC contributing the remaining 40%.

In connection with the services provided by Alef Education, the ADEK Agreement requires ADEK to pay an education system fee ("**Education Solutions Fee**") to Alef Education, which is calculated based on the number of students enrolled in an academic year, using ADEK's official enrolment register in the respective grades in ADEK Schools. The ADEK Agreement provides for a fixed Education Solutions Fee per student per academic year payable to Alef Education for more than 75,000 students, while the cumulative minimum guaranteed number of students (after rolling out G-12) is currently 80,000 students as per the ADEK Agreement. The Group receives an additional amount per student on top of the amount payable by ADEK, through invoices paid by the Presidential Court (Crown Prince Court until August 2022 and Presidential Court from August 2022) ("**PC**"), pursuant to an informal arrangement with the PC without a formal written agreement (the "**PC Arrangement**"), which contributed to 40% of the total education solutions fees relating to the ADEK Agreement for 2023. This PC Arrangement requires Alef Education to divide its invoicing to reflect the 60% and 40% payment distribution between ADEK and PC, yet all invoices are directed solely to ADEK.

The Group had an average Days Sales Outstanding (DSO) of 81 days between 2021 and 2023, while the ADEK Agreement provides for a standard 30-day payments term, and PC payments are generally collected between 45 and 60 days. Historically, DSO has been impacted by PC payments, as well as other prepayments and advances at year end.

The ADEK Agreement provides that up to 15% of the educational content may be reworked at no extra charge, which places a potential financial burden on Alef Education and the Group, as the Group would be required to incur and absorb significant operational costs that would not be recouped through additional fees, unless the volume of changes requested by ADEK surpasses the 15% mark, at which point standard consultancy charges apply.

Impact of enrolment levels on IT fees and the Group's growth strategy and transition from MoE Schools to Charter Schools

Although the impact of enrolment levels on the Group's current education solutions fees is reduced by the minimum guaranteed number of students under the ADEK Agreement, enrolment levels impact the Groups' revenue received from IT setup fees and IT maintenance fees, which vary depending on the level of actual enrolment in ADEK schools. Alef Education receives a fee for procuring certain equipment/related services to ADEK. The fees for such equipment/related services are divided into (i) IT start-up costs per ADEK School (including servers, network equipment, network passive components and accessories); (ii) IT start-up costs per student (charging cart, wireless access point, student and teachers' laptops and accessories); and (iii) IT maintenance cost (together, "**IT Infrastructure Solution Fee**"):

The IT Infrastructure Solution Fee is payable either on an annual basis, or after the lapse of 4 years or 5 years (as the case may be), depending on the type of equipment.

For example, servers were installed in schools in phases from 2019-2020 which are replaceable after 5 years in 2023-2024 and further by 2028-2029. Accordingly, any increase or decrease in levels of actual enrolment may impact the Group's IT related revenue stream.

Additionally, the ADEK Agreement allows for the transition of schools from under the supervision of ADEK or the MOE to charter schools during the term of ADEK Agreement. Upon a school's transition to charter status other than charter schools under New Century Education ("NCE"), the decision to continue the use of the Alef Education System will be determined by the charter school operator. Should a charter school operator decide against the implementation of the Alef Education System, ADEK is not obligated to cover any costs associated with the services for the affected schools post-transition. Additionally, the Group's revenue from IT fees would be reduced due to the reduced level of enrolment. Any such downward adjustment would result in a corresponding reduction in the Group's revenue receivable under the ADEK Agreement. Historically, there has been a minor rate of transition to charter schools which has led to slightly lower ADEK IT maintenance revenue only (based on actual student count). However, this was offset by NCE gaining a higher share of charter schools, where such revenue was not excluded from the scope of the ADEK Agreement. See "*Risk Factors— The Group's financial performance depends on the level of student enrolment in the Group's online educational platforms.*"

Additionally, the Group's growth strategy contemplates expanding into the B2B market and entering into contractual arrangements with new clients both in the UAE and outside of the UAE. Revenue from such potential private sector expansion may depend on the level of student enrolment in such schools or organizations, which may be impacted by factors outside of the Group's control, such as general population and expatriate population growth, an economic downturn, a rapid increase in the cost of living or political instability.

Monetizing services provided in the Northern Emirates in the UAE and in Indonesia

The Group is currently engaged in certain projects, including certain pilot projects in the Northern Emirates and Indonesia without generating any revenue, while simultaneously incurring related costs. The pilot approach is in line with the Group's market exploration costs, with the aim to attract monetized contracts in the future and formalize these arrangements through contractual agreements in the future, as applicable.

The content developed for the ADEK Agreement was utilized for providing the pilot projects in Northern Emirates to facilitate higher usage of the Group's platform and consequently help drive entry into a contract with other emirates in the UAE similar to the ADEK Agreement. The Group only incurs cloud hosting costs and optimized service delivery costs for the Northern Emirates pilot.

The Group has further extended a supplementary pilot to the Ministry of Religious Affairs of Indonesia, which has increased the level of student enrolment in the Group's platform. The Group incurs minor hosting and support costs with respect to the Indonesia pilot and negotiations are ongoing to monetize the contract.

Dividends and disposal of investment portfolio/assets and income from financial assets

The Group historically held an investment portfolio that entailed investments in certain securities, which was managed by Capital Investments L.L.C., a related party, and generated income from financial assets carried at fair value through profit or loss. In December 2023, the Group's shareholders through a resolution dated 13 December 2023 approved the distribution of dividends. The total dividend distributed amounted to AED 1,632.1 million, which was settled on 18 December 2023 via, transfer of financial assets carried at fair value through profit or loss amounting to AED 614.6 million, along with cash balances of AED 1,017.5 million paid through Capital Investments L.L.C. to the shareholders in full settlement of the dividend liability. As a result, for the year ended 31 December 2023, the Group recorded an amount of AED 1,017.5 million in dividend paid through a related party under financial activities and AED 614.6 million in non-cash dividend paid through a related party since the securities transferred as part of dividend were held by the related party on behalf of the Group. Following the disposal of this investment portfolio in 2023, no income from financial assets carried at fair value through profit or loss is expected to be generated 2024 onwards. Retained earnings decreased from AED 1,392.5 million as at 31 December 2022 to AED 346.8 million as at 31 December 2023, primarily as a result of this dividend distribution, which was offset by profit for the year ending 31 December 2023 amounting to AED 586.4 million.

Asset purchase transactions in connection with the Group's inorganic growth strategy

The Group's inorganic growth strategy contemplates the acquisition of education solutions products to expand its product offerings, which is linked to its ability to successfully execute acquisitions, specifically targeting existing private platforms within the UAE and on a global scale. This method of expansion is central to the Group's ambitions to broaden its operational footprint and enhance its service offerings. Such expansion strategy involves several risks, including availability of sufficient financial or operational resources to fund such acquisitions. The following acquisitions or collaborations have been executed by the Group in implementation of its growth strategy:

On 18 December 2023, the Company's subsidiary, Alef Education entered into a Business Transfer Agreement with SAAL Operating Systems ("**SAAL**") to purchase SAAL's business and assets relating to Curio and Arabits online game-based educational learning solutions for a total purchase price of AED 37.1 million, with AED 5 million allocated to Curio assets and AED 32.1 million allocated to Arabits assets. The management of the Group assessed that Curio will not generate any future economic benefits and accordingly, the total purchase price of AED 37.1 million was fully allocated to Arabits product and Curio was recorded at nil value in the books of accounts. The purchase price was paid by Alef Education in January 2024, which marked the completion of the transaction and contributed to a decrease in the Group's cash and cash equivalents by AED 37.1 million in connection with payment of the purchase price and a corresponding increase in intangible assets as at 31 March 2024.

On 18 December 2023, Alef Education entered into a Business Transfer Agreement with IBDA Advance Solutions Business Applications LLC ("**IBDA**") to purchase IBDA's business and assets relating to Abjadiyat, an online game-based educational learning solution for a total purchase price of AED 11.7 million. The purchase price was paid by Alef Education in January 2024, which contributed to a decrease in cash and cash equivalents by AED 11.7 million and a corresponding increase in intangible assets as at 31 March 2024.

Prior to acquiring the Arabits and Abjadiyat assets, the Group ran pilot projects on these products from 2021 and started generating revenue from these products in 2022.

On 29 March 2024, Alef Education, MetaMetrics Inc. and Arabic Scale Educational Consultancy L.L.C. (a wholly-owned subsidiary of Alef Education) ("**Arabic Scale**") entered into a Collaboration Agreement to develop an Arabic language equivalent of MetaMetrics' proprietary framework and measurement scale, which is renowned as the Lexile Framework for Reading. Further, the collaboration aims to create accompanying products and services to market and sell such development to Arabic Scale's customers (the "**Collaboration Agreement**"). The share capital of Arabic Scale amounting to AED 150,000 has not been paid up yet.

The Collaboration Agreement requires Alef Education to provide (i) a shareholder loan up to a maximum of US\$ 5.2 million to Arabic Scale to fund the development of the MetaMetrics Solution and Arabic Solution (the "**Combined Products**") and the Arabic Framework, and (ii) the working capital necessary to sustain Arabic Scale's operations as reasonably determined, in accordance with an agreed budget. A portion of this loan is expected to be granted in the financial year ending on 31 December 2024 based on the reasonable determination of the parties, which is expected to be financed from existing cashflows of the Group.

In consideration of the scope of services provided by MetaMetrics during the development phase, Alef Education is required to pay MetaMetrics certain fees in accordance with the Collaboration Agreement.

The Collaboration Agreement provides that MetaMetrics shall receive revenue share payments from Arabic Scale calculated as a percentage of annual revenue in accordance with the applicable rates set out in the Collaboration Agreement.

Introduction of the UAE Corporate Tax Law

In December 2022, the UAE Ministry of Financial released Federal Decree-Law Corporate Tax Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") to enact a federal corporate tax regime in the UAE on juridical persons with a permanent establishment or nexus in the UAE or deriving UAE sourced income, effective for accounting periods beginning on or after 1 June 2023. *See UAE Taxation in the Second Section of the UAE Prospectus.*

Since no taxes were expected to be paid to or recovered from the UAE tax authorities for the periods ended

prior to 31 December 2023, no current tax was accounted for in the Group's financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the Corporate Tax Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the Financial Statements for the period beginning from 1 January 2024 by way of an income tax expense of AED 11.1 million for the three month period ended 31 March 2024. Refer to Note 23 of the Financial Statements for further information.

The tax expense resulted in a decrease in the profit for the period ended 31 March 2024 and the first full-year tax expense will be reflected in the Group's consolidated financial statements for the financial year ending 31 December 2024, which is expected to impact the Group's profits going forward.

Related party 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.

As at 31 December 2021, 2022 and 2023, amounts due from related parties amounted to AED 249.8 million, AED 387.0 million and AED 109.8 million, respectively. As at 31 March 2023 and 31 March 2024, amounts due from related parties amounted to AED 558.9 million and AED 76.2 million, respectively. The following table sets forth a breakdown of amounts due to and due from related parties as at 31 December 2021, 2022 and 2023, 31 March 2023 and 31 March 2024, respectively:

	As at 31 March		As at 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Amounts due from related parties					
<i>Entities under common control</i>					
Capital Investments L.L.C.*	75,929,321	558,873,285	109,402,334	386,947,224	248,030,141
SAAL Operating Systems – Sole Proprietorship L.L.C.	250,978	59,206	195,579	63,188	-
New Century Education – Sole Proprietorship L.L.C.	46,722	-	157,575	-	1,802,989
	76,227,021	558,932,491	109,755,488	387,010,412	249,833,130

	As at 31 March		As at 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Amounts due to related parties					
<i>Entities under common control</i>					
SAAL Operating Systems – Sole Proprietorship L.L.C.	-	-	-	-	37,826
	-	-	-	-	37,826

Note:

* *The amount receivable from Capital Investments L.L.C. relates to management of the investment portfolio of the Group. As at 31 March 2024, the amount receivable includes an interest-bearing term deposit placed on behalf of the Group amounting to AED 75.93 million which was received subsequent to the period ended 31 March 2024 (31 March 2023: AED 50.71 million, 31 December 2023: AED 182.7 million, 31 December 2022: AED 50.1 million, 31 December 2021: AED nil). This interest-bearing balance carried interest at a prevailing market rate. The amount shown in the above table is net of payable amounting to AED nil as at 31 March 2024 (31 March 2023: AED 2.8 million, 31 December 2023: AED 73.3 million, 31 December 2022: AED nil, 31 December 2021: AED nil). Balance payable at 31 December 2023 was relating to dividend distribution to the shareholders which was distributed on behalf of the Group by Capital Investments LLC. See Note 15 of the Financial Statements for further information.*

The related party transactions undertaken in the period under review included (i) a cash management agreement and a funds management letter of agreement between Alef Education and Capital Investments LLC for cash and investment portfolio management, which were terminated pursuant to the deed of termination dated 20 March 2024; (ii) a sub-contract agreement dated 24 November 2020 between Alef Education and SAAL Operating Systems, whereby Alef Education has subcontracted the services under the contract with the UAE Armed Forces General Command to SAAL to deliver all services under such contract; (iii) a memorandum of understanding between Alef Education and NCE dated 13 October 2023 in connection with a potential collaboration between the parties to facilitate real-time data-driven insights and fostering digital transformation within NCE educational institutions in the UAE; (iv) a master teaming agreement dated 6 July 2020 between Alef Education and SAAL, whereby Alef Education and SAAL have

agreed on certain terms in connection with collaboration and sub-contracting to SAAL in relation to the preparation and submission of proposals to the UAE Armed Forces (or related entity) requirements, negotiation and entry into contracts with such customer. Additionally, a bank guarantee was issued by First Abu Dhabi Bank on behalf of SAAL in connection with the agreement under (ii) above. See “*Off-Balance Sheet Arrangement – Bank Guarantees*” below for further information. On 24 April 2024, Alef Education and SAAL entered into a deed of termination, whereby the parties agreed to terminate certain related party agreements, including the sub-contract agreement and the master teaming agreements mentioned under (ii) and (iv) above, effective as of 24 April 2024.

The following table sets forth the Group’s transactions with related parties during the years ended 31 December 2021, 2022 and 2023, and during the three month periods ended 31 March 2023 and 31 March 2024, respectively:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Transactions with related parties are as follows:					
Interest income from a related party	2,636,820	534,328	8,698,380	171,505	-
Revenue from contracts with customers	46,722	44,497	237,319	-	-
Re-charge of expense to a related party	49,974	-	156,558	-	23,692

Revenue recognition and capitalization of development costs

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 education solutions fee corresponds to all the revenues received from customers for right of access to the Group’s learning solutions. 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. Under the ADEK Agreement, the education solutions fee generated under the ADEK Agreement is invoiced by ADEK on a trimester basis, while services from B2B clients are accrued on a revenue recognition basis.

IT set-up services relate to a combination of procurement and installation of IT equipment to be used for the provision of the Group’s 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 relate 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 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.

Content development and capitalization

The Group provides 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.

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 10 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.

For further information refer to Notes 3 and 4 of the Financial Statements.

Non-IFRS financial measures

The Group presents in this Offering Memorandum certain measures to assess the financial performance of its business that are termed “non-IFRS measures” because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS. These selected non-IFRS financial measures include Adjusted EBITDA, Adjusted EBITDA margin, Average Adjusted EBITDA margin, Adjusted EBITDA by segment, Adjusted Net Profit, Adjusted Net Profit margin, Capital Expenditure, Capital Expenditure (Cash Portion), Cash Conversion, Net Working Capital, Change in Net Working Capital, Operating Free Cash Flow, Free Cash Flow, Net Cash (Debt), Net Cash (Debt) to Adjusted EBITDA, Days Sales Outstanding and Days Payables Outstanding.

Management believes that the projected non-IFRS financial measures are useful as an additional tool to help Management and investors make informed decisions. The non-IFRS measures the Group presents herein may not be comparable to similar measures computed by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group’s operating results as reported under IFRS. The non-IFRS measures of the Group should be read only in conjunction with underlying IFRS financial numbers.

The definition and method of calculation of each of these measures are summarised in the following table:

Non-IFRS financial measure	Definition and method of calculation
Adjusted EBITDA	Profit for the period/year plus depreciation on property and equipment, depreciation on right-of-use assets, interest expense on lease liability, income tax expense and amortisation of intangible assets minus interest income and income from financial assets carried at fair value through profit or loss
Adjusted EBITDA margin	Adjusted EBITDA divided by revenue from contracts with customers
Average Adjusted EBITDA margin	The sum of the Adjusted EBITDA margin for the years ended 31 December 2021, 2022 and 2023, divided by 3
Adjusted EBITDA by segment	Adjusted EBITDA for the education solutions segment, the support and services segment, the financial investments segment and the unallocated segment, respectively
Adjusted Net Profit	Profit for the period/year minus interest income and income from financial assets carried at fair value through profit and loss
Adjusted Net Profit margin	Adjusted Net Profit divided by revenue from contracts with customers
Capital Expenditure	The sum of additions to property and equipment and intangible assets during the year/period
Capital Expenditure (Cash Portion)	The sum of cash paid for purchase of property and equipment and intangible assets during the year/period
Cash Conversion	(Adjusted EBITDA minus Capital Expenditure (Cash Portion)), divided by Adjusted EBITDA
Net Working Capital	The sum of total trade and other receivables (current and non-current) and amounts due from related parties excluding interest-bearing term deposits placed on behalf of the Group, minus trade and other payables and amounts due to related parties
Change in Net Working Capital	With respect to the financial years ended 31 December 2021, 2022 and 2023, calculated as Net Working Capital at the end of the previous year minus Net Working Capital at the end of the current year. With respect to the three month periods ended 31 March 2024 and 2023, calculated as Net Working Capital at the end of the previous year minus Net Working Capital at the end of the three months period.

Operating Free Cash Flow (OFCF)	Adjusted EBITDA plus or minus Change in Net Working Capital
Free Cash Flow (FCF)	Operating Free Cash Flow minus Capital Expenditure (Cash Portion)
Net Cash (Debt)	Cash and cash equivalents minus lease liability
Net Cash (Debt) to Adjusted EBITDA	Net Cash (Debt) at the end of the period/year divided by Adjusted EBITDA for the period
Days Sales Outstanding (DSO)	Trade and other receivables at the end of the year divided by revenue from contracts with customers for the year, multiplied by 365 days
Days Payables Outstanding (DPO)	Trade and other payables at the end of the year divided by total expenses for the year, multiplied by 365 days

The following table sets forth the Group's key non-IFRS measures as at and for the years ended 31 December 2021, 2022, and 2023 and the three month periods ended 31 March 2023 and 2024.

	As at/ for the three months ended 31 March		As at/ for the year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(AED, unless otherwise indicated)</i>				
Adjusted EBITDA	129,822,538	123,402,822	489,168,007	475,778,772	396,486,151
Adjusted EBITDA margin (%)	73%	70%	65%	62%	59%
Adjusted Net Profit	109,809,438	114,158,637	454,913,832	436,976,737	359,257,113
Adjusted Net Profit margin (%)	62%	65%	61%	57%	54%
Capital Expenditure	56,631,973	9,546,997	37,008,476	32,634,402	18,035,066
Capital Expenditure (Cash Portion)	55,382,582	9,546,997	32,902,044	30,181,459	18,035,066
Cash Conversion	74,439,956	113,855,825	456,265,963	445,597,313	378,451,085
Cash Conversion (%)	57%	92%	93%	94%	95%
Net Working Capital	7,900,312**	(126,740)	73,717,715	64,472,878	81,931,912
Change in Net Working Capital	65,817,403	64,599,618	(9,244,837)	17,459,034	(148,237,031)
Operating Free Cash Flow (OFCF)	195,639,941	188,002,440	479,923,170	493,237,806	248,249,120
Free Cash Flow (FCF)	140,257,359	178,455,443	447,021,126	463,056,347	230,214,054
Net cash (Debt)	168,670,707	202,345,221	261,302,694	171,437,937	205,585,278
Net cash (Debt)/Adjusted EBITDA	1.3x	1.6x	0.5x	0.4x	0.5x
Days Sales Outstanding (DSO) (days)	N/A*	N/A*	82	70	90
Days Payables Outstanding (DPO) (days)	N/A*	N/A*	116	91	100

Note:

* This metric is not presented in this Offering Memorandum.

** Refer to Net Working Capital reconciliation below. Current trade and other receivables as at 31 March 2024 amounted to AED 382,663,056. The amount of current trade and other receivables used in this Net Working Capital calculation for the three month period ended 31 March 2024 excludes ADEK receivable of AED 129,480,278 (majority of receivable received in April 2024) and PC receivables of AED 128,495,048 which were adjusted due to administrative delay.

The following table sets forth the Group's Adjusted EBITDA and Adjusted EBITDA margins for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(AED, except percentages)</i>				
Profit for the period/year	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Add: Income tax expense	11,141,451	-	-	-	-
Less: Interest Income	(3,218,014)	(534,845)	(8,698,380)	(171,505)	-
Add: Interest expense on lease liability	8,208	6,919	38,055	-	-
Add: Depreciation on property and equipment	396,671	1,420,165	3,271,862	8,563,942	9,748,633
Add: Depreciation on right of use asset	57,658	38,371	211,364	-	967,582
Add: Amortisation of intangible assets	8,409,112	7,778,730	30,732,894	30,238,093	26,512,823
Less: Income from financial assets carried at fair value through profit or loss	-	(91,362,983)	(122,795,687)	(237,947,155)	(67,893,713)
Adjusted EBITDA	129,822,538	123,402,822	489,168,007	475,778,772	396,486,151
Adjusted EBITDA margin	73%	70%	65%	62%	59%

The following tables set forth the Group's Adjusted EBITDA by Segment for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

(i) Education solutions segment:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Profit for the period/year	127,508,655	119,958,065	490,345,934	464,938,889	424,265,401
Add: Income tax expense*	-	-	-	-	-
Less: Interest Income	-	-	-	-	-
Less: Income from financial assets carried at fair value through profit or loss	-	-	-	-	-
Add: Interest expense on lease liability	-	-	-	-	-
Add: Depreciation on property and equipment	-	-	-	-	-
Add: Depreciation on right of use asset	-	-	-	-	-
Add: Amortisation of intangible assets	8,409,112	7,778,730	30,732,894	30,238,093	26,512,823
Adjusted EBITDA	135,917,767	127,736,795	521,078,828	495,176,982	450,778,224

Note:

*All income tax expense has been assigned to unallocated segment. No income tax has been considered for the period ended 31 March 2024

(ii) Support and services segment:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Profit for the period/year	2,849,249	4,261,479	24,689,553	30,662,899	(678,732)
Add: Income tax expense*	-	-	-	-	-
Less: Interest Income	-	-	-	-	-
Less: Income from financial assets carried at fair value through profit or loss	-	-	-	-	-
Add: Interest expense on lease liability	-	-	-	-	-
Add: Depreciation on property and equipment	-	-	-	-	-
Add: Depreciation on right of use asset	-	-	-	-	-
Add: Amortisation of intangible assets	-	-	-	-	-
Adjusted EBITDA	2,849,249	4,261,479	24,689,553	30,662,899	(678,732)

Note:

*All income tax expense has been assigned to unallocated segment. No income tax has been considered for the period ended 31 March 2024

(iii) Financial investments segment:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED)				
Profit for the period/year	3,218,014	91,897,828	131,494,067	238,118,660	67,893,713
Add: Income tax expense*	-	-	-	-	-
Less: Interest Income	(3,218,014)	(534,845)	(8,698,380)	(171,505)	-
Less: Income from financial assets carried at fair value through profit or loss	-	(91,362,983)	(122,795,687)	(237,947,155)	(67,893,713)
Add: Interest expense on lease liability	-	-	-	-	-
Add: Depreciation on property and equipment	-	-	-	-	-
Add: Depreciation on right of use asset	-	-	-	-	-
Add: Amortisation of intangible assets	-	-	-	-	-
Adjusted EBITDA	-	-	-	-	-

Note:

*All income tax expense has been assigned to unallocated segment. No income tax has been considered for the period ended 31 March 2024

(iv) Unallocated segment:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED)				
Profit for the period/year	(20,548,466)	(10,060,907)	(60,121,655)	(58,625,051)	(64,329,556)
Add: Income tax expense	11,141,451	-	-	-	-
Less: Interest Income	-	-	-	-	-
Less: Income from financial assets carried at fair value through profit or loss	-	-	-	-	-
Add: Interest expense on lease liability	8,208	6,919	38,055	-	-
Add: Depreciation on property and equipment	396,671	1,420,165	3,271,862	8,563,942	9,748,633
Add: Depreciation on right of use asset	57,658	38,371	211,364	-	967,582
Add: Amortisation of intangible assets	-	-	-	-	-
Adjusted EBITDA	(8,944,478)	(8,595,452)	(56,600,374)	(50,061,109)	(53,613,341)

The following table sets forth the Group's Adjusted Net Profit and Adjusted Net Profit margins for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED, except percentages)				
Profit for the period/year	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Less: Income from financial assets carried at fair value through profit or loss	-	(91,362,983)	(122,795,687)	(237,947,155)	(67,893,713)
Less: Interest income	(3,218,014)	(534,845)	(8,698,380)	(171,505)	-
Adjusted Net Profit	109,809,438	114,158,637	454,913,832	436,976,737	359,257,113
Adjusted Net Profit margin	62%	65%	61%	57%	54%

The following table sets forth the Group's *Capital Expenditure* for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED)				
Additions to intangible assets	56,496,029	9,425,912	35,845,700	29,922,616	16,852,819
Additions to property and equipment	135,944	121,085	1,162,776	2,711,786	1,182,247
Capital Expenditure	56,631,973	9,546,997	37,008,476	32,634,402	18,035,066

The following table sets forth the Group's *Capital Expenditure (Cash Portion)* for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED)				
Cash paid for purchase of intangible assets	55,246,638	9,425,912	31,739,268	27,469,673	16,852,819
Cash paid for purchase of property and equipment	135,944	121,085	1,162,776	2,711,786	1,182,247
Capital Expenditure (Cash Portion)	55,382,582	9,546,997	32,902,044	30,181,459	18,035,066

The following table sets forth the Group's *Cash Conversion* for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED, except percentages)				
Adjusted EBITDA	129,822,538	123,402,822	489,168,007	475,778,772	396,486,151
Less: Capital Expenditure (Cash Portion)	(55,382,582)	(9,546,997)	(32,902,044)	(30,181,459)	(18,035,066)
Cash Conversion	74,439,956	113,855,825	456,265,963	445,597,313	378,451,085
Cash Conversion (%)	57%	92%	93%	94%	95%

The following table sets forth the Group's *Net Working Capital and Change in Net Working Capital* as at and for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

	As at/Three months ended 31 March		As at/Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED)				
Amounts due from related parties	297,700	59,206	353,154	63,188	1,802,989
Add: Non-current trade and other receivables	4,984,419	9,367,250	12,425,319	10,562,585	10,364,798
Add: Current trade and other receivables	124,682,776*	128,152,118	154,947,624	137,305,049	154,605,809
Less: Amounts due to a related party	-	-	-	-	(37,826)
Less: Trade and other payables	(122,064,583)	(137,705,314)	(94,008,382)	(83,457,944)	(84,803,858)
Net Working Capital	7,900,312	(126,740)	73,717,715	64,472,878	81,931,912
Change in Net Working Capital	65,817,403	64,599,618	(9,244,837)	17,459,034	(148,237,031)

Note:

* Current trade and other receivables as at 31 March 2024 amounted to AED 382,663,056. The amount of current trade and other receivables presented in this table excludes ADEK receivable of AED 129,480,278 (majority of receivable received in April 2024) and PC receivables of AED 128,495,048 which were adjusted due to administrative delay.

The following table sets forth the Group's *Operating Free Cash Flow and Free Cash Flow* for the years ended 31 December 2021, 2022, and 2023 and for the three month periods ended 31 March 2023 and 2024:

	As at/Three months ended 31 March		As at/Year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(AED)</i>				
Adjusted EBITDA	129,822,538	123,402,822	489,168,007	475,778,772	396,486,151
Add/(Less): Change in Net Working Capital	65,817,403	64,599,618	(9,244,837)	17,459,034	(148,237,031)
Operating Free Cash Flow	195,639,941	188,002,440	479,923,170	493,237,806	248,249,120
Less: Capital Expenditure (Cash Portion)	(55,382,582)	(9,546,997)	(32,902,044)	(30,181,459)	(18,035,066)
Free Cash Flow	140,257,359	178,455,443	447,021,126	463,056,347	230,214,054

The following table sets forth the Group's *Net Cash (Debt) and Net Cash (Debt) to Adjusted EBITDA* as at and for the years ended 31 December 2021, 2022, and 2023 and for the three month period ended 31 March 2024:

	As at/Three months ended 31 March		As at/Year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(AED, unless otherwise indicated)</i>				
Cash and cash equivalents	168,891,054	202,785,106	261,773,715	171,437,937	205,585,278
- Less: Non-current lease liabilities	(12,210)	(219,591)	(241,965)	-	-
- Less: Current lease liabilities	(208,137)	(220,294)	(229,056)	-	-
Net Cash (Debt)	168,670,707	202,345,221	261,302,694	171,437,937	205,585,278
Adjusted EBITDA	129,822,538	123,402,822	489,168,007	475,778,772	396,486,151
Net Cash (Debt) to Adjusted EBITDA	1.3x	1.6x	0.5x	0.4x	0.5x

Description of Key Line Items of special purpose consolidated statement of comprehensive income

Revenue from contracts with customers

Revenue from contracts with customers consists primarily of education solution fees, IT set up fees and IT maintenance fees, as further described below. The Group recognises revenue when it transfers control of a product or service to a customer.

Education solution fees consist primarily of all revenue received from customers for the right of access to the Group's learning solutions (including under ADEK Agreement, MOD Agreement and other B2B and B2G contracts). These obligations are fulfilled over time, over the academic year.

IT set up fees consist primarily of fees relating to procurement and installation of IT equipment for the provision of the Group's education system solutions to schools and students, including ADEK IT revenue in connection with refreshing devices, such as servers, firewalls, chrome-books, laptops, accessories, charging carts and access points. The Group provides new IT equipment to new grades 5 and 9 students every year and such equipment/ devices are used for four to five years.

IT maintenance fees consist primarily of fees relating to maintenance work that may be required on IT equipment/student devices for the duration of the ADEK Agreement, which generally covers a period of five years. Maintenance service is considered a distinct service as it is available to customers from other providers in the market.

Salaries and other benefits

Salaries and other benefits consist primarily of salaries and other benefits paid to employees.

Technology expenses

Technology expenses consist primarily of ADEK IT maintenance expenses and capital expenditure for replacing equipment, including expenses for IT maintenance and hardware replacement which is cyclical in nature. Pursuant to the current provisions of the ADEK Agreement, all school related infrastructure is replaced every five years while all student devices are replaced every four years. IT hardware is sold yearly for new students falling under the scope of the ADEK Agreement and fluctuations may arise from the replacement cycle of other school-related devices. Additionally, development costs that are not eligible for capitalisation have been included in technology costs.

Software licenses

Software licenses consist primarily of expenses associated with the acquisition of computer software licenses, including cloud hosting charges for Amazon Web Services and other software costs such as Infosecurity and other engineering software costs for in-house platform and technology development.

Amortisation for intangible assets

Amortisation for intangible assets consists primarily of amortisation of content and platform developed for the ADEK Agreement. The Group capitalises the content and product development costs on the date lessons are published on the Group's platform and becomes ready to use by learners.

Legal and professional fees

Legal and professional fees consist primarily of third-party consultant charges for development of content, platforms and other product packages, as well as other operational professional fees.

Depreciation on property and equipment

Depreciation on property and equipment consists primarily of depreciation of the fixed assets of the Group's headquarters over the useful life of such assets.

Lease expenses

Lease expenses consist primarily of interest, depreciation on right of use assets and short-term rent expenses, relating to rented premises in the UAE for the Group's head office on an annual basis, which is classified as a short-term lease, as well as office premises rented in Amman (Jordan) for a period of three years, which is classified as a long-term lease.

Marketing expenses

Marketing expenses consist primarily of expenses related to marketing and promotion.

Others

Other expenses consist primarily of miscellaneous expenses such as general insurance expenses, office repairs and maintenance, vehicles, utilities and other communication expenses (including internet).

Results of operations – Special purpose consolidated statement of comprehensive income data

Results of operation for the years ended 2021, 2022 and 2023, and the three month periods ended 31 March 2023 and 2024

The following table presents the Group's special purpose consolidated statement of comprehensive income data for the years ended 2021, 2022 and 2023, and the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED)				
Income					
Education solution fees	164,078,655	163,730,173	656,945,193	654,596,955	585,660,789
IT set-up fees	-	-	43,084,230	69,377,251	37,450,483
IT maintenance fees	12,572,171	12,144,052	49,496,003	48,719,133	44,248,071
Revenue from contracts with customers	176,650,826	175,874,225	749,525,426	772,693,339	667,359,343
Salaries and other benefits	(27,103,018)	(30,189,215)	(127,643,829)	(136,889,693)	(120,517,009)
Technology Expenses	(8,508,908)	(6,867,232)	(63,061,653)	(83,033,402)	(80,527,815)
Software licenses	(6,413,550)	(5,298,317)	(24,111,194)	(23,076,971)	(20,712,747)
Amortisation for intangible assets	(8,409,112)	(7,778,730)	(30,732,894)	(30,238,093)	(26,512,823)
Legal and professional fees	(2,049,630)	(5,787,666)	(30,788,935)	(41,657,037)	(36,729,513)
Depreciation on property and equipment	(396,671)	(1,420,165)	(3,271,862)	(8,563,942)	(9,748,633)
Lease expenses	(941,780)	(885,116)	(3,530,964)	(4,120,597)	(4,022,688)
Marketing expenses	(1,123,847)	(2,648,537)	(7,845,303)	(4,488,845)	(5,598,668)
Others	(753,421)	(840,610)	(3,624,960)	(3,648,022)	(3,732,334)
Total expenses	(55,699,937)	(61,715,588)	(294,611,594)	(335,716,602)	(308,102,230)
OPERATING PROFIT FOR THE PERIOD / YEAR	120,950,889	114,158,637	454,913,832	436,976,737	359,257,113
Income from financial assets carried at fair value through profit or loss	-	91,362,-983	122,795,687	237,947,155	67,893,713
Interest income	3,218,014	534,845	8,698,380	171,505	-
PROFIT FOR THE PERIOD / YEAR BEFORE TAX	124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Income tax expense	(11,141,451)	-	-	-	-
PROFIT FOR THE PERIOD / YEAR	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Other comprehensive income	-	-	-	-	-
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Earnings per share attributable to the Equity holders of the Parent:					
- basic and diluted earnings per share (AED)	0.49	--	-	-	-

Revenue from contracts with customers

Revenue from contracts with customers increased by AED 0.8 million, or by 0.4%, to AED 176.7 million for the three month period ended 31 March 2024, compared to AED 175.9 million for the three month period ended 31 March 2023. The increase in revenue from contracts with customers was primarily due to a slight increase in education solution fees and IT maintenance fees.

Revenue from contracts with customers decreased by AED 23.2 million, or by 3.0%, to AED 749.5 million for the year ended 31 December 2023, compared to AED 772.7 million for the year ended 31 December 2022. The decrease in revenue from contracts with customers was primarily due to a decrease in IT set up fees, which was slightly offset by an increase in education solution fees and IT maintenance fees, as further described below.

Revenue from contracts with customers increased by AED 105.3 million, or by 15.8%, to AED 772.7 million for the year ended 31 December 2022, compared to AED 667.4 million for the year ended 31 December 2021. The increase in revenue from contracts with customers was primarily due to an increase in IT set-up fees and to a lesser extent due to an increase in IT maintenance fees, which was partially offset by a decrease in education solution fees, as further described below.

Education solution fees

Education solution fees increased by AED 0.3 million, or by 0.2%, to AED 164.1 million for the three month period ended 31 March 2024, compared to AED 163.7 million for the three month period ended 31

March 2023. The increase in education solution fees was primarily due to the increase in student count including in respect of B2B students, in line with the Group's expansion strategy.

Education solution fees increased by AED 2.3 million, or by 0.4%, to AED 656.9 million for the year ended 31 December 2023, compared to AED 654.6 million for the year ended 31 December 2022. The increase in education solution fees was primarily due to higher B2B product sales from Arabits and Abjadiyat, and to a lesser extent due to fees generated from the services provided to the MoE in connection with the Educator's Voice initiative that was announced in connection with COP 28.

Education solution fees increased by AED 68.9 million, or by 11.8%, to AED 654.6 million for the year ended 31 December 2022, compared to AED 585.7 million for the year ended 31 December 2021. The increase in education solution fees was primarily due to the increase in the number of students served within the ADEK Agreement, in addition to the overall trend of digitalisation of the education system in the UAE. The number of students served under the ADEK Agreement stood at 65,000 students until August 2021 and was increased to 80,000 students from September 2021 onwards with the roll out of G-12 in ADEK. Such increase in education solution fees was also due to the recognition of revenues from the agreement with the UAE Ministry of Defence for all of 2022, compared to such revenues being recognized for one trimester only in 2021, as the agreement was concluded in September of the same year.

IT set-up fees

No IT set-up fees were generated in the three month period ended 31 March 2024 or 2023, given the nature of such IT set-up fees being payable at the start of the academic year in the third quarter of the financial year.

IT set-up fees decreased by AED 26.3 million, or by 37.9%, to AED 43.1 million for the year ended 31 December 2023, compared to AED 69.4 million for the year ended 31 December 2022. The decrease in IT set-up fees was primarily due to the nature of the IT set-up fees being cyclical given that such fees are linked to the devices' refresh cycle, which is 4 to 5 years, whereas the Group refreshes a set of IT equipment every year, with some devices being refreshed once every 5 years, such as charging cards, which were only due in 2022, which resulted in a decrease in 2023 compared to 2022.

IT set-up fees increased by AED 31.9 million, or by 85.3%, to AED 69.4 million for the year ended 31 December 2022, compared to AED 37.5 million for the year ended 31 December 2021. The increase in IT set-up fees was primarily due to the nature of the IT set-up fees being cyclical given that such fees are linked to the devices' refresh cycle, which is 4 to 5 years, whereas in 2022, the Group's refreshed certain products, including charging cards. The increase in 2022 was also pertaining to support and services rendered in the financial year ending 31 December 2021 which was recorded in the financial year ending 31 December 2022 as the variation order was signed with a client in 2022.

IT maintenance fees

IT maintenance fees increased by AED 0.4 million, or by 3.5%, to AED 12.6 million for the three month period ended 31 March 2024, compared to AED 12.1 million for the three month period ended 31 March 2023. The increase in IT maintenance fees was primarily due to the increase in actual number of students served under the ADEK Agreement.

IT maintenance fees increased by AED 0.8 million, or by 1.6%, to AED 49.5 million for the year ended 31 December 2023, compared to AED 48.7 million for the year ended 31 December 2022. The increase in IT maintenance fees was primarily due to the increase in actual number of students served under the ADEK Agreement.

IT maintenance fees increased by AED 4.5 million, or by 10.1%, to AED 48.7 million for the year ended 31 December 2022, compared to AED 44.2 million for the year ended 31 December 2021. The increase in IT maintenance fees was primarily due to the increase in actual number of students served under the ADEK Agreement.

Salaries and other benefits

Salaries and other benefits decreased by AED 3.1 million, or by 10.2%, to AED 27.1 million for the three month period ended 31 March 2024, compared to AED 30.2 million for the three month period ended 31 March 2023. The decrease in salaries and other benefits was primarily due to optimization of the Alef team size following completion of the development of the majority of the content for grades 5 to 12 in connection

with the ADEK Agreement, as well as allocation of additional staff to development of B2B products, which is eligible for capitalization and expenses were reduced accordingly.

Salaries and other benefits decreased by AED 9.2 million, or by 6.8%, to AED 127.6 million for the year ended 31 December 2023, compared to AED 136.9 million for the year ended 31 December 2022. The decrease in salaries and other benefits was primarily due to completion of the development of certain products in 2023 and accordingly the shift of certain costs from the research phase, which were expensed in 2022 under salaries and other benefits to capitalization of such products under intangible assets in 2023, in accordance with IAS 38.

Salaries and other benefits increased by AED 16.4 million, or by 13.6%, to AED 136.9 million for the year ended 31 December 2022, compared to AED 120.5 million for the year ended 31 December 2021. The increase in salaries and other benefits was primarily due to certain costs expensed in 2022 in connection with research conducted on the Group's core platform in preparation for the introduction of new products, including initiatives such as offline connectivity, integration capabilities, subscription model and maintenance of the mobile application.

Technology Expenses

Technology expenses increased by AED 1.6 million, or by 23.9%, to AED 8.5 million for the three month period ended 31 March 2024, compared to AED 6.9 million for the three month period ended 31 March 2023. The increase in technology expenses was primarily due to an increase in the amount payable to one of the Group's IT vendors, as a result of higher inflation in accordance with the commercial arrangements with such vendor, in addition to renegotiation of certain contracts.

Technology expenses decreased by AED 20 million, or by 24.1%, to AED 63.1 million for the year ended 31 December 2023, compared to AED 83.0 million for the year ended 31 December 2022. The decrease in technology expenses was primarily due to the decrease in IT set-up fees and related costs, as a result of fewer devices purchased in 2023 compared to 2022, given that fewer devices were due for replacement during that year under the IT replacement schedule in connection with the ADEK Agreement, due to the cyclical nature of such activities.

Technology expenses increased by AED 2.5 million, or by 3.1%, to AED 83.0 million for the year ended 31 December 2022, compared to AED 80.5 million for the year ended 31 December 2021. The increase in technology expenses was primarily due to a larger number of IT devices being due for replacement in 2022 based on the replacement schedule in connection with the ADEK Agreement, including chrome-book devices in addition to replacement of windows devices for NCE students under the ADEK Agreement in 2022. The increase in technology expenses related to the ADEK Agreement was offset by other technology expenses for the pilot project for the Northern Emirates in the financial year ended 31 December 2021, which were not due in the financial year ended 31 December 2022.

Software licenses

Software licenses increased by AED 1.1 million, or by 21.0%, to AED 6.4 million for the three month period ended 31 March 2024, compared to AED 5.3 million for the three month period ended 31 March 2023. The increase in software licenses was primarily due to timing of the ISO certification process and related costs incurred in connection with IT infrastructure and security improvements, as well as higher software license fees paid to vendors as a result of the corresponding increase in number of students served.

Software licenses increased by AED 1.0 million, or by 4.5%, to AED 24.1 million for the year ended 31 December 2023, compared to AED 23.1 million for the year ended 31 December 2022. The increase in software licenses was primarily due to higher software license fees paid to vendors as a result of the corresponding increase in number of students served.

Software licenses increased by AED 2.4 million, or by 11.4%, to AED 23.1 million for the year ended 31 December 2022, compared to AED 20.7 million for the year ended 31 December 2021. The increase in software licenses was primarily due to higher software license fees paid to vendors as a result of the corresponding increase in number of students served.

Amortisation for intangible assets

Amortisation for intangible assets increased by AED 0.6 million, or by 8.1%, to AED 8.4 million for the three month period ended 31 March 2024, compared to AED 7.8 million for the three month period ended

31 March 2023. The increase in amortisation for intangible assets was primarily due to the Arabits and Abjadiyat asset acquisitions, which was completed in January 2024 and accordingly amortisation recorded in the three month period ended 31 March 2024, which was offset by reduction of amortisation of other assets.

Amortisation for intangible assets increased by AED 0.5 million, or by 1.6%, to AED 30.7 million for the year ended 31 December 2023, compared to AED 30.2 million for the year ended 31 December 2022. The increase in amortisation for intangible assets was primarily due to capitalization of content produced for ADEK, in line with the useful life of the intangible asset.

Amortisation for intangible assets increased by AED 3.7 million, or by 14.1%, to AED 30.2 million for the year ended 31 December 2022, compared to AED 26.5 million for the year ended 31 December 2021. The increase in amortisation for intangible assets was primarily due to capitalization of content produced for ADEK, in line with the useful life of the intangible asset.

Legal and professional fees

Legal and professional fees decreased by AED 3.7 million, or by 64.6%, to AED 2.0 million for the three month period ended 31 March 2024, compared to AED 5.8 million for the three month period ended 31 March 2023. The decrease in legal and professional fees was primarily due to shift of certain costs from the research phase to the development phase and capitalization under intangible assets in the three month period ended 31 March 2024 in relation to Alef Pathways and other products, compared to the three month period ended 31 March 2023.

Legal and professional fees decreased by AED 10.9 million, or by 26.1%, to AED 30.8 million for the year ended 31 December 2023, compared to AED 41.7 million for the year ended 31 December 2022. The decrease in legal and professional fees was primarily due to cost optimization initiatives undertaken by the Group in connection with ADEK content maturing and shift of certain costs from the research phase, which were expensed in 2022, to the development phase and capitalization under intangible assets in 2023 in relation to Alef Pathways and other products.

Legal and professional fees increased by AED 4.9 million, or by 13.4%, to AED 41.7 million for the year ended 31 December 2022, compared to AED 36.7 million for the year ended 31 December 2021. The increase in legal and professional fees was primarily due to the employment of vendors to conduct research on the Group's core platform for the introduction of new products, including initiatives such as offline connectivity, integration capabilities, subscription model and maintenance of the mobile application.

Depreciation for property and equipment

Depreciation for property and equipment decreased by AED 1.0 million, or by 72.1%, to AED 0.4 million for the three month period ended 31 March 2024, compared to AED 1.4 million for the three month period ended 31 March 2023. The decrease in depreciation for property and equipment was primarily due to the fixed assets of the control room in the Group's headquarters being retired in the three month period ended 31 March 2024.

Depreciation for property and equipment decreased by AED 5.3 million, or by 61.8%, to AED 3.3 million for the year ended 31 December 2023, compared to AED 8.6 million for the year ended 31 December 2022. The decrease in depreciation for property and equipment was primarily due to the fixed assets of the Group's headquarters being retired due to the end of their useful life (3 years).

Depreciation for property and equipment decreased by AED 1.2 million, or by 12.2%, to AED 8.6 million for the year ended 31 December 2022, compared to AED 9.7 million for the year ended 31 December 2021. The decrease in depreciation for property and equipment was primarily due to finalization of the fit-out of the control room in the Group's headquarters, including, equipment, fittings and furnishings, which was ready for use in the second half of 2021, accordingly, reflecting full year full impact in 2022.

Lease expenses

Lease expenses remained relatively stable at AED 0.9 million for the three month period ended 31 March 2024, compared to AED 0.9 million for the three month period ended 31 March 2023.

Lease expenses decreased by AED 0.6 million, or by 14.3%, to AED 3.5 million for the year ended 31 December 2023, compared to AED 4.1 million for the year ended 31 December 2022. The decrease in lease

expenses was primarily due to optimizing the use of the Group's headquarters office space and vacating additional leased facilities as part of the Group's product integration and optimization initiatives.

Lease expenses increased by AED 0.1 million, or by 2.4%, to AED 4.1 million for the year ended 31 December 2022, compared to AED 4.0 million for the year ended 31 December 2021. The increase in lease expenses was primarily due to an additional facility leased for the pilot of new products, Arabits and Abjadiyat.

Marketing expenses

Marketing expenses decreased by AED 1.5 million, or by 57.6%, to AED 1.1 million for the three month period ended 31 March 2024, compared to AED 2.6 million for the three month period ended 31 March 2023. The decrease in marketing expenses was primarily due to participation in fewer marketing events in the three month period ended 31 March 2024 compared to the three month period ended 31 March 2023, including not holding the Alef Symposium in the three month period ended 31 March 2024.

Marketing expenses increased by AED 3.4 million, or by 74.8%, to AED 7.8 million for the year ended 31 December 2023, compared to AED 4.5 million for the year ended 31 December 2022. The increase in marketing expenses was primarily due to the expansion of the Group's operations through growth initiatives, including initiatives such as the Alef rebranding, Alef Symposium event and other increased marketing activities.

Marketing expenses decreased by AED 1.1 million, or by 19.8%, to AED 4.5 million for the year ended 31 December 2022, compared to AED 5.6 million for the year ended 31 December 2021. The decrease in marketing expenses was primarily due to strategic alignment in connection with the Group's cost optimization initiatives and participation in fewer events in 2022 compared to 2021.

Operating profit for the Period / Year

As a result of the foregoing factors, operating profit for the three month period ended 31 March 2024 increased by AED 6.8 million, or by 5.9%, to AED 121.0 million, compared to AED 114.2 million for the three month period ended 31 March 2023.

Operating profit for the year ended 31 December 2023 increased by AED 17.9 million, or by 4.1%, to AED 454.9 million, compared to AED 437.0 million for the year ended 31 December 2022. Operating profit for the year ended 31 December 2022 increased by AED 77.7 million, or by 21.6%, to AED 437.0 million, compared to AED 359.3 million for the year ended 31 December 2021. This was principally as a result of the reasons stated above.

Others

Other expenses remained relatively stable at AED 0.8 million and AED 0.8 million for the three month period ended 31 March 2024 and the three month period ended 31 March 2023, respectively.

Other expenses remained relatively stable at AED 3.6 million for the year ended 31 December 2023 and 31 December 2022 and AED 3.7 million for the year ended 31 December 2021.

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

Income from financial assets carried at fair value through profit or loss decreased to Nil for the three month period ended 31 March 2024, compared to AED 91.4 million for the three month period ended 31 March 2023. The decrease in income from financial assets carried at fair value through profit or loss was primarily due to disposal of the investment portfolio in December 2023 and accordingly no further income from financial assets recorded in 2024.

Income from financial assets carried at fair value through profit or loss decreased by AED 115.2 million, or by 48.4%, to AED 122.8 million for the year ended 31 December 2023, compared to AED 237.9 million for the year ended 31 December 2022. The decrease in income from financial assets carried at fair value through profit or loss was primarily due to market fluctuations, given that return on financial assets is primarily based on traded securities.

Income from financial assets carried at fair value through profit or loss increased by AED 170.1 million, or by 250.5%, to AED 237.9 million for the year ended 31 December 2022, compared to AED 67.9 million

for the year ended 31 December 2021. The increase in income from financial assets carried at fair value through profit or loss was primarily due to market fluctuations, given that return on financial assets is primarily based on traded securities.

Interest income

Interest income increased by AED 2.7 million, or by 501.7%, to AED 3.2 million for the three month period ended 31 March 2024, compared to AED 0.5 million for the three month period ended 31 March 2023. The increase in interest income was primarily due to the higher amount of fixed deposits held during the three month period ended 31 March 2024, compared to the three month period ended 31 March 2023.

Interest income increased by AED 8.5 million, or by 4,971.8%, to AED 8.7 million for the year ended 31 December 2023, compared to AED 0.2 million for the year ended 31 December 2022. The increase in interest income was primarily due to the allocation of more surplus cash as fixed deposits with Capital Investments (a related party) in 2023 compared to 2022.

Income tax expense

The Group recorded an income tax expense of AED 11.1 million for the three month period ended 31 March 2024 following the introduction of the Corporate Tax Law, compared to Nil for three month period ended 31 March 2023 and the years ended 31 December 2021, 2022 and 2023. Refer to Note 23 of the Financial Statements for further information.

Profit for the period/year

As a result of the foregoing factors, profit for the three month period ended 31 March 2024 decreased by AED 93.0 million, or by 45.1%, to AED 113.0 million, compared to AED 206.1 million for the three period months ended 31 March 2023.

Profit for the year ended 31 December 2023 decreased by AED 88.7 million, or by 13.1%, to AED 586.4 million, compared to AED 675.1 million for the year ended 31 December 2022. Profit for the year ended 31 December 2022 increased by AED 247.9 million, or by 58%, to AED 675.1 million, compared to AED 427.2 million for the year ended 31 December 2021. This was principally as a result of the reasons stated above.

Liquidity and Capital Resources

The Group's primary liquidity requirements are content and product development expenses, including technology expenses, lease expenses, software and license expenses, and other content/product development expenses.

During the periods under review, the Group has funded its working capital needs and capital expenditure requirements from cash from operations. As at 31 March 2024 and 31 December 2023, the Group had AED 0.2 million and AED 0.5 million of outstanding indebtedness, respectively, which comprised of lease liability.

Material Borrowings

As at 31 March 2023, the Group had no borrowings outstanding.

Off-balance Sheet Arrangements

Commitments and Contingent Liabilities

Bank Guarantees

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. The following table sets out the Group's guarantees as at 31 March 2024 and 2023 and as at 31 December 2023, 2022 and 2021, respectively:

	31 March 2024 AED	31 March 2023 AED	31 December 2023 AED	31 December 2022 AED	31 December 2021 AED
Bank guarantees	8,580,794	8,580,794	8,580,794	8,580,794	9,155,098
	8,580,794	8,580,794	8,580,794	8,580,794	9,155,098

Included in the bank guarantees as at 31 March 2024 is an amount of AED 5,122,394 (31 March 2023: AED 5,122,394, 31 December 2023: AED 5,122,394, 31 December 2022: AED 5,122,394 and 31 December 2021: AED 5,122,394), which has been issued by the First Abu Dhabi Bank on behalf of a related party. Refer to Notes 15 and 20 of the Financial Statements.

Capital Expenditure

The Group's capital expenditure comprises primarily growth capital expenditure to invest in the Group's content and platforms and development of new products as well as other maintenance capital expenditure.

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Additions to intangible assets	56,496,029	9,425,912	35,845,700	29,922,616	16,852,819
Additions to property and equipment	135,944	121,085	1,162,776	2,711,786	1,182,247
Capital Expenditure	56,631,973	9,546,997	37,008,476	32,634,402	18,035,066

Special purpose consolidated statement of cash flows data

The following table presents a summary of the special purpose consolidated statement of cash flows data of the Group for the years ended 31 December 2021, 2022 and 2023 and for the three month periods ended 31 March 2023 and 2024.

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Net cash (used in) generated from operating activities	(73,351,030)	188,373,209	477,514,610	496,000,995	250,795,360
Net cash (used in) generated from investing activities	(161,909,569)	(157,301,954)	625,182,367	(530,319,841)	(468,035,066)
Net cash generated from (used in) financing activities	2,377,938	275,914	(1,012,361,199)	171,505	(1,151,111)
Net increase / (decrease) in cash and cash Equivalents	(232,882,661)	31,347,169	90,335,778	(34,147,341)	(218,390,817)
Cash and cash equivalents at the beginning of the period / year	261,773,715	171,437,937	171,437,937	205,585,278	423,976,095
Cash and cash equivalents at the end of the period/ year	28,891,054	202,785,106	261,773,715	171,437,937	205,585,278
<i>Significant non-cash transactions:</i>					
Issuance of share capital	70,000,000	-	-	-	-
Addition to intangible assets	1,249,391	-	4,106,432	2,452,943	-
Dividend paid through a related party	-	-	614,606,186	-	-

Net cash (used in) generated from operating activities

The following table sets forth the net cash flows from/used in the Group's operating activities for the years ended 31 December 2021, 2022 and 2023 and the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
	(AED)				
Operating Activities					
Profit for the period / year before tax	124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Adjustments for:					
Depreciation on property and equipment	396,671	1,420,165	3,271,862	8,563,942	9,748,633
Depreciation for right of use asset	57,658	38,371	211,364	-	967,582
Amortisation of intangible assets	8,409,112	7,778,730	30,732,894	30,238,093	26,512,823
Income from financial assets carried at fair value through profit or loss	-	(91,362,983)	(122,795,687)	(237,947,155)	(67,893,713)
Interest expense on lease liability	8,208	6,919	38,055	-	-
Write-off of intangible asset	-	-	-	-	741,266
Write-off of property and equipment	-	-	-	17,571	-
Provision for employees' end of service benefits	1,195,000	969,199	4,286,824	7,480,607	6,322,132
Gain on disposal of property and equipment	-	-	(6,538)	-	-
Interest income	(3,218,014)	(534,845)	(8,698,380)	(171,505)	-
	131,017,538	124,372,021	493,448,293	483,276,950	403,549,549
Working capital changes:					
Amounts due from related parties	55,454	3,982	(289,966)	1,739,801	(1,525,274)
Trade and other receivables	(219,693,338)	10,348,266	(19,505,309)	17,102,973	(144,919,777)
Trade and other payables	15,665,359	54,247,370	6,444,006	(3,798,857)	(1,829,806)
Amounts due to related party	-	-	-	(37,826)	37,826
Cash (used in) generated from operating activities	(72,954,987)	188,971,639	480,097,024	498,283,041	255,312,518
Employees' end of service benefits paid	(396,043)	(598,430)	(2,582,414)	(2,282,046)	(4,517,158)
Net cash (used in) generated from operating activities	(73,351,030)	188,373,209	477,514,610	496,000,995	250,795,360

Net cash used in operating activities decreased by AED 261.7 million to net cash used in operating activities of AED 73.4 million for the three month period ended 31 March 2024, compared to net cash generated from operating activities of AED 188.4 million for the three month period ended 31 March 2023. The outflow of net cash used in operating activities was primarily due to a negative change in trade and other receivables of AED 219.7 million for the three month period ended 31 March 2024, as a result of due payments that remained outstanding as of 31 March 2024, including AED 129 million payment from ADEK received within the first week of April, in addition to an outstanding payment of AED 219 million from PC, which includes invoices of AED 129 million which were subject to administrative delays, as well as an invoice of AED 90 million issued in March 2024 and outstanding in the normal course of business.

Net cash generated from operating activities decreased by AED 18.5 million, or by 3.7%, to AED 477.5 million for the year ended 31 December 2023, compared to AED 496 million for the year ended 31 December 2022. The decrease in net cash generated from operating activities was primarily due to an increase in trade and other receivables, including from PC of AED 12.3 million and increase in prepayments in connection with software licenses of AED 6.0 million, as at 31 December 2023 compared to 31 December 2022.

Net cash generated from operating activities increased by AED 245.2 million, or by 97.8%, to AED 496 million for the year ended 31 December 2022, compared to AED 250.8 million for the year ended 31 December 2021. The increase in net cash generated from operating activities was primarily due to collection of receivables from CPC's delayed payment due for the financial year ended 31 December 2021 and increase in operating profits from ADEK education solution revenue (minimum commitment) increasing from 65,000 students to 80,000 students.

Net cash (used in) generated from investing activities

The following table sets forth the Group's net cash (used in) generated from investing activities for the years ended 31 December 2021, 2022 and 2023 and the three month periods ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Investing Activities					
Purchase of property and equipment	(135,944)	(121,085)	(1,162,776)	(2,711,786)	(1,182,247)
Purchase of financial assets carried at fair value through profit or loss	-	(30,432,952)	(61,464,112)	(757,637,124)	(374,248,455)
Proceeds from disposal of financial assets carried at fair value through profit or loss	-	48,287,331	418,270,957	386,820,214	169,410,489
Dividend income from financial assets carried at fair value through profit or loss	-	6,316,725	20,414,682	9,595,611	2,868,107
Amounts due from related parties	33,473,013	(171,926,061)	280,856,346	(138,917,083)	(248,030,141)
Purchase of intangible assets	(55,246,638)	(9,425,912)	(31,739,268)	(27,469,673)	(16,852,819)
Term deposit	(140,000,000)	-	-	-	-
Proceeds from disposal of property and equipment	-	-	6,538	-	-
Net cash (used in) generated from investing activities	(161,909,569)	(157,301,954)	625,182,367	(530,319,841)	(468,035,066)

Net cash used in investing activities decreased by AED 4.6 million, or by 2.9%, to AED 161.9 million for the three month period ended 31 March 2024, compared to AED 157.3 million for the three month period ended 31 March 2023. The increase in net cash used in investing activities was primarily due to cash outflow in connection with the Arabits and Abjadiyat acquisitions, resulting in an increase in purchase of intangible assets, as well as investment in term deposits, which were offset by a cash inflow from related parties in connection with the disposal of the Group's financial assets portfolio, which was held by the Group through Capital Investments, a related party, during the three month period ended 31 March 2023, as well as receipt of cash in connection with same.

Net cash generated from investing activities increased to AED 625.2 million for the year ended 31 December 2023, compared to net cash used in investing activities amounting to AED 530.3 million for the year ended 31 December 2022. The increase in net cash generated from investing activities was primarily due to the Group's disposal of the financial assets portfolio in the year ended 31 December 2023, which resulted in a cash inflow in 2023, compared to the cash outflow in 2022.

Net cash used in investing activities decreased by AED 62.3 million, or by 13.3%, to AED 530.3 million for the year ended 31 December 2022, compared to AED 468 million for the year ended 31 December 2021. The increase in net cash used in investing activities was primarily due to an increase in the investment in financial assets to generate returns.

Net cash generated from (used in) financing activities

The following table sets forth the net cash used in/generated from the Group's financing activities for the years ended 31 December 2021, 2022 and 2023 and the three months period ended 31 March 2023 and 2024:

	Three months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			<i>(AED)</i>		
Financing Activities					
Interest income	2,636,820	534,845	5,386,924	171,505	-
Dividend paid through a related party	-	-	(1,017,489,192)	-	-
Payment of principle portion of lease liabilities	(258,882)	(258,931)	(258,931)	-	(1,151,111)
Net cash generated from (used in) financing activities	2,377,938	275,914	(1,012,361,199)	171,505	(1,151,111)

Net cash generated from financing activities increased by AED 2.1 million, or by 761.8%, to AED 2.4 million for the three month period ended 31 March 2024, compared to AED 0.3 million for the three month period ended 31 March 2023. The increase in net cash generated from financing activities was primarily due to an increase in interest income due to higher interest applicable on fixed deposits during the three month period ended 31 March 2024 compared to the three month period ended 31 March 2023.

Net cash used in financing activities decreased by AED 1,012.2 million, or by 590,380%, to net cash used in financing activities of AED 1,012.4 million for the year ended 31 December 2023, compared to net cash generated from financing activities AED 0.2 million for the year ended 31 December 2022. The increase in net cash used in financing activities was primarily due to cash outflow as a result of dividends distributed to shareholders. The total dividend distributed amounted to AED 1,632.1 million, which was settled via transfer of financial assets carried at fair value through profit or loss amounting to AED 614.6 million, along with cash balances of AED 1,017.5 million paid through Capital Investments L.L.C., a related party, to the shareholders in full settlement of the dividend liability. Accordingly, the Group recorded an amount of AED 1,017.5 million in dividend paid through a related party under financial activities and AED 614.6 million in non-cash dividend paid through a related party under significant non-cash transactions.

Net cash generated from financing activities increased to AED 0.2 million compared to net cash used in financial activities of AED 1.2 million for the year ended 31 December 2021. The increase in net cash generated from financing activities was primarily due to interest income from a related party generated in connection with cash surplus held with such related party and the change in treatment of payment of principal portion of lease liabilities in connection with headquarters lease, from a finance lease in the last year of the lease agreement to an operating lease in 2022 due to the nature and the tenor of the new contract from 2022.

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.

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 Kingdom of Jordan which had a balance of AED 88,736 as at 31 March 2024 (March 2023: AED 1,609,095, 31 December 2023: AED 629,900, 31 December 2022: AED 884,632, 31 December 2021: AED: nil) which did not have a significant exposure at the three-month periods ended 31 March 2024 and 31 March 2023 and the years ended 31 December 2023, 2022 and 2021.

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 and amounts due from related parties.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Group's profit (loss) for the period ended 31 March 2024 would have increased or decreased by AED 656,738 (31 March 2023: AED 113,797, 31 December 2023: AED 1,850,719, 31 December 2022: AED 36,490, 31 December 2021: AED nil). There is no direct impact on the Group's equity.

See Note 19 of the Financial Statements for further information on the Group's financial risk management objectives and policies.

Credit Risk

Credit risk refers to 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 special purpose consolidated statement of financial position.

Concentration of credit risk

Concentration of credit risk arises when a number of counterparties 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 is mitigated by high creditworthiness 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 Kingdom 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 months AED	3 - 12 months AED	1 - 5 years AED
31 March 2024				
Lease liability	259,055	-	259,055	-
Trade payables	13,257,774	13,257,774	-	-
	<u>13,516,829</u>	<u>13,257,774</u>	<u>259,055</u>	<u>-</u>
31 March 2023				
Lease liability	518,000	-	259,000	259,000
Trade payables	21,283,912	21,283,912	-	-

	<u>21,801,912</u>	<u>21,283,912</u>	<u>259,000</u>	<u>259,000</u>
31 December 2023				
Lease liability	517,590	258,795	-	258,795
Trade payables	16,649,944	16,649,944	-	-
	<u>17,167,534</u>	<u>166,908,739</u>	-	<u>258,795</u>
31 December 2022				
Trade payables	<u>22,069,436</u>	<u>22,069,436</u>	-	-
31 December 2021				
Amount due to a related party	37,826	37,826	-	-
Trade payables	13,819,876	13,819,876	-	-
	<u>13,857,702</u>	<u>13,857,702</u>	-	-

Accounting Estimates and Judgements

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 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.

Refer to Note 4 of the Financial Statements for further information.

FINANCIAL AND OPERATIONAL TARGETS

The financial and operational targets presented in this section constitute forward-looking statements that are based on a number of assumptions and estimates and are subject to risk and uncertainties. The independent auditors have neither examined, compiled nor performed any procedures with respect to the financial information presented in this section, and accordingly, the independent auditors assume no responsibility for and deny any association with any such financial information and any other information derived therefrom included elsewhere in this Offering Memorandum. Such statements are no assurance of the Group's actual future financial or operational results, which may differ materially from what is expressed or implied by these forward-looking statements due to a variety of factors, certain of which are outside of the Group's control. In addition, unanticipated events may adversely affect the actual results that the Group achieves in future periods whether or not the assumptions prove to be correct. See also "Information Regarding Forward-Looking Statements" and "Risk Factors" under the Second Section of the attached UAE Prospectus.

These targets are based on data, assumptions and estimates, which are considered reasonable by the Group, as at the date of this Offering Memorandum. However, no assurances can be given that these targets will be achieved. Actual events or results may differ materially as a result of the risks and uncertainties the Group faces. Such risks and uncertainties could cause results to vary materially from the targets. Important factors that could cause the Group's results to differ from the targets include, but are not limited to, the risks set out in "Risk Factors" under the Second Section of the attached UAE Prospectus. The data and assumptions upon which the targets are based may change or be modified as a result of uncertainties relating, in particular, to the risks set out in "Risk Factors" or other political, economic, financial, competitive, legal, regulatory or fiscal factors or because of other factors of which the Group is not aware at the date of this Offering Memorandum.

In addition, the achievement of these targets presupposes the successful and effective implementation of the strategy presented in "Business Description — Strategy" in the Second Section of the UAE Prospectus. The Group accordingly makes no commitment or guarantee regarding the achievement of the targets presented below. Subject to the foregoing, management has set the following financial and operational targets for the Group's business:

The Group's growth strategy encompasses both organic and inorganic growth strategies focusing on B2B and B2G growth modules, divided into four main categories, namely B2G (Contracted Revenue), B2G (Growth Modules), B2B (Growth Modules) and others.

B2G Revenue - Contracted– Organic

In the medium term, the Group is targeting annual revenue of approximately AED 646 million between 2024 and 2029 in connection with the ADEK Agreement and AED 7.8 million from the MOD Agreement, which is calculated by multiplying the number of students by the applicable rate per student. With respect to the targeted ADEK Agreement revenue, the Group assumes 80,000 minimum guaranteed number of students multiplied by the fee per student, which take into account 40% of such fee payable by the PC under an informal arrangement on top of the fee payable by ADEK under the ADEK Agreement. The Group is targeting Support and Services (which include IT maintenance fees, IT capex fees, and IT capex fees for students) at approximately 16.5% of the total target ADEK revenue for the year ending 31 December 2024, with the aim to stabilize at 14.5% between 2025 and 2029. Further, the Group is targeting Education Solutions to make up 87% of the B2G Contracted growth module and Support and Services to make up approximately 13% in the medium term. The Group expects revenue from the aforementioned existing contracts to remain stable in the medium term.

B2G Revenue - Growth Module – Organic

The Group's growth strategy contemplates entering into certain additional arrangements to expand its B2G revenue stream which tend to be large and long-term contracts with governments or education ministries. The Group is currently in discussions with several governments or education ministries and has a healthy pipeline of potential opportunities across geographies (UAE and beyond). The Group expects to generate annual revenues ranging between AED 250 million to AED 350 million from its B2G vertical from the financial year ending 31 December 2025 to the financial year ending 31 December 2029, which is contingent on the Group successfully securing these contracts.

B2B Revenue - Growth Module– Organic

The Group's B2B growth strategy contemplates a B2B revenue build-up including ECE, G3-12 courseware, assessment for K-12, future learners and teacher support comprising the following:

- **UAE.**
 - *TAM:* TAM identified for the K-12 and pre-primary segment across different target markets in line with market study conducted with a third-party consultant.
 - *Market share targets:* Highest market penetration target in the UAE given readily available core content.
 - *Number of modules per student targets:* Targeted between 1 to 5 modules per student across product-lines due to readily available content for the UAE.
 - *Average price per module:* Targeted between AED 37 and AED 103 per module across products reflecting competitive pricing in high expendable markets.
 - *Targeted contribution to total organic B2B revenue:* Average of approximately 33% between 2024 and 2026 and 14% between 2027 and 2029.
- **Other GCC and MENA markets:** The Group's expansion strategy contemplates potentially expanding into certain GCC and MENA jurisdictions, such as KSA, Qatar, Bahrain, Oman, Kuwait, Egypt, Morocco and Indonesia:
 - *TAM:* TAM identified for the K-12 and pre-primary segment across different target markets in line with market study conducted with a third-party consultant.
 - *Market share targets:* Market share targeted for stable growth with assessments, core and supplementary products due to easier adaptability of content.
 - *Number of modules per student targets:* Targeted between 1 to 4 modules per student due to easily adaptable content with alignment in curriculum.
 - *Average price per module:* Expecting similar pricing to the UAE due to comparable markets.
 - *Targeted contribution to total organic B2B revenue:* Average of approximately 42% between 2024 and 2026 and 31% between 2027 and 2029.
- **Emerging Markets:** The Group's expansion strategy contemplates potentially expanding into certain emerging markets, such as India, Pakistan, Bangladesh, Malaysia, Turkey, Nigeria, the Republic of South Africa and Brazil:
 - *TAM:* TAM identified for the K-12 and pre-primary segment across different target markets in line with market study conducted with a third-party consultant.
 - *Market share targets:* Market share targeted for lean growth from 2025 in specific countries aligning adaptability of certain products only.
 - *Number of modules per student targets:* Targeted between 1 to 3 modules per student over later years once product-lines mature for adoption.
 - *Average price per module:* Targeted lower price range of between AED 37 and AED 74 due to lower spend and high competition in such markets.
 - *Targeted contribution to total organic B2B revenue:* Average of approximately 25% between 2024 and 2026 and 55% between 2027 and 2029.

Inorganic Growth Strategy:

Set out below is an overview of select deals within the Group's inorganic growth strategy, which are subject to change on a case-by-case basis depending on the progress of the respective deals.

Select Deals	Current Stage	% stake	Likelihood	Estimated Completion ⁽¹⁾	First Annualized Revenues	Year 1-2026E	2026E-2029E	EBITDA Margin 2024E-2029E
Arabic Scale ⁽²⁾	Completed	100%	N/A*	March 2024	N/A*	N/A*		N/A*
Delta	Due diligence stage	100%	High	Q2/Q3 2024	2024E: AED 10-15 million	c. 5% year-on-year		20-21%
Nectar	Exploration	20%	Early Stage	Q2/Q3 2024	2024E: AED 200-210 million	c. 5% year-on-year		21-22%
Lima	Valuation	100%	Medium	Q2/Q3 2024	2024E: AED 10-15 million	c. 5% year-on-year		21-22%
Western	Exploration	100%	Early Stage	Q2/Q3 2024	2024E: AED 180-185 million	c. 5% year-on-year		39-40%
Romeo	Exploration	100%	Early Stage	Q2/Q3 2024	2024E: AED 90-100 million	c. 5% year-on-year		21-22% ⁽⁵⁾

Note:

* Not presented in this Offering Memorandum.

(1) Estimated completion dates for the deal pipeline are based on the Group's management estimates and internal targets as of March 2024, which are subject to change on a case-by-case basis depending on the progress of the respective deals.

(2) Arabic Scale deal undertaken to develop, promote, and commercialize a technical framework for Arabic reading, for the measurement of Arabic text complexity and reading ability in Arabic speaking countries.

(3) Revenue projected to commence in 2025; growth for the first period indicated for 2025 and 2026.

(4) Projected to be loss making in 2024 (projected at approximately AED 5 million loss) and 2025 (projected at approximately AED 3 million loss). Targeted to start generating EBITDA in 2026.

(5) Project Romeo targeted to generate EBITDA beginning 2025.

Medium Term Targets

Adjusted EBITDA

- **B2G Contracted Revenue:** The Group is targeting Adjusted EBITDA margins of approximately 79% in 2024 and approximately 80% in 2026 and ranging between 80% and 81% between 2027 and 2029, with a flat CAGR between 2024 and 2026 and a CAGR of approximately 0.2% between 2026 and 2029.
- **B2G Growth Modules (Organic):** The Group is targeting Adjusted EBITDA margins of approximately 87% in 2025 and 84% in 2026, with a negative EBITDA margin for 2024 (approximately AED 1 million loss) and Adjusted EBITDA margins ranging between approximately 75% and 80% between 2027 and 2029. The Group is targeting a CAGR of 27% between 2025 and 2026 and approximately 5% between 2026 and 2029.
- **B2B Growth Modules (Organic):** The Group is targeting Adjusted EBITDA margins ranging between 24% and 25% in 2026, with a negative EBITDA margin for 2024 (approximately AED 34 million loss) and 2025 (approximately AED 17 million loss). The Group is targeting a CAGR of 98% between 2026 and 2029.

Corporate Overheads:

- **Market Exploration Costs:** The Group estimates market exploration costs of approximately AED 16 million for 2024, with a flat CAGR between 2024 and 2026 as well as between 2026 and 2029.
- **Corporate Overheads:** The Group estimates corporate overheads of approximately AED 56 million with a flat CAGR between 2024 and 2026 as well as between 2026 and 2029.

Net Working Capital:

- **Receivable Days:** The Group estimates 44 days for 2024, expecting to stabilize at 58 days over the medium term.
- **Payable Days:** The Group estimates 51 days in 2024, expecting to stabilize at 58 days over the medium term.

Capital Expenditure:

- *Investment in product/intangibles:* The Group estimates AED 53 million in 2024, targeted to grow at a CAGR of approximately 19% between 2024 and 2026 and a CAGR of approximately 18% between 2026 and 2029.
- *Investment in property plant and equipment:* The Group estimates AED 4 million in 2024, targeted to grow at a CAGR of approximately 26% between 2024 and 2026 and a CAGR of approximately 19% between 2026 and 2029.
- *Investment in M&A:* The Group is targeting AED 35 million in investments in acquisitions in 2024, including approximately 4% deal costs for the six active discussions.
- *Depreciation and amortisation:* Depreciation and amortisation as a percentage of revenue expected to average approximately 5.2% between 2024 and 2026 and expected to grow to 6.2% between 2027 and 2029 as the Group's business continues to expand.

Capital Structure:

- The Group is targeting a conservative long-term leverage with a maximum of 2.5x net debt to Adjusted EBITDA. A revolving facility may be availed on an as-needed basis, with no debt expected to be drawn until 2027.
- The Group is targeting a minimum cash balance of approximately AED 100 million in the medium term. Debt may be drawn to maintain the minimum cash balance of AED 100 million.

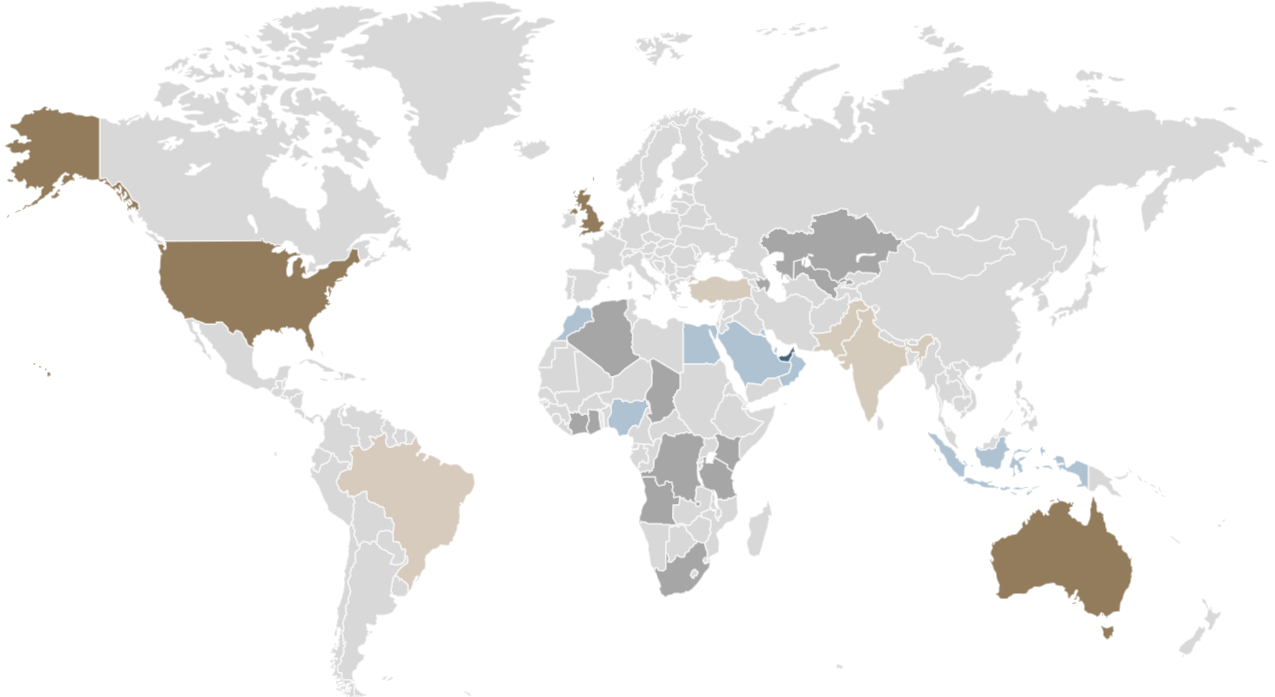
Tax:

- The Group is expected to pay corporate taxes at 9% on profit before tax starting 2024.

INDUSTRY OVERVIEW

Unless otherwise specifically stated, the information set forth below is based on the Industry Report which has been prepared by the Industry Consultant, for the benefit of the Company in relation to the markets in which the Group operates. See “Market, Economic, and Industry Data”.

Note: Global markets and definitions



Throughout this section, there are references to several countries and global markets. These are presented across two dimensions: “Expansion Horizons” and “Priority Target Markets”. The following definitions and categories apply across this section:

Expansion Horizon	Countries
UAE	UAE*
Home Markets	GCC*, Indonesia* , Egypt* , Morocco*
Developed Markets	US, UK, Australia
High Growth Emerging Markets	India, Pakistan, Turkey, Brazil, Nigeria*
Reactive B2G Markets	Kenya, Chad, Algeria, Uzbekistan, Azerbaijan, Kazakhstan, Ivory Coast, Chat, Tanzania, Ghana, Angola, South Africa, Democratic Republic of Congo

*Note: ***Bold countries** indicate the “Target Markets” that have been prioritised and evaluated in this document based on cultural relevance, K-12 education dynamics, market size, and other factors. These countries include: UAE, Saudi Arabia, Egypt, Morocco, Kuwait, Qatar, Oman, and Nigeria. For several of these “Target Markets” where opportunity is most immediate, specific market entry strategies are presented and rationalised.*

Education Market Worldwide

Education is a sizable and dynamic global market due to its universal importance across societies, evergreen demand for new knowledge and skills, and the durability of educational institutions and the populations they serve. Education is vital to economic development because it develops a population’s human capital, drives upward mobility, and delivers large, consistent returns on investment for a national economy (*Source: World Bank “Education Finance Watch 2023”*). Globally, education is one of the largest sectors across different economies.

The global education market is often divided into five broad sectors that together comprise the full lifecycle of learning for the world population: pre-K, K-12, Higher Education, technical and vocational education and training (TVET), and corporate learning and development (Corporate L&D). The private sector is active across each and every one of these segments, delivering a variety of products, services, and technology geared towards institutions (e.g., governments, schools, businesses) and learners themselves. The private sector operates in myriad ways across the education ecosystem; for example, it provides consumers and institutions with education delivery services, learning materials, classroom technology, administrative software, hardware, professional training, and a variety of more fundamental operational needs (e.g., staffing, transportation, safety and security, food services).

Exhibit 1: Global education sector market size (2024), trillions (“T”) of AED (\$USD)

Education Sector	Size	CAGR
Pre-K	2.75T (\$0.75T)	3-4%
K-12	14.75T (\$4T)	5%
Higher education	6.5T (\$1.75T)	4-5%
TVET	1.75T (\$0.5T)	3-4%
Corporate L&D	1T (\$0.25T)	3-4%
Total	26.75T (\$7.25T)	3-5%

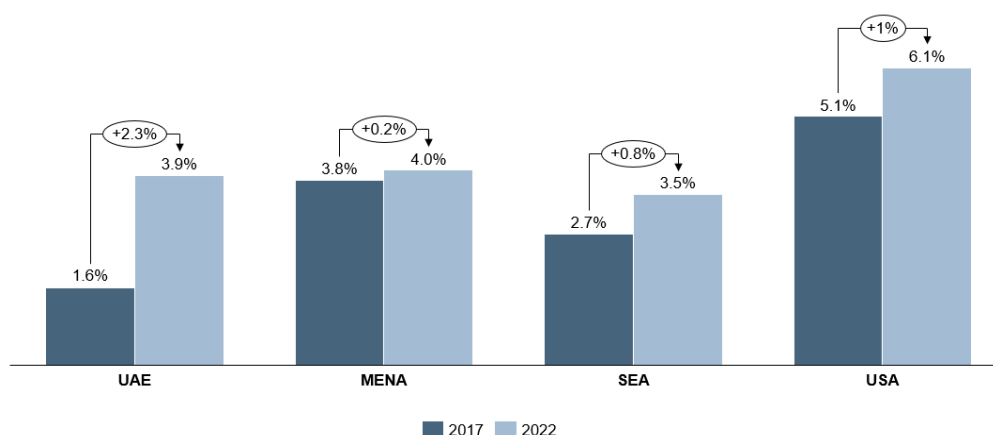
Sources: Holon IQ, Tyton Partners IP and analysis

Note: Based on 2020 total education market size and 2030 projections; rounded to closest 0.25T

Commercial education businesses generally demonstrate unique characteristics that make it an attractive sector. The sector is relatively resilient to economic downturns as spending in this area by governments is usually viewed as essential. Increased global demand from consumer and institutional markets is driven by the view that human capital is one of – if not the – primary drivers of economic growth (*Source: OECD*). Furthermore, the rapid integration of technology in education and the shift towards lifelong learning foster a sustained market demand for high quality instructional resources and assessments at all stages of a person’s education journey.

Across the education market there are several sources of funding. Governments are a chief funding source, particularly in the K-12 sector, and investment in education as a percentage of overall GDP has been increasing worldwide (Exhibit 2). Additional funding sources include investment from Non-Governmental Organisations (NGOs), private sector investors, and consumers themselves. The magnitude of funding relative to each source varies depending on the country, but all are active. For example, in countries where private schools are more prevalent, parents and families tend to invest more in their child’s education, whereas countries with robust public education systems – such as the United States and Egypt – government investments in education as a percentage of GDP are higher. Across the nonprofit sector, several international foundations invest heavily in education, including UNICEF (191 countries across the world), Global Partnership for Education (90 countries), and the Bill & Melinda Gates Foundation (focused on Africa and India) (*Source: UNESCO*).

Exhibit 2: Government Spending on Education (% of GDP from 2017-2022)



Sources: World bank database, Tyton Partners analysis

Beyond the public education expenditures, the private education sector is sizable and growing. For example, private K-12 schools educated 19% of the global student population in 2022, compared to 9% in 1990 – a compound annual growth rate (CAGR) of 3.5% (Source: World Bank). Given the size of the global K-12 education market will exceed USD\$4 trillion in the coming years (Exhibit 1), this implies that the private sector accounts for more than US\$750 billion in annual spend (Source: Tyton Partners analysis).

The K-12 Education Market Worldwide

“K-12” education – a term originating in the USA - represents Kindergarten through grade 12 and encompasses the education of children typically between the ages of 5 and 18 years old. K-12 education represents the largest and fastest growing segment of the education market, comprising approximately 55% of the market and growing at a CAGR of approximately 5% since 2020 (Exhibit 1). Unlike other sectors of the global education market, K-12 is compulsory – all countries except Bhutan, Papua New Guinea, Solomon Islands, and Vatican City have compulsory education laws (Source: “The State of the Right to Education Worldwide”, Brock University Press). Most commonly, countries require 10-13 years of compulsory schooling; as depicted in Exhibit 3, this results in more than 1.5 billion K-12 students worldwide – a greater level of participation than any other education sector. Moreover, the widespread participation in K-12 learning creates a level of demand for market-driven solutions that is durable, as the products and services are required to sustain effective learning environments.

Exhibit 3: Global enrolment in K-12 education, millions of learners (“M”)

Geography	1980	1990	2000	2010	2020
Global*	1.1B	1.3B	1.4B	1.5B	1.6B
MENA**	22M	29M	36M	42M	47M
United States	39M	40M	46M	48M	50M
Europe	87M	82M	76M	74M	71M
Rest of world	980M	1.1B	1.22B	1.37B	1.47B

Sources: Alpen Capital, Eurostat, National Center for Education Statistics, World Bank, Tyton Partners analysis

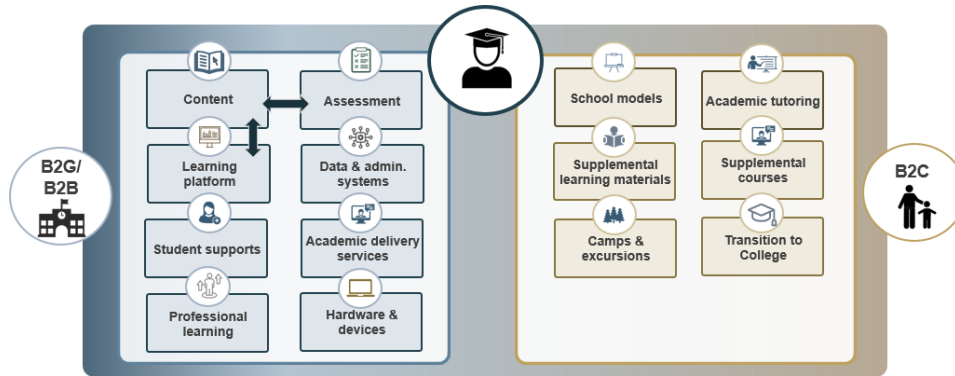
Note: *Global student enrolments rounded to nearest 1M; **MENA is inclusive of GCC countries, Egypt and Morocco

The private sector plays a catalytic role across the global K-12 sector due to its ability to produce innovative and high-quality solutions and services that meet the needs of consumers and institutions alike. Notably, public K-12 institutions partner with commercial providers for a range of products, services, and technologies. These partnerships enable governments, schools, networks of schools, and educators to meet the needs of students in flexible and responsive ways. As depicted in Exhibit 4, the private sector operates across the K-12 ecosystem in a multitude of ways.

As a partner to schools and governments, commercial enterprises can sell learning materials, classroom technology, back-end administrative tools, and training services, among other provisions. Private enterprise also delivers educational experiences and resources directly to families in the form of alternative schools, academic tutoring, supplemental learning materials, and learning experiences. Providers often engage with

schools through direct sales, partnerships with educational distributors, or participation in procurement processes initiated by school districts or larger governmental organisations (including entire states and countries). The relationship between companies and K-12 schools is critical for creating effective and conducive learning environments.

Exhibit 4: Illustrative overview of Global K-12 Commercial Market, by selected channel and market segment

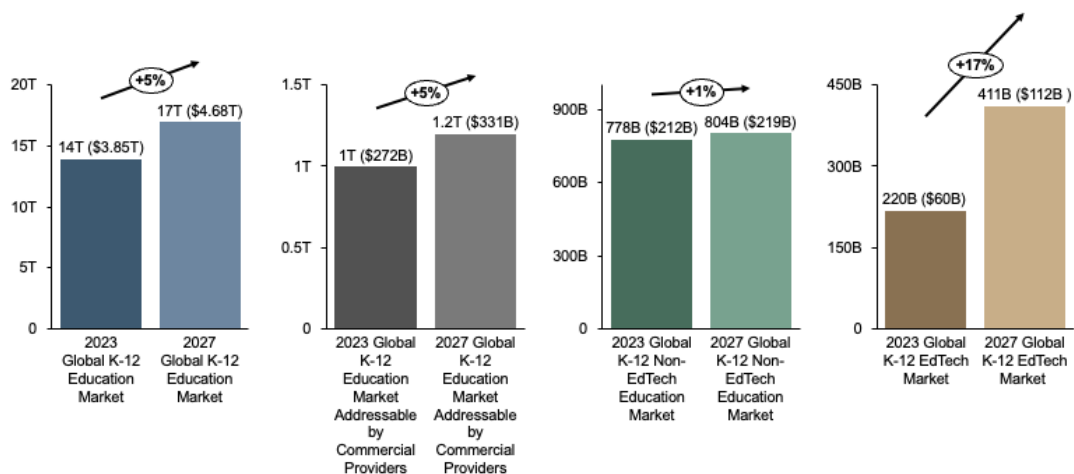


Source: Tyton Partners IP and analysis

Notably, not all expenditures on K-12 education that comprise the global market size are addressable by the private sector. Significant portions of per pupil expenditures are allocated to overhead: network/ school administration, facilities management, and teacher salaries and benefits. For example, in the U.S. for academic year 2019-2020, the total expenditures in K-12 education were US\$870 billion, which corresponds to nearly \$15,000 per student; most of this spend is allocated to administrative overhead. Nevertheless, there is a significant portion of the global K-12 expenditures addressable by the private sector. Using the US as an example, more than US\$60 billion of the US\$870 billion total public expenditures are granted in contracts to third-party product, service, and technology providers (Source: National Center for Education Statistics).

This propensity to spend on commercial partnerships catalyses the K-12 market, highlighted in Exhibit 4, and factors into the market size estimates for 2023 presented in Exhibit 5. The **K-12 market size** is defined as total spend across all channels (B2B/G/C) and includes all markets on K-12 education solutions globally; education technology (“**EdTech**”) **market size** is defined as total spend on all **digital** solutions as a subset of the overall market size (instruction, data, administrative systems, professional development, human resources, virtual courses / schools and devices).

Exhibit 5: Estimated K-12 market size AED (\$USD) (2023-2027)



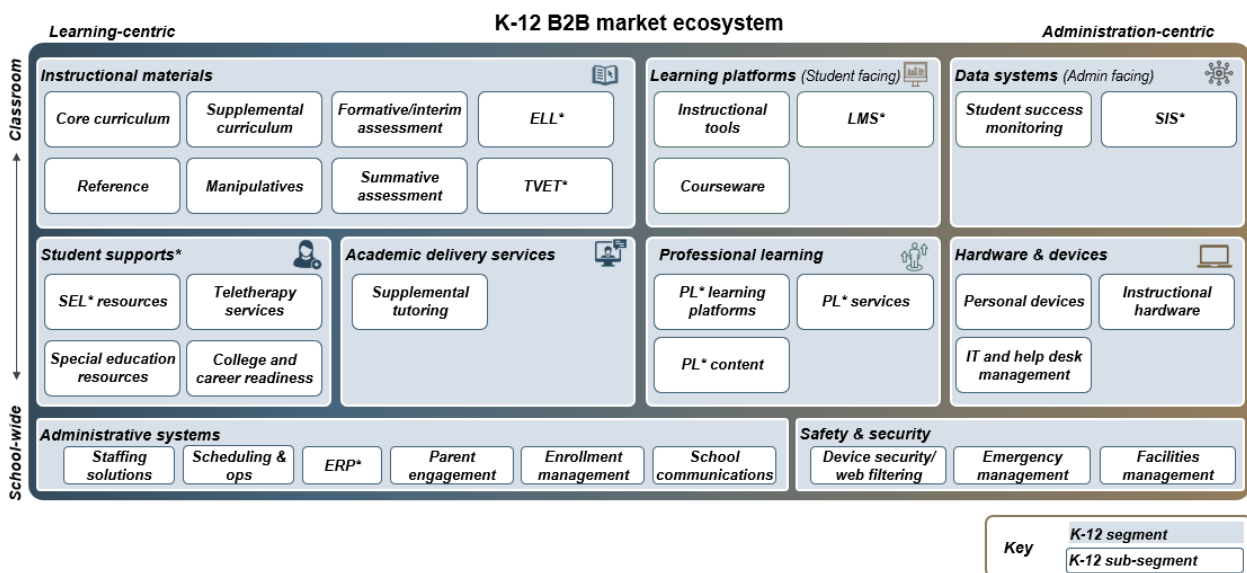
Sources: Holon IQ, Tyton Partners IP and analysis

Notes: K-12 Non-EdTech Education Market reflects estimated spend on manipulatives, print, and/ or services-based solutions (i.e., all categories of spend that are not software or technology hardware).

Across the K-12 institutional market, the private sector plays an active role across a core set of classroom and administrative functions. As depicted in Exhibit 6, these markets and segments can be organized by whether the solutions serve learners directly (i.e., “Classroom-centric”) or enable the administrative capabilities of schools and districts (i.e., “Administration-centric”). Relative to these dimensions, there are a variety of product, service, and technology categories that can be offered by providers and leveraged by teachers, learners, and administrators. These range from instructional solutions, support and services for student populations, training for educators, data infrastructure, and IT/ facilities management.

Based on the category, commercial activity may be more or less mandated by regulation. For example, most countries require dedicated support and services for students with learning disabilities, and allocate funds accordingly to partner with specialised solutions providers. Additionally, national and/ or local academic standards require vetted curriculum and measurement solutions to drive learning in and out of the classroom, and teachers are commonly required to engage in professional development/ continuous education (“PD” or “CE”) to maintain certification. Notably, not all markets and segments are depicted in Exhibit 6. The private sector also plays a substantial role across most countries in the provision of more foundational school services, such as transportation to food services.

Exhibit 6: Global K-12 institutional market ecosystem



Source: Tyton Partners IP and analysis






Notes: *ELL refers to English Language Learners, *TVET refers to Technical and Vocational Education Training, *LMS refers to Learning Management System, *SIS refers to Student Information System, *SEL refers to Social and Emotional Learning, *PL refers to Professional Learning, *ERP refers to Enterprise Resource Planning

Several factors have driven engagement between K-12 institutions and the private sector, including accelerated rates of digital adoption in schools, declining student performance metrics, capacity constraints, an evolving global economy, and concerns about students’ overall mental health and well-being. Commercial products and services, including staffing, curriculum, and technology solutions, enable schools and districts to be flexible and responsive to these systemic trends, as outlined in Exhibit 7.

From a secular standpoint, increased demand for digital learning experiences across both developed and emerging markets has created an opportunity for a new cohort of digital-first learning platforms to challenge incumbent publishers. Moreover, the ongoing “Fourth Industrial Revolution” has fundamentally changed the requirements to participate in the global workforce, resulting in greater emphasis on both hard and soft skills, commonly referred to as “21st century skills” (Source: World Economic Forum “The Fourth Industrial Revolution”). Evolutions in the global economy, in turn, catalyse demand from K-12 schools for new instructional programs and learning experiences that are more aligned to a global, digital-first economy.

Additionally, the K-12 education sector has also been experiencing acute pressures since the start of the COVID-19 pandemic. Widespread challenges to recruit and retain teachers in the wake of low wages and poor working conditions – as well as learning loss and widening achievement gaps – create incentive for governments and K-12 schools to respond in meaningful and substantial ways. Buoyed by dedicated stimulus funds, the challenges that have emerged in recent years have further accelerated the role of the private sector in K-12 education.

Exhibit 7: Global K-12 Dynamics Accelerating Private Sector Activity (as of 2023)

Drivers	Market Impact	Supporting Details	Implications for K-12 Private Enterprises
Digital adoption		<ul style="list-style-type: none"> Most of the world’s K-12 institutions have embraced integration of digital learning as critical to the future of K-12 education, based on a survey of global K-12 administrators by Holon IQ 	<ul style="list-style-type: none"> Governments and K-12 schools must rely on commercial partners to provide digital instructional, assessment, and learning management products.
Pandemic-driven learning loss		<ul style="list-style-type: none"> Based on the 2021 PIRLS (Progress in International Reading Literacy Study) assessment results, researchers estimate the students lost the equivalent of a year’s worth of schooling due to the pandemic 	<ul style="list-style-type: none"> K-12 decision-makers prioritise adoption of new and more advanced learning programs to attempt to close achievement gap; providers who can enable differentiated learning, targeted intervention, and implementation supports for teachers will be rewarded in the near-term
Teacher attrition		<ul style="list-style-type: none"> A 2024 UNESCO report found that the rate of attrition for K-12 teachers jumped from 4.6% in 2015 to 9% in 2022. Causes of teacher attrition include heavy workloads and long hours, lack of resources, and low pay and benefits 	<ul style="list-style-type: none"> Greater need for software and services that can increase the productivity and efficiency of teachers; moreover, demand for commercial products that can promote independent learning given decreasing student to teacher ratios
Evolving workforce needs		<ul style="list-style-type: none"> Over the last three decades, demand for employees in fields related to STEM have grown by 80% in the United States. Furthermore, governments across the US, Europe, and MENA have passed legislation to introduce career readiness skills for K-12 students 	<ul style="list-style-type: none"> Pronounced shift away from industrial learning model (whole-class instruction towards universal set of skills) and towards more differentiated learning pathways that promote 21st century career readiness and STEM skills Generates demand for personalised learning programs
Student health and well-being		<ul style="list-style-type: none"> Global conflict, the pandemic, and other social dynamics (e.g., technology and isolation) have accelerated mental health issues among school-aged children, according to the Child Mind Institute 	<ul style="list-style-type: none"> It is increasingly important for governments and schools to work with commercial partners to deliver adaptive and flexible learning experiences that meet the unique needs of individual learners and provide adequate supports and services

Sources: CASEL, Holon IQ, International Association for the Evaluation of Educational Achievement, Learning Policy Institute, UNESCO, US Bureau of Labor Statistics, Tyton Partners analysis

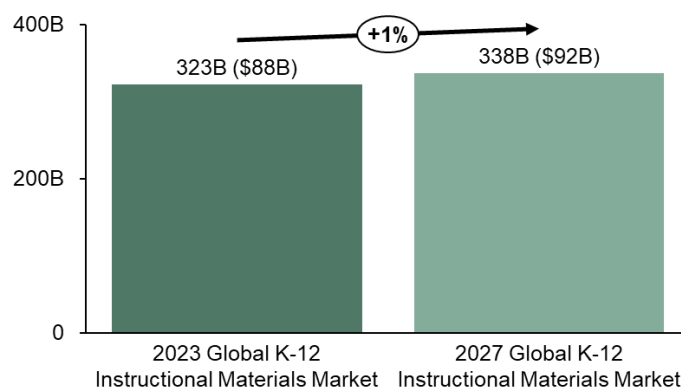
K-12 LEARNING MATERIALS MARKET

K-12 Learning Materials Total Addressable Market

The Total Addressable Markets (“TAMs”) of the K-12 learning materials market can be defined as total spend on learning materials, print and digital, on all the subjects across all channels (B2B/B2G/B2C) in each grade from Kindergarten through Grade 12.

This definition of TAM allows for comparisons to be made across geographies and education systems with varying characteristics and structures. However, the definition also likely understates the total TAM for the K-12 learning materials market due to the versatility and range of new solution models. For example, education technology (“EdTech”) platforms across K-12 increasingly serve a diverse range of capabilities, merging delivery and support of teaching and learning, assessment, and data management, a dynamic outlined in this section that underscores the opportunity for digital-first providers to drive growth across growing markets.

Exhibit 8: Global TAM for Learning Materials AED (\$USD)



Sources: Holon IQ, Tyton Partners IP and analysis

K-12 Purchasing Models

K-12 purchasing models for learning materials differ relative to business to governments (“**B2G**”) and business to business (“**B2B**”) environments. While each region, country, and school/ system has nuances, these purchasing models can be instructive for learning materials providers. B2G purchasing models refer to environments where national and/ or state governments make large-scale purchases to supply learning materials for a sizeable network of schools. B2B purchasing models refer to environments where decision-making is decentralized, enabling education leaders to make purchasing decisions with greater autonomy, more frequently. Each model presents unique opportunities and challenges for K-12 learning materials providers, as depicted in Exhibit 9.

B2G purchasing models are driven by government-led decision-makers, and often entail larger, longer-term contracts for commercial providers with greater customization. At the same time, with greater stickiness comes higher barriers to entry for emerging competitors. Purchases in B2G environments are driven by political actors, and revenue may be less predictable given the varied tenures and motivations of these decision-makers. B2G decision-makers are often motivated by competitiveness on the international stage, perceptions of political strength, and the relation of curriculum to upskilling and a nation’s future workforce. International assessments, such as the Program for International Student Assessment (“**PISA**”) and Trends in International Mathematics and Science Study (“**TIMSS**”), have allowed for comparisons of educational achievement gains between participating countries. This international stage for student performance creates external pressures for government leaders to prove their students are making progress in reading, mathematics, and science against the international community. Providers who can meet this perceived need may be favoured for long-term contracts.

Conversely, in the B2B purchasing models, decision-making is more fragmented, resulting in greater volume and rate of market activity, but smaller, shorter-term contracts. Contracts may still be funded by public funds, but require less direct oversight by national governments. Other times, B2B purchasing can occur through private school channels (e.g., private international school networks). B2B decision-makers operate in a more competitive environment, and are often motivated by government accountability measures, parental preferences, and student outcomes, particularly on high-stakes tests and admission into prestigious universities. An example would be the growing importance of students learning English in private national and international schools across the MENA region. B2B decision-makers –largely relevant to the national private school and international private school markets – explore new purchases more regularly than their government counterparts, are more distributed across thousands of schools, and are more likely to switch providers if given a better value proposition.

Exhibit 9: K-12 purchasing channels analysis (2023)

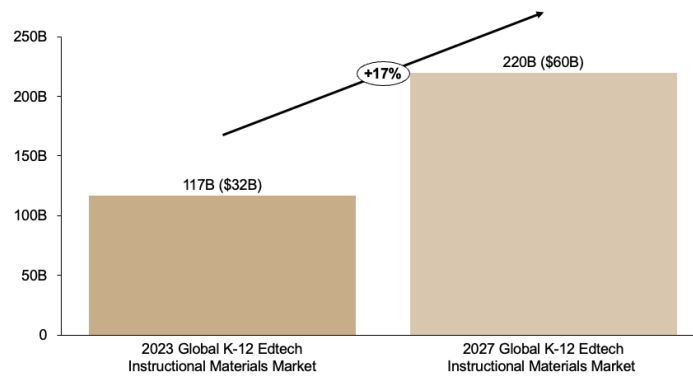
Dynamic	B2G Channel	B2B Channel
Core purchasing drivers	<ul style="list-style-type: none"> • Competitiveness on the international stage (PISA, TIMSS, etc.) • Maintain political popularity and/or win elections through media coverage, public relations, etc. 	<ul style="list-style-type: none"> • Meet government accountability measures (around standardized testing) • Satisfy primary concerns of parents (usually around standardized testing plus happiness and employability)
Sales cycle	• Large and long-term contracts	• Smaller and shorter-term contracts
Fragmentation	• Low (tens to hundreds of governments/education ministries)	• Medium (hundreds to hundreds of thousands of schools and systems)
Revenue Predictability	• Unpredictable (highly variable spread in tenures of education ministers and government officials, indicative of variability in policy length)	• Predictable (decentralized markets generally slower to change)
Product Customization	• High (alignment with government needs and unique regulations)	• Low (large pools of customers with similar needs)

Source: Tyton Partners IP and analysis

How Technology is Changing K-12

Even before the COVID-19 pandemic, digital learning in K-12 had become commonplace across the world. Still, pandemic-driven pressures to implement remote and hybrid learning required schools to expand their use of technology for teaching, testing, and learning management systems. Now, educators and administrators continue to rethink the role of technology in the classroom. The implications of widespread digital adoption across K-12 is reflected in the sizable TAM for K-12 Edtech materials, as seen in Exhibit 10:

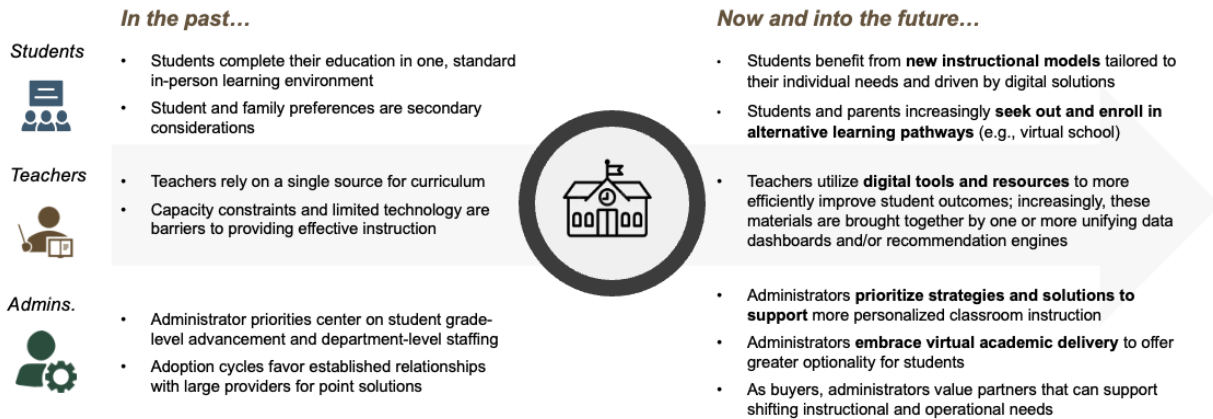
Exhibit 10: Estimated Global TAM for EdTech Learning Materials AED (\$USD) (2023-2027)



Source: Tyton Partners IP and analysis, World Bank Open Data, Simba Instructional Industry Report, HolonIQ

In the future, education providers can anticipate drivers of digital adoption and prepare to serve the evolving needs of teachers and students. This secular trend in K-12 education towards the integration of digital learning into schools implies fundamental shifts in the practice and buying habits that create opportunities for well-positioned, technology-driven learning materials providers:

Exhibit 11: Conceptual overview of influence of technology on K-12 education (before 2010 to 2023 and in the future)



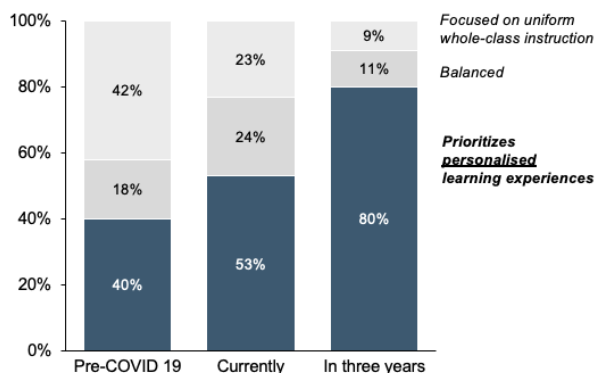
Source: Tyton Partners IP and analysis

Rise of Personalised Learning

Digital tools allow educators to use data analytics and advanced technologies to serve the unique needs of each learner, rather than a one-size-fits-all approach. Personalised learning better ensures that the learning content is engaging and optimally challenging for the learner. Students can receive continuous feedback on their areas of strength and improvement, and students with diverse learning needs are better served due to the targeted feedback the tools provide. As shown in Exhibit 12, which illustrates customer demand for personalised learning across the U.S. market, K-12 schools and governments are embracing a transformation away from teacher-led instruction and towards more differentiated, student-led learning models. Consistent with the fact that the U.S. is an influential market for the private sector, governments, and philanthropy worldwide, the U.S. shift towards personalised learning has begun to shape an agenda for global K-12 education. According to the Andreas Schleicher, Director of Education and Skills at German-based Organisation for Economic Co-operation and Development (OECD), personalised learning is “crucial to enable students to develop a reliable compass, and the skills to navigate an increasingly complex and uncertain world” (Source: Sage Journal “Educating Learners for Their Future, Not Our Past”).

Exhibit 12: Growing Importance of Personalised Learning Models (U.S. K-12 Market, 2022)

Evolution of school / district instructional strategy*



Tyton Partners observations

- Personalisation – powered by digital solutions – creates more relevant and engaging student experiences, increases academic achievement, and maximizes efficiency by saving the time / effort needed to analyze student performance
- “When our students need extra help, we use adaptive resources to provide them with self-paced improvement programs – we see fewer kids fall behind that way.”
– Academic Assessment Director, USA

Source: Tyton Partners K-12 Administrator Software and Services Survey, 2022, N=950

Access to digital learning materials that enable personalised learning is still limited to a small percentage of students around the world. UNICEF found that while the digital personalised learning products market is growing, access to this market is uneven, as some countries have multiple providers while others have

few local ones (*Source: UNICEF*). Furthermore, students who are already disadvantaged remain underserved by many digital personalised learning solutions. Locally focused providers who can serve the learning needs of students through personalised learning products will be critical to bridging this gap.

Data-Driven Education Strategies

Digital assessments and learning management systems products allow educators to make data driven decisions regarding their instruction because these products provide easily accessible data about learners' behaviour, engagement, and achievements. Educators can be proactive in their instruction as they can analyse trends and provide targeted interventions to learners as needed. Digital tools empower educators to make intentional decisions with class time and resources, based on student data.

Gamification

Gamification in education means using games to help students learn course material and boost student engagement (*Source: Future of Education Technology Conference*). Research studies have found that digital games improve task completion, build resilience and persistence, and improve learning outcomes (*Sources: Computers and Education Journal, Social Science Computer Review*). Examples of providers supplying products that use gamification include Kahoot, Quizizz, and Minecraft Education.

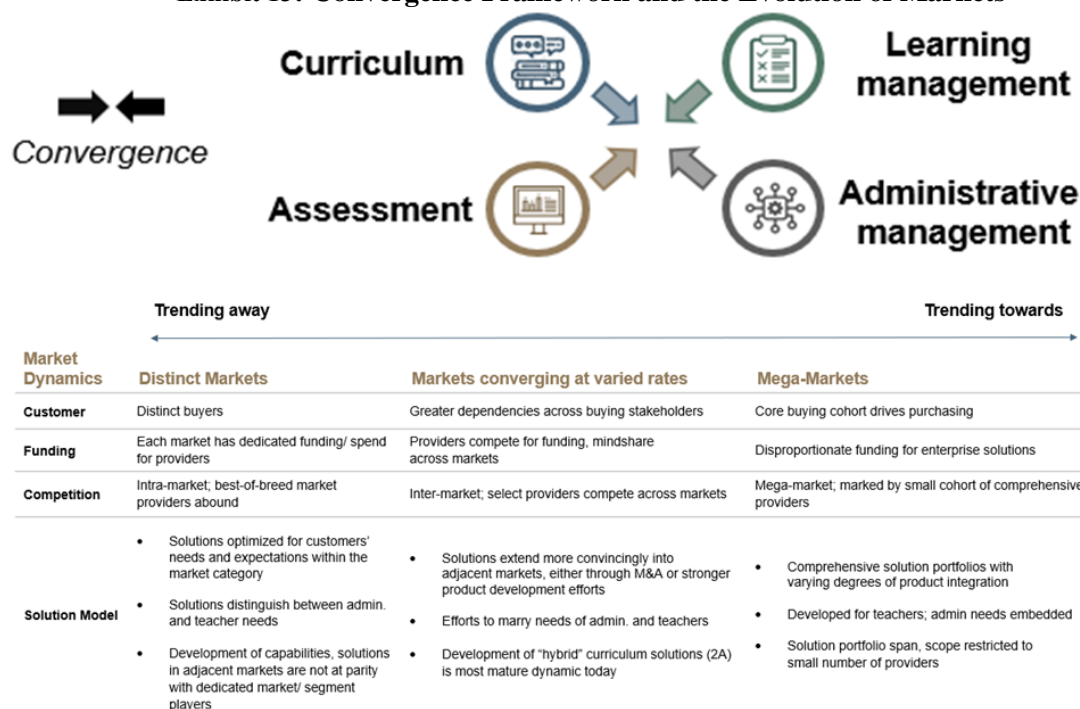
Conclusions: K-12 Technology

As digital tools become an increasingly important part of the modern K-12 classroom, countries will continue to invest in their K-12 digital infrastructure to ensure educators and students can access benefits and implement new learning models. Opportunities for EdTech providers lie in both advanced markets that use education technology today and in advanced and emerging markets still using print materials. For example, in 2016, the UAE Ministry of Education entered a seven-year partnership with McGraw Hill to provide print and digital learning materials for mathematics and science for students in government-managed public schools. The initiative aligns with the UAE government's vision to provide students with 21st century skills and represents a provider supplying digital materials in a country with advanced digital infrastructure. Regardless of whether an economy is more advanced, with high levels of digital infrastructure, or more emerging, with greater reliance on print, there is opportunity for providers who can either service these markets immediately – or lead them into the “white space” of digital adoption.

Market Convergence

As mentioned above, the rise of technology has allowed for greater personalisation and data driven instruction in K-12 education. As a result, platforms are becoming more versatile and historically distinct markets have begun to converge. For example, budgets that historically would be dedicated for data systems can now be deployed for a content program that also aggregates and manages student data. This is a transformative development for providers who operate at the intersection of these markets, as their total addressable market grows into adjacent, converging segments.

Exhibit 13: Convergence Framework and the Evolution of Markets



Source: Tyton Partners IP and analysis

Increased integration of content and assessment products

Traditionally, the K-12 learning materials market has been composed of curriculum and assessment materials in print and digital modalities. These categories of materials have been kept separate from one another, as K-12 educators have relied on distinct partnerships and commercial products to deliver full scope of instructional solutions as a means to preserve integrity of curriculum and assessment in a non-digital learning environment. Now, however, technology enables “hybrid” learning models that combine instructional content and assessments in an integrated experience for teachers and students. In this new model, educators look to drive student achievement by delivering content and assessing learning with as little friction as possible. Hybrid learning models place pressure on independent content and assessment providers, as these can be used as a time-saving measure that provides leverage for teachers. Traditional content providers who do not already have assessment capabilities are seeking to accelerate time to market via acquisitions. An example that illustrates this trend is Houghton Mifflin Harcourt, a legacy curriculum provider, acquiring NWEA, a formative assessment provider.

Integration of assessments and online learning management systems

As more educators and school systems turn to digital devices to facilitate instruction, the need for high quality digital assessments and online learning management systems has never been greater. On-screen student engagement has become a priority for providers as educators and students spend more time online. As a result, providers have begun to integrate assessment and learning management system products together, primarily through M&A activities. One example of this trend is Renaissance Learning’s acquisition of Nearpod in February 2021. Renaissance Learning acquired Nearpod to add interactive lessons, videos, and additional formative assessments to its existing offerings focused on formative assessments and analytics. The acquisition highlights the move towards increased focus on student and teacher engagement during remote and online learning.

As the K-12 market transitions away from distinct buyers purchasing distinct products with different criteria, providers will need to prove they can provide a comprehensive solution that can address multiple educator and administrator needs simultaneously while providing a high quality, personalised experience for students. An example of a provider who has acquired a more robust range of data and assessment capabilities is PowerSchool. PowerSchool began as a data systems provider for districts in the US to keep track of student information and facilitate family communication. As of 2023, PowerSchool has acquired a broader suite of capabilities that range from assessment to personalised learning recommendations. As a result of this M&A strategy, PowerSchool’s revenues have grown from US\$365 million in 2019 to US\$698 million in

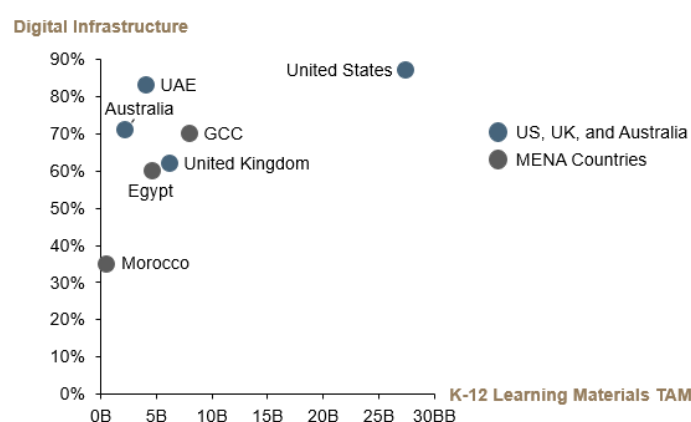
2023 (Source: PowerSchool public filings).

Geographic Considerations for K-12 Market

K-12 learning materials businesses seeking to expand across new markets must understand the nuances of distinct, high-growth regions and countries. For example, the U.S. and U.K. represent attractive markets due to their market sizes, willingness to engage with the private sector, and relatively advanced digital infrastructures. At the same time, these markets also share similar competitive dynamics and decentralized purchasing processes that present opportunities and challenges for providers.

Contrastingly, the MENA region is becoming an increasingly attractive region due to growth in enrolment rates across public and private schools, increased demand for digital materials in schools, and increased willingness to spend on third-party learning materials. However, providers must consider the limited presence of digital infrastructure in schools and centralized purchasing processes in the region. Exhibit 14 summarizes the opportunities in markets for providers of K-12 digital learning materials:

Exhibit 14: K-12 Learning Materials Market Opportunity Matrix (2023)



Sources: UNESCO, World Bank, NCES, Tyton Partners IP and analysis

Notes: Digital infrastructure as measured by UNESCO's ICT in Education; TAM measured in AED, MENA Countries inclusive of UAE, Saudi Arabia, Oman, Qatar, Kuwait, Egypt, and Morocco

Developed Markets: U.S. and Europe

Across the U.S. and Europe, there is significant private sector activity in K-12 that presents attractive opportunities for the private sector. This activity is driven by two main factors: (1) robust public funding that finances millions of public school students and (2) B2B purchasing models. In the U.S., the vast majority of K-12 students attend public schools, while the split is more even across public and private in the UK (Exhibit 15). While public school enrolment has begun to decrease in the U.S. due to pandemic-driven attrition and the proliferation of private school alternatives, there remains more than 40 million students who attend local district schools as of 2022 (Source: Tyton Partners "School Disrupted 2022").

Exhibit 15: K-12 Enrolment and TAMs in U.S. and Europe (2022)

Country	Public School Enrollment	Public TAM AED (\$USD)	Private School Enrollment	Private TAM AED (\$USD)	Total Enrollment	Total TAM AED (\$USD)
Total	53M	29B (\$8B)	12.3M	6.7B (\$1.8B)	65M	36B (\$10B)
US	46M	25.3B (\$6.9B)	4M	2.3B (\$630M)	50M	27.5B (\$7.5B)
UK	5M	2.6B (\$720M)	6M	3.6B (\$970M)	11M	6.2B (\$1.7B)
Australia	2.9M	1.3B (\$365M)	1.8M	836M (\$228M)	4.8M	2.2B (\$592M)

Source: UNESCO, NCES, Tyton Partners IP and analysis

U.S. and European K-12 purchasing models are highly decentralized. Despite high levels of public funding, local schools and districts across the U.S. and U.K., for example, have the autonomy to adopt learning materials and enter into contracts with distinct commercial providers. These contracts can range in size –

for example, a large public school district in California or Texas can secure a multimillion-dollar contract for learning materials that will be supplied to hundreds of thousands of students, or a public school in London can enter a smaller contract for two hundred students. Fragmented and frequent adoption cycles lead to a significant opportunity for emerging commercial providers to enter the market and compete for share. At the same time, it presents high levels of competition, as there are active sales cycles that require robust sales and marketing capabilities from vendors.

Competition across Developed Markets






Historically, the U.S. K-12 market for learning materials could be characterized as an oligopoly, where a few large-scale publishers commanded more than 50% market share as of 2000 (*Source: Tyton Partners IP*). For example, before the advent of digital learning, large publishers such as McGraw Hill Education and Houghton Mifflin Harcourt supplied most K-12 students in the U.S. with learning materials. Now, the rise of new commercial learning programs and platforms enabled by technology have begun to challenge these providers. While the largest publishers still command significant market share and revenues that exceed US\$1 billion, a new cohort of US\$250 million to -\$500 million businesses has emerged (Exhibit 16a). For example, Renaissance originated in 1986 and offered a supplemental literacy program and benchmark assessment product, STAR Assessment. In recent years, it has expanded its portfolio through M&A initiatives to integrate a broader suite of learning content, practice tools, and data solutions that meet a diverse range of classroom needs. Now, its suite of solutions can compete more effectively with the robust curriculum offerings from major publishers, and do so in a differentiated way that enables more personalised learning.

As a result of the competitive dynamics, inorganic growth opportunities as the most viable path to market entry for international learning materials companies. Successful execution across the U.S. learning materials market requires deep relationships with state education agencies and local school districts, and sales and marketing capabilities tailored to the specific adoption processes and regulations. Moreover, the criteria for adoption and implementation focus on a strict set of guidelines around national and state standards that are dynamic and fast-evolving. All of this competition is present in a market where enrolment has stagnated in recent years (*Source: NCES*):

- K-12 enrolment in U.S. schools (2019): 50.8 million students
- K-12 enrolment in U.S. schools (2023): 49 million students
- CAGR (2019-2023): -1%

As such, acquiring a learning materials provider that has an established position in the market – a “buy-focused” market entry strategy – is the most viable path to gain a foothold in the market (*Source: Tyton Partners IP and analysis*).

Exhibit 16a: Illustrative cohort of scaled learning materials providers in the US (2023)

					
Provider Name	Cengage	McGraw Hill	Houghton Mifflin Harcourt	Renaissance Learning	PowerSchool
Business Type	Public	Public	Private	Private	Public
Capabilities	Core and supplemental digital curriculum, learning management systems	Core and supplemental curriculum, assessments	Core and supplemental curriculum, assessments, digital adaptive programs	Assessment and digital instructional tools	Data management systems, learning management systems
Est. Learners Impacted	12M+	10M+	50M+	20M+	1M+
Global Revenues AED (\$USD)	5B (\$1.3B)	5B (\$1.4B)	4B (\$1B)	1B (\$300M)	2.6B (\$700M)


Sources: Company websites, Pitchbook, Tyton Partners analysis

Note: Revenues are not all from K-12 education products and services and may reflect Postsecondary and/ or Pre-K products and services

Across the U.K., several learning materials providers have established a significant local and international presence (Exhibit 16b). In the U.K., for example, the competitive landscape is characterized less by a

redistribution of market share among emerging market leaders; instead, scaled providers have adapted and evolved to capitalize on historic positions of strength and extend into new product categories and geographies. For example, Cambridge University Press, a UK-based business, has established partnerships abroad to capitalize on its favour among U.K.-based schools and significantly accelerate its total addressable market (TAM). In 2017, it entered into a partnership with Oman that is detailed below.

Exhibit 16b: Illustrative cohort of scaled learning materials providers in U.K. (2023)

	 Pearson	 Infinitas Learning	 OXFORD UNIVERSITY PRESS		 CAMBRIDGE UNIVERSITY PRESS
Provider Name	Pearson	Infinitas Learning	Oxford University Press	Klett Gruppe	Cambridge University Press
Business Type	Public	Private	Private	Private	Private
Capabilities	Core and supplemental curriculum, assessments	Digital core and supplemental curriculum, digital learning platform	Core and supplemental curriculum, assessments	Digital core and supplemental curriculum, digital learning platform	Core and supplemental curriculum, assessments
Est. Learners Impacted	15M+	1M+	50M+	1M+	100M+
Global Revenues AED (\$USD)	18B (\$5B)	261M (\$71M)	3.3B (\$900M)	1.8B (\$500M)	5B (\$1.3B)

Sources: Company websites, Pitchbook, Tyton Partners analysis

Note: Revenues are not all from K-12 education products and services and may reflect international sales

Venture EdTech in Developed Markets

Across the U.S., Europe, and beyond, there is a vibrant ecosystem of funding for EdTech startups. For example, between 2010 and 2022, nearly US\$32 billion was invested in early stage EdTech companies across the U.S. and Europe. In recent years, however, the funding landscape for EdTech experienced a sharp downturn. After reaching historic peaks in 2021, EdTech venture funding decreased 49% in 2022, from more than US\$10 billion to less than US\$6 billion (*Source: HolonIQ “2022 EdTech VC Funding Report”*).

However, this ecosystem is cyclical, and there is optimism among investors that the EdTech venture landscape is at the start of another growth period. The rise of Artificial Intelligence (AI) and the potential growth it spawns for K-12 education businesses creates a new horizon of opportunity for learning materials providers who can leverage language learning models (LLMs) to drive personalised learning (*Source: HolonIQ, 2024 Global EdTech Outlook*). K-12 businesses who have prepared for the emergence – and acceptance – of new AI capabilities are well-positioned to capitalize on these dynamics with investors and K-12 schools and governments.

The Role of Big Tech

Across Developed Markets and beyond, “Big Tech” has established an active presence in the K-12 ecosystem. Google Classroom is one of the most widely used Learning Management Systems in the U.S., and Microsoft not only provides standard productivity tools to most schools and districts (e.g., Excel, Word), but has also launched Microsoft Education, a full-suite offering for classroom and back-office digital infrastructure. Both Google and Microsoft command strong positions across B2B and B2G purchasing models worldwide (*Source: Tyton Partners IP and analysis*).

Still, for learning materials providers, Google and Microsoft can be viewed less as competitors and more as collaborators. These companies generally do not produce content; instead, their “content-agnostic” suites of technology solutions can thus be viewed as a “cockpit” – or distribution channel – for content and assessment solutions. Rather than compete with Google and Microsoft, businesses with proprietary learning content can collaborate with them for distribution and reach across B2B and B2G models. At the same time, the scale and ambition of “Big Tech” warrants ongoing consideration, as their education capabilities may continue to evolve.

Home Markets: The MENA Region

Similar to the US and European markets, the MENA market presents an attractive market for commercial providers. MENA is defined as the UAE, Saudi Arabia, Kuwait, Qatar, Oman, Egypt, and Morocco to group GCC and North African countries with significant student populations that share similar purchasing models. Exhibit 17 summarizes enrolment in the MENA region across school type and country, as well as other proximate markets such as Indonesia.

Exhibit 17: K-12 Enrolment (across public, private schools, and int'l schools) and Learning Materials TAMS in MENA countries* (estimated 2023)

MENA Priority Country	Public Enrollment	Public TAM AED (\$USD)	Private Enrollment	Private TAM AED (\$USD)	Total Enrollment	Total TAM
UAE	356K	1.2B (\$335M)	782K	3.1B (\$843M)	1.1M	4.3B (\$1.2B)
Home Markets	67.8M	9.5B (\$2.5B)	20.4M	4B (\$1.1B)	88.4M	13.5B (\$3.6B)
GCC	6.8M	5B (\$1.3B)	1.3M	1.7B (\$473M)	8.1M	6.8B (\$1.8B)
KSA	5.8M	4.5B (\$1.2B)	915K	1.4B (\$370M)	6.8M	5.9B (\$1.6B)
Qatar	128K	89M (\$24M)	165K	205M (\$56M)	293K	294M (\$80M)
Oman	682K	327M (\$89M)	101K	139M (\$38M)	784K	466M (\$127M)
Kuwait	163K	62M (\$17M)	101K	33M (\$9M)	265K	95M (\$26M)
Egypt	20.7M	2.5B (\$671M)	2M	1.2B (\$326M)	22.7M	3.7B (\$1B)
Morocco	6.5M	266M (\$72M)	1.1M	236M (\$64M)	7.6M	501M (\$137M)
Indonesia	33.8M	1.5B (\$406M)	16M	1.1M (\$301M)	50M	2.6B (\$707M)

Sources: UNESCO, Tyton Partners analysis

Note: *Indonesia included based on relative attractiveness of market and proximity; Private refers to schools managed by local providers and schools managed by international education groups; Bahrain excluded from MENA Priority countries due to limited data visibility






K-12 systems in MENA differ from those in the US and European markets in significant ways. Across the region, government-run departments of education directly oversee school systems that educate the majority of students in the country. Decision making is more centralized than in US and European K-12 education markets. For example, a MENA country's Ministry of Education (MoE) typically purchases all learning materials for public schools while hundreds of independent government organisations would make the same decisions for students in the US. Furthermore, MENA government contracts with education providers are more durable and long lasting, creating a level of "stickiness" with incumbent providers that creates a more structured and long-term market landscape. For example, Cambridge University Press entered an agreement with Oman in 2017 to provide math and science curriculum to students in public schools. As of 2022, approximately two-thirds of students in Oman's public schools used Cambridge's curriculum, and private schools in the country have begun to adopt the materials to meet national standards (*Source: Cambridge University Press, Tyton Partners interviews*). While enrolment rates in private national and international schools are growing in the region, the B2G sales channel remains a significant one for providers to target.

Nevertheless, governments and private schools in the MENA region have increasingly relied on the products and services provided by the private sector. Several factors have driven market activity, including shifts from print to digital materials, K-12 education reforms, and growing interest in private schools. While most schools in the MENA region predominantly use print materials, digital tools are becoming increasingly important in the region, especially in countries with advanced digital infrastructure such as UAE. Government reforms to K-12 education, such as Oman's 2040 Vision and Egypt's Education 2.0 initiative, center digital skills and learning materials as necessities in each country's transition to a knowledge economy. International private schools are the fastest growing segment within the MENA region. These schools can be characterized by high rates of digital adoption, high willingness to spend on curriculum, and a desire for curriculum products aligned to international standards. Private providers are the main supplier of curriculum, assessments, and digital platforms for this segment and can be seen as a mark of quality to potential customers.

Additionally, the MENA education sector has also been experiencing acute pressures that drive further market activity and engagement with the private sector. In recent years, government leaders have sought to close achievement gaps between private and public students on international assessments. For example, private school students scored significantly higher on the Program for International Student Assessment PISA 2022 assessments than their public school counterparts in GCC countries (*Source: PISA 2022 results*).

These drivers of increased spend on the K-12 learning materials market have also led to increasing competitive intensity among providers in the region. Large international providers, such as McGraw Hill, Cambridge University Press, and National Geographic Education, have entered partnerships with Ministries of Education and are some of the largest providers for the private international school sector. Private providers hoping to serve the region will have to differentiate themselves based on good value for their products, ease of use by Arabic speaking students and teachers, and advanced digital capabilities.

Exhibit 18: Market trends affecting MENA region (as of 2023)

Drivers	Market Impact	Supporting Details	Implications for K-12 Private Enterprises
A shift to digital learning		<ul style="list-style-type: none"> Decision makers for learning content in several MENA countries, including UAE, Egypt, and Qatar, have announced plans to introduce digital learning materials in public classrooms 	<ul style="list-style-type: none"> Private enterprises with advanced digital capabilities and investments in digital curriculum and assessments will be well positioned to sell to public and private schools
K-12 Education Reforms		<ul style="list-style-type: none"> Ministries of Education across the MENA region have announced plans (e.g. Oman's Vision 2040, Egypt's Education 2.0 initiative) and begun implementing curricular reforms to prepare their students for a skills-based economy and transition away from oil dependency 	<ul style="list-style-type: none"> Private enterprises should place greater importance on high quality instructional materials and tools with a particular focus on STEM <ul style="list-style-type: none"> e.g. McGraw Hill's partnership with the UAE Ministry of Education to provide math and science curriculum in public schools from 2017-2024
Declining performance on international assessments		<ul style="list-style-type: none"> According to the 2022 PISA assessment results, UAE, Saudi Arabia, and Morocco were consistently below OECD averages on math, reading and science exams. Student performance for each country declined from 2018 	<ul style="list-style-type: none"> Ministries of Education, motivated by a desire to be competitive on the international stage, will prioritize learning materials that can produce gains on international assessments for math, reading, and science
Growing interest in private school		<ul style="list-style-type: none"> International private schools are the fastest growing school type within the MENA region with a CAGR of 5-10% per annum 	<ul style="list-style-type: none"> Private enterprises that can supply high quality English materials, curriculum aligned to international standards, and digital tools and learning content will be able to capitalize on the growth of the international private school market
Growing competitive intensity among providers		<ul style="list-style-type: none"> The MENA region has experienced a rise in international providers like McGraw Hill, Instructure, and Century, along with the emergence of local providers such as Noon 	<ul style="list-style-type: none"> Providers will have to differentiate themselves from competitors by contextualizing their materials in the local culture, demonstrating good value for the price of their products, and providing curriculum and assessments that are easy to use by Arabic speaking teachers and students

Sources: Company websites, PISA 2022 results, Oman Vision 2040, Egypt Education 2.0, Tyton Partners IP and analysis

Competitive Environment

Within the MENA region, the K-12 learning materials market is highly competitive and quickly evolving as innovative companies continually adapt to meet shifting technological and pedagogical needs across the world. Large, global providers of K-12 education content include Pearson, Cambridge University Press, McGraw Hill, and Cengage. These providers tend to have robust industry knowledge and high brand awareness to continually scale across geographies. However, these brand identities lie closely to traditional publishing, so their technological innovation and experimentation are relatively limited compared to newer, primarily digital companies like IXL, DreamBox, and Renaissance.

Exhibit 19: Selected cohort of leading K-12 businesses compared to Alef Education (financials in AED) as of 2023

	Ownership	# of countries	2019 revenue*	2023 revenue*	5Y growth	Est. growth from M&A activities**	M&A market convergence activity (# deals in past 5 years)	Avg. deal Size***	EV/Revenue ^A
	Public	150	6.4B	6.2B	-3%		3 (Learning Ovals for undisclosed amount)	~0.04B	0.8
	Private^^	53	6.3B	5.8B	-8%		4 (Achieve 3000 for undisclosed amount)	–	3.0
	Private^^	150	5.1B	3.7B	-26%		2 (NWEA for undisclosed amount)	–	–
	Public	90	1.0B	2.6B	160%		9 (Sungard K-12 at 3.1B, Hobsons at 1.2B)	~0.3B	7.9
	Public	70	0.6B	1.9B	215%		7 (LearnPlatform at 0.4B)	~0.2B	8.6
	Private^^	100+	1.1B	1.8B	65%		6 (DreamBox for undisclosed amount)^^^	–	–
	Private^^	100	0.4B	0.9-1.3B	125%+		8 (Nearpod at 2.4B)	~2B	–
	Private	4	–	0.8B	–		–	–	–
	Private^^	100	0.4B	0.8B	100%		3 (Apex Learning for undisclosed amount)	~0.01B	–
	Private	190	0.3B	0.7B	130%		7 (Curiosity Media for undisclosed amount)	–	–

Notes: *Providers' revenues portrayed are not entirely related to core products; **Estimated based on scale of acquisition targets; ***The average deal size for acquisitions made by provider over last 5 years, estimated based on data available; ^A valuation multiple that is used to value a company based on how similar companies' trade; lower multiple signals a lower valuation in the case of a potential acquisition; ^^Private equity backed; ^^Deal amount undisclosed but likely \$1B+ USD given Dreambox revenue

M&A growth driver key: No acquisition Primarily driven by M&A

Source: Company websites, Pitchbook, Tyton Partners IP and analysis

Note: Private company revenues are estimated by Tyton Partners based on industry interviews; not included in Exhibit 19 but worth noting for its robust digital learning platform is Noon (formerly Noon Academy), a UAE-based private company that delivers an e-learning platform with tutoring and instructional content to 12+ million students and 100,000+ teachers across eight countries

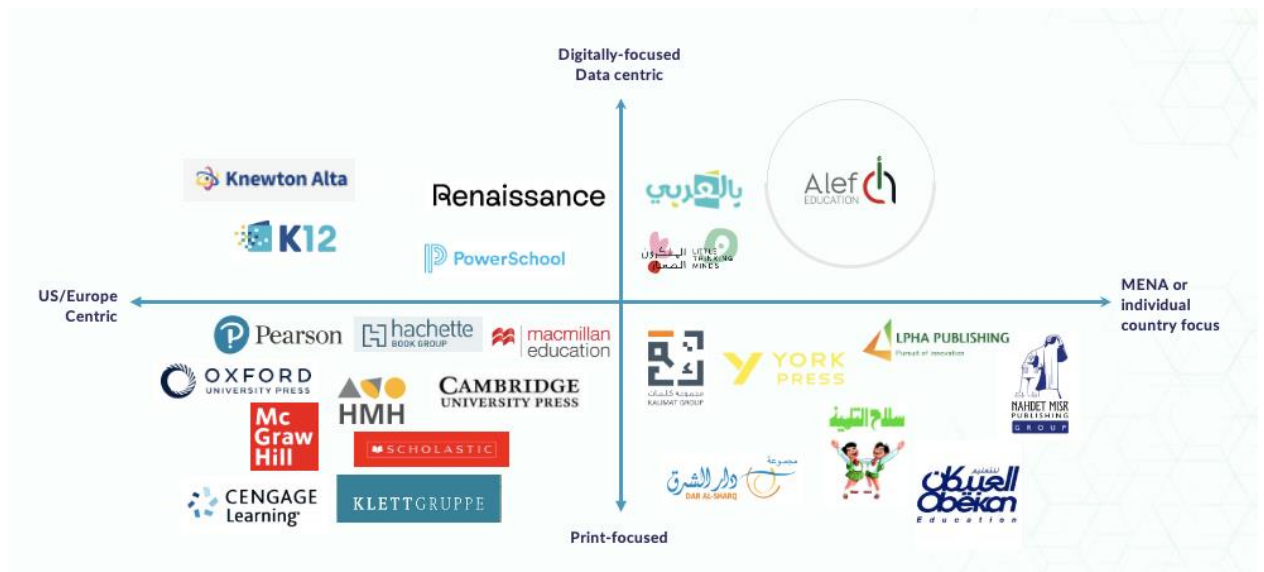
Exhibit 20: Summary of key Arabic edtech platforms in the UAE and greater MENA region (as of 2023)

Target	Category	For Natives	For Non-Natives
For Schools (learning Arabic)	<ul style="list-style-type: none"> ✓ K12 ✓ Reading, Writing ✓ Assessment 		
For Schools (learning in Arabic)	<ul style="list-style-type: none"> ✓ Math ✓ Science 		

Source: Alef Education, 2023

Success in this market requires content and assessment to work in tandem so that students' progress can be tracked, successes celebrated, and competency gaps identified and remediated. Illustrative examples of relevant capabilities include adaptive practice, real-time feedback, personalised learning plans, and data dashboards at individual- and cohort-levels. These capabilities are becoming increasingly requisite to compete in the K-12 education technology market as providers rapidly improve their automation and AI features.

Exhibit 21: Indicative K-12 Learning Materials competitors with integrated content, assessment, and data capabilities across the MENA region and Developed Markets abroad (as of 2023)







Source: Tyton Partners interviews and analysis; Alef Education, 2023

UAE K-12 Market

Market Overview

The K-12 learning materials market in the UAE serves approximately ~1.1 million students from pre-primary through secondary school as of 2023. External research and analysis conducted by Tyton suggests that the UAE market for digital learning materials will continue to grow, with key dynamics including the following: (*Source: Tyton Partners analysis*)

Note: Coloured arrows throughout document reflect anticipated impact on market growth and the potential for commercial learning materials provider to sell learning products

	<ul style="list-style-type: none"> • Reliable K-12 education funding <ul style="list-style-type: none"> ○ UAE has historically allocated 15% (global average of 14%) of federal budget towards education (AED 10 billion/US\$2.65 billion in 2023) ○ UAE has invested AED 1 billion/US\$ 270 million to equip approximately 400 public schools (approximately 60% of public schools in the UAE) with internet access, e-boards, tablets, and computers
	<ul style="list-style-type: none"> • Relatively mature technological infrastructure <ul style="list-style-type: none"> ○ 90%+ of students in the UAE have access to high-speed internet
	<ul style="list-style-type: none"> • Commitment to K-12 education reform <ul style="list-style-type: none"> ○ The Ministry of Education’s (MOE) strategy as of 2023 commits to develop a “modern education system” to prepare its youth for a skills-and knowledge-based economy, consistent with the broader UAE initiative to move away from oil dependency ○ As a result, the commercial sector’s influence over K-12 has accelerated, as the MOE partners and collaborates with vendors to develop and distribute high-quality content and instructional tools in public schools
	<ul style="list-style-type: none"> • Widening PISA performance gap between Emirati and expatriate students <ul style="list-style-type: none"> ○ PISA 2018 revealed a wide performance gap between Emirati and expatriate students, with a 91-, 87-, and 86-point gap (out of 500) across reading, math, and science scores. This gap is equivalent to nearly three years of schooling ○ In public schools, the UAE MOE has changed the language of instruction to English, added more subjects to K-12 curriculum portfolio, and outsourced operational responsibilities of approximately 40% of public schools in efforts to reduce the performance gap between public- and private-school students

The UAE population was approximately 10 million in 2023 and has grown steadily at a 5-year CAGR of 1.9% between 2019 and 2023, in part due to the influx of expatriate families observed in the last five years, which has driven the growth of private school enrolment by 4.9% per annum (*Source: Tyton Partners IP and analysis*). In 2022 alone, 100,000 expatriate students enrolled in private schools in the UAE.

Exhibit 22: Summary of UAE K-12 market (as of 2023)

Estimated K-12 enrolment	<ul style="list-style-type: none"> • Overall: 1.1 million students <ul style="list-style-type: none"> ○ Public schools: 356,000 ○ Private schools: 782,000
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> • Overall: 4% (2019-2023)
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> • Total: 4.3B (\$1.2B) <ul style="list-style-type: none"> ○ Public schools: 1.2B (\$335M) ○ Private schools: 3.1B (\$843M)
National language	<ul style="list-style-type: none"> • Arabic
Purchasing dynamics	<ul style="list-style-type: none"> • B2G: Public-school adoption of learning materials is largely driven by MOE and third-party partnerships, as the MOE designates learning materials to be used in public-school classrooms**

	<ul style="list-style-type: none"> B2B: There is more purchasing autonomy in the B2B sector (private-school buyers), in which schools may purchase third-party materials without MOE guidance[^] <ul style="list-style-type: none"> Schools tend to purchase core content materials for students in bulk Other: Parents are encouraged to purchase supplemental materials
Adoption dynamics	<ul style="list-style-type: none"> Generally, the MOE has a 3- to 5-year review cycle for learning materials, which suggests adoption of new products is relatively irregular, thus posing a barrier to market penetration In private schools, evaluation and purchase decisions for learning materials happen up to annually, which suggests more frequent opportunity for market penetration
Competitive landscape	<ul style="list-style-type: none"> Highly competitive K-12 learning materials market led by large, international publishers such as McGraw Hill and Cambridge University Press B2B segment is more fragmented than B2G due to higher purchasing autonomy Select regional competitors include Nahla Wa Nahil, a digital, Arabic Language reading platform and a subsidiary of Al Manhal, one of the largest Arabic publishers of e-books
Sociopolitical and economic considerations	<ul style="list-style-type: none"> Recent government campaigns (e.g., Dubai Cares) have aimed to increase awareness of the need for high-quality education in Emirati society UAE ranked 27th out of 180 countries on the Corruption Perceptions Index (CPI), which ranks countries from least to most corrupt^{^^}

*Notes: *Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED; ** The MOE puts out regular RFPs through the Ministry of Finance’s website for any instructional material providers to bid on; ^ The MOE does not stipulate specific materials or providers to adopt but does set guidelines and standards; ^^ The CPI ranks 180 countries and territories around the world by their perceived levels of public sector corruption, scoring on a scale of 0 (highly corrupt) to 100 (very clean)*

Sources: UNESCO, Tyton Partners interviews with K-12 stakeholders, Tyton Partners IP and analysis

Relative to these dynamics, there is significant opportunity for Edtech companies to drive growth in the UAE market, as the country increasingly invests in K-12 digital learning. For example, the Smart Learning Project was launched as part of UAE’s Vision 2021 by the MOE and Federal Telecommunications Authority, through which UAE invested AED 992 million (US\$270 million) to equip approximately 400 public schools (60% of public schools in the UAE) with internet access, e-boards, tablets, and computers in the next several years (*Note: UAE Vision 2021 is articulated as a “long-term” plan that spans 30 years; Source: UAE Ministry of Education*). Moreover, purchasing autonomy is high in private national schools, where educators can purchase materials with minimal MOE regulation or interference, which suggests relatively open market access in B2B channels, where Alef could expand.

Competitive Landscape

The UAE’s education ecosystem includes numerous global learning materials providers due to the diverse range of curricula offered by private schools, a reflection of the B2B sector’s high purchasing autonomy. In public schools, however, educators are limited to adopting materials identified by the MOE. Across both school types, educators utilize products from different providers depending on subject and purpose.

Overall, the UAE K-12 learning materials market is highly competitive and penetrated by large, international core content providers, such as McGraw Hill, which partnered with the MOE to develop and distribute print and digital learning materials (core content and assessment) for math and science. These materials are aligned with the UAE National Standard Framework and offered in all UAE public schools.

Other select market leaders include Pearson, Hodder Education, and Cambridge University Press. Overall, while international incumbents boast brand recognition and scale, their content portfolios tend to lack Arabic learning materials, where Alef specializes.

The supplemental materials segment is fragmented with many e-literacy providers (e.g., Lamsa, Nahla-wa-nahil, Kamkailma, Little Thinking Minds) developing products aligned with the UAE national curriculum. However, these providers have relatively emergent AI capabilities, emphasizing an opportunity for differentiation by Alef.

Exhibit 23: Summary of key K-12 Learning Materials competitors in the UAE and respective product capabilities (as of 2023)

Company	Revenue (est.)	Product type				Future technology		Product format		Subject coverage			
		Core content	Supplemental/ tutoring content	Formative assessment	Summative assessment	Personalised learning	Adaptive practice	Print	Digital	English	Arabic	Math	Science
Pearson	\$4.7B	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
McGraw Hill	\$1.5B	✓	✓	✓	✓	✓	✓	✓			✓	✓	
CAMBRIDGE UNIVERSITY PRESS	\$1.1B	✓	✓		✓	✓		✓	✓	✓	✓	✓	
Alef	\$5.4M		✓		✓	✓		✓	✓	✓	✓	✓	
مدرستي	<\$5M		✓					✓			✓	✓	

Source: Tyton Partners IP and analysis


Saudi Arabia (KSA) K-12 Market


Market Overview


The K-12 learning materials market in Saudi Arabia serves 6.8 million students as of 2023 across four levels: pre-primary, primary, preparatory, and secondary. Public education is provided free of charge for all Saudi nationals, and the Saudi Ministry of Education (“KSA MOE”) oversees both public and private schooling. The KSA MOE is responsible for developing the national curriculum for all public schools (internally or through partnerships) and mandates that all learning materials sold in the country be contextualized for Saudi culture.

The recent government decision to decentralize education and reduce public spending (by about 2% YoY) has led to the rapid expansion of the private-school (B2B) sector (Source: Tyton Partners IP and analysis).

External research and analysis by Tyton suggests that the Saudi Arabia market for digital learning materials will continue to grow, and Alef is well-positioned to enter the market due to the following factors, notwithstanding recent budget pressures:

- 
 - Accelerating adoption of digital learning tools:**
 - Saudi Arabia has invested heavily to improve digital infrastructure and internet access to urban and rural schools as part of Saudi Vision 2030, ensuring widespread 100% internet access and connectivity across public schools; this allows schools to be connected to KSA MOE’s centralized systems, such as Noor and FARIS (Note: Noor is a digital registration platform that provides free services for parents to register and follow up on their children’s educational status; FARIS is the Financial and Administrative Resources Information System)
 - The KSA MOE launched Madrasati (My School) in 2020 to support distance education for students in grades 1 to 12 in public schools during the COVID-19 pandemic. Since then, roughly 98% of students regularly use the platform, which is a learning management system (LMS) that supports digital learning

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 - Surge in K-12 population:**
 - In 2023 there were approximately 2.5 million children aged 0 to 4 in Saudi Arabia; UNICEF estimates that by 2030, Saudi Arabia will face a 12% increase in its school-aged population (aged 5 to 17), resulting in the need for nearly 1 million additional seats in the education system

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 - Consistently high federal spend on education...**
 - In 2022, AED180 billion (US\$49 billion) was allocated to the education sector, representing approximately 19.4% of the total federal budget (AED 937 billion / US\$255 billion)



- ... Despite a recent (but marginal) decrease based on budget pressures
 - Saudi Arabia has invested in education and training for advanced technologies to diversify its economy away from oil dependency; however, recent reforms have led to the government decreasing public funding for education by approximately 2% annually (AED 3.7 billion / US\$1 billion) from 2020 to 2022

Exhibit 24: Summary of Saudi Arabia K-12 market (as of 2023)

Estimated K-12 enrolment	<ul style="list-style-type: none"> • Overall: 6.8 million students <ul style="list-style-type: none"> ○ Public schools: 5.8 million ○ Private schools: 915,000
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> • Overall: 2.9% (2019-2023) <ul style="list-style-type: none"> ○ Public schools: Growing at a 5-year CAGR of 2% ○ Private schools: Growing at a 5-year CAGR of 5%
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> • Overall: 5.9B (\$1.6B) <ul style="list-style-type: none"> ○ Public schools: 4.5B (\$1.2B) ○ Private schools: 1.4B (\$370M)
National language	<ul style="list-style-type: none"> • Arabic
Purchasing dynamics	<ul style="list-style-type: none"> • In public schools, the procurement process for core curriculum solutions varies by subject <ul style="list-style-type: none"> ○ The government develops content in-house for some subjects (e.g., social studies) and outsources others (e.g., business-related subjects to National Geographic Learning) • Local private schools have the flexibility to select their core and supplementary learning materials, as long as these materials are contextualized for Saudi culture, values, and national identity • International private schools use unedited (standard) versions of learning materials
Adoption dynamics	<ul style="list-style-type: none"> • The MOE traditionally reviews agreements with providers every three years; there is an opportunity for new entrant to form a partnership with the government during the next review in 2025 • Private schools conduct annual reviews of their learning materials, suggesting relatively frequent opportunity for selling to new buyers
Competitive landscape	<ul style="list-style-type: none"> • Highly competitive K-12 learning materials market led by large, international publishers such as McGraw Hill and Cambridge University Press • Cambridge, Pearson, Macmillan, McGraw Hill, HMH, Edmentum, and Renaissance are top learning materials providers for private schools • Providers have signed exclusive distribution agreements with local/regional publishers (e.g., Obeikan Education) • The supplemental digital materials market is fragmented with many e-literacy providers (e.g., Arabius, Arabee, Phonimastas) developing products for Arabic
Sociopolitical and economic considerations	<ul style="list-style-type: none"> • Saudi Arabia is one of the world’s largest economies, ranked at number 17 by GDP in 2022 • Adoption of a free market economic model has enabled the private sector to play an increasingly important role in the development and diversification of the economy

*Note: *Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED*

Sources: UNESCO, Tyton Partners IP and analysis

Competitive Landscape

Saudi Arabia’s competitive landscape comprises international and local players that present a threat to potential new entrants, but supports the high level of commercial activity across the K-12 sector broadly (and specifically within the K-12 Learning Materials market).

The KSA MOE’s several curriculum partnerships may potentially present a barrier to market entry, as these partnerships facilitate the adaptation and distribution of competitors’ products to both public and private schools across the country. For example, McGraw Hill has been a partner of the KSA MOE since 2020,

developing math curriculum for public K-12 schools. McGraw Hill has also entered into an exclusive distribution agreement in 2018 with Obeikan Education, a prominent Saudi publisher.

Another example includes National Geographic Learning, which entered into a long-term partnership with the KSA MOE in 2022 to supply learning materials for public school students in grades 11 and 12.

While KSA MOE partnerships are common, there is also an increasing number of publisher-distributor partnerships that further intensify the competitive dynamics. For example, Dar Al-Jadawel is a private Saudi publisher that has partnered with global providers such as Oxford University Press, Hodder Education, Cengage, and Pearson to adapt their products for the Saudi Arabian market.

While the competitive landscape in Saudi Arabia is marked by extensive partnership, there is room for innovative providers to disrupt the market with sophisticated technology. As seen in the table below based on Tyton research and analysis, many providers lack in technological capability—like adaptive practice—what they may boast in brand awareness and scale. There is also a notable market gap in Arabic content.

Exhibit 25: Summary of key K-12 Learning Materials competitors in Saudi Arabia and respective product capabilities (as of 2023)

Company	Revenue (est.)	Product type				Future technology		Product format		Subject coverage			
		Core content	Supplemental/ tutoring content	Formative assessment	Summative assessment	Personalised learning	Adaptive practice	Print	Digital	English	Arabic	Math	Science
McGraw Hill	\$1.5B	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Pearson	\$4.7B	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
macmillan	\$1.4B	✓	✓					✓	✓	✓	✓	✓	
CAMBRIDGE UNIVERSITY PRESS	\$1B	✓		✓	✓			✓	✓	✓	✓	✓	
HODDER EDUCATION LEARN MORE	\$92M	✓	✓					✓	✓	✓	✓	✓	
NATIONAL GEOGRAPHIC LEARNING (Cengage)	\$1.4B (Cengage)	✓	✓					✓	✓	✓			

Source: Tyton Partners IP and analysis

Egypt K-12 Market

Market Overview

The K-12 learning materials market in Egypt served approximately 22.7 million students in 2023 across four levels: pre-primary, primary, preparatory, and secondary. Students may enrol at public or private schools (which teach the Egyptian national curricula in Arabic) or international schools. Egypt’s approximately 60,000 public schools, governed by the Egyptian Ministry of Education (Egyptian MoE), accounted for approximately 85% of total K-12 enrolment in 2023.

With the largest K-12 population in the MENA region, Egypt’s public-school enrolment has grown at a rate of 3.6% per annum. between 2014-15 and 2018-19, while private-school enrolment has grown at a CAGR of 6.3% over the same period. These enrolment increases, combined with widespread digital expansions, are driving market growth. However, Egypt is facing considerable financial pressures amidst a rapidly depreciating currency and increasing poverty rates.

Overall K-12 market dynamics include:



- **Sweeping K-12 reformation via Education 2:0**
 - In late 2017, the Ministry of Education (MoE) announced Education 2.0: a full-scale transformation of the education system to be completed by 2030, including a shift to skills-based learning, digital learning materials, and reformed assessment
 - UNICEF invested US\$1.2 million and unlocked an additional funding of US\$16.5 million from the U.K. and the GPE to advance implementation of Education 2.0, while the World Bank loaned US\$500 million for its “Supporting Egypt Education Reform Project,” which aligns with Education 2.0




	<ul style="list-style-type: none"> • Widespread shift to digital learning <ul style="list-style-type: none"> ○ The Egyptian Knowledge Bank (EKB) was launched in 2016 as the one of the largest digital libraries in the world to make digital learning resources available for all Egyptians across all core subjects ○ As part of Education 2.0, the MoE built approximately 9,000 computer labs within public schools and equipped approximately 28,000 classrooms with digital hardware ○ Egypt has partnered with Discovery Education to enhance digital teaching and learning, as well as a private internet company to offer subsidized internet access to students in some regions ○ Education 2.0 also includes efforts to digitize assessment, rolling out computer-based examinations in grades 10 through 12 via Pearson
	<ul style="list-style-type: none"> • Growing interest in private K-12 education <ul style="list-style-type: none"> ○ K-12 student growth in Egypt’s private sector has almost doubled in the last five years, and 2.1 million new seats will be needed in private schools by 2030 to accommodate the growing population of school-age children (assuming growth trends persist) ○ By 2022, investment in private schools reached an estimated EGP 8.9 billion compared to EGP 6.5 billion for public schools ○ In 2021, the Sovereign Fund of Egypt invested more than EGP 500 million in private schools in Egypt via investment bank EFG Hermes
	<ul style="list-style-type: none"> • Ongoing teacher shortage in K-12 <ul style="list-style-type: none"> ○ In 2022, Egypt’s teacher shortage was officially estimated at over 320,000 teachers. To address this, teachers were hired on short-term/part-time contracts, and students were distributed across shifts during the day ○ In 2022, the Egyptian government also decided to recruit 30,000 teachers per year over five years, prioritising early grades. In general, teachers in Egypt are held in high regard socially but pay has historically been low and inadequate

Exhibit 26: Summary of Egypt K-12 market (as of 2023)

Estimated enrolment	K-12	<ul style="list-style-type: none"> • Overall: 22.7M students <ul style="list-style-type: none"> ○ Public schools: 20.7M students ○ Private schools: 2M
Est. enrolment 5-year CAGR		<ul style="list-style-type: none"> • Overall CAGR: 4.7% between 2015 and 2019 <ul style="list-style-type: none"> ○ Public schools growing at a CAGR of 3.6% ○ Private schools growing at a CAGR of 6.3%
Est. K-12 learning materials market TAM, AED (\$USD)*		<ul style="list-style-type: none"> • Overall: 3.7B (\$1B) <ul style="list-style-type: none"> ○ Public schools: 2.5B (\$671M) ○ Private schools: 1.2B (\$326M)
National language		<ul style="list-style-type: none"> • Arabic
Purchasing dynamics		<ul style="list-style-type: none"> • Curriculum design and distribution among Egyptian public schools is mostly done via governmental partners, such as Discovery Education • Private national schools, however, purchase learning materials through third-party distribution channels, while international schools tend to purchase directly from third-party publishers
Adoption dynamics		<ul style="list-style-type: none"> • In public schools, churn is more so dictated by the pace of curricular reform and distribution by the MoE • In private schools, churn varies depending on the adequacy of current products; can switch solutions as frequently as annually
Competitive landscape		<ul style="list-style-type: none"> • The market is highly competitive and largely led by Egyptian MoE partners, such as Discovery Education and National Geographic Learning, who develop and distribute curricula, as well as incumbent publisher Nahdet Misr that provides a wide portfolio of print and digital learning materials
Sociopolitical and economic considerations		<ul style="list-style-type: none"> • Booming population: Egypt’s population reached 105M in summer 2023, growing by 1M in less than one year. In 2023, the population is on track to reach 128M by 2030, creating the need for an additional 11M seats in Egypt’s K-12 education system • Substantial school-age cohort: In 2022, 33% of the Egyptian population was below 15 years old (equivalent to 37M people)

	<ul style="list-style-type: none"> • Considerable economic instability: The FX rate was EGP 15.75 per USD 1 in 2021, but currency depreciated to EGP 48.45 per USD 1 in March 2024. Moreover, the annual core inflation rate reached 35.1% in February 2024 (compared to 13% in 2018 and 7% in 2020)
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Note: *Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED

Sources: UNESCO, Daily News Egypt, 2024, Tyton Partners IP and analysis

Morocco K-12 Market

Market Overview

The K-12 learning materials market in Morocco serves approximately 7.6 million students across grades K-12 (Note: Primary school begins at grade K1 after preschool), with public-school students comprising approximately 85% of enrolment (Source: Tyton Partners IP and analysis). While the Ministry of National Education (“MEN”) dictates the materials to be adopted by public schools, private schools have autonomy to select their materials as long as they follow the Moroccan national curriculum (Note: In French, Morocco’s primary language, this government entity is called *Le Ministère de l’Education Nationale*, hence the abbreviation MEN). Private schools spend more on learning materials per student, on average, and can purchase third-party textbooks without explicit MEN approval, which eases market entry dynamics relative to B2G channels.

With that said, Alef is in the early stages of scaling its solution in Moroccan public schools. In coordination with the MEN, Alef launched its platform in November 2022 in 14 schools across Morocco. This pilot served over 2,000 students, some of whom in grades 7 and 8 piloted Arabic Language, while others in grades 9 and 10 piloted English Language. The pilot ran through April 2023.

Following this pilot, evaluation results showed a notable improvement of 13.3% in students’ Arabic performance from November 2022 to April 2023, as well as high satisfaction levels above 85% for students, teachers, and school leadership teams (SLTs) (Source: Alef Education, 2023).

Following this successful pilot, Alef seeks to expand its presence in Morocco’s K-12 ecosystem, which is experiencing the following market dynamics:





	<ul style="list-style-type: none"> • Strategic Vision of Reform (2015-30) drives investment in K-12 education <ul style="list-style-type: none"> ○ In 2014, the Minister of Education announced a new education strategy vision for 2030 which includes a shift from rote memorization to critical thinking, stronger emphasis on personal growth and development, and language acquisition ○ Designed for 2015 to 2030, efforts have included increased Arabic classes, foreign language courses, and vocational training. The World Bank has loaned roughly AED 2.8 billion (US\$750 million) in financing for Morocco’s 2015-30 Education Reform
	<ul style="list-style-type: none"> • Increasing adoption of English language learning creates new market opportunities <ul style="list-style-type: none"> ○ In 2023, the MEN announced a plan to fully implement English language teaching in the first year of middle school by the 2025-26 academic year, with an initial focus on expanding the number of English teachers across public middle schools ○ Efforts to reinforce students’ English learning are largely to prepare youth for the 21st century, global job market. A recent partnership between Morocco and the British Embassy in Rabat has focused on furthering young Moroccans’ mastery of the language, which is expected to become the foreign language most widely spoken among youth within five years
	<ul style="list-style-type: none"> • Low PISA scores illustrate need for improved learning outcomes <ul style="list-style-type: none"> ○ Morocco’s overall average PISA score in 2022 was 356, which puts the country in the bottom six countries by average score (out of 81 participating countries) ○ In 2022, Morocco’s PISA scores were 339 for Reading, 365 for Math, and 365 for Science (compared to OECD averages of 476, 472, and 485, respectively)
	<ul style="list-style-type: none"> • Slow growth among school-age population <ul style="list-style-type: none"> ○ The per cent of Moroccans aged 0-14 has steadily declined since the 1960s to 27% in 2022; by 2030, Morocco will have approximately 600,000 additional students to be accommodated in K-12 system (Source: UNICEF)

Exhibit 27: Summary of Morocco K-12 market (as of 2023)

Estimated K-12 enrolment	<ul style="list-style-type: none"> • Overall: 7.6M students <ul style="list-style-type: none"> ○ Public schools: 6.5M students ○ Private schools: 1.1M
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> • Overall CAGR: 1.4% (2019-2023)
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> • Overall: 501M (\$137M) <ul style="list-style-type: none"> ○ Public schools: 266M (\$72M) ○ Private schools: 236M (\$64M)
National language	<ul style="list-style-type: none"> • Arabic
Purchasing dynamics	<ul style="list-style-type: none"> • Public-school students purchase learning materials that have been approved by the Ministry and selected by local governments, giving individual schools no decision-making authority • Private schools, however, have higher autonomy to select learning materials • Regardless of school type, K-12 students generally purchase materials through third-party distributors (but government subsidies– and the Million Backpacks initiative**– help keep this affordable for families)
Adoption dynamics	<ul style="list-style-type: none"> • Public and private schools tend to keep the same provider for up to five years to extract maximum value form purchases <ul style="list-style-type: none"> ○ While the MEN is supposed to review curricular materials annually, this process has historically been flawed and led to the continual use of outdated content by public schools; this suggests irregular adoption cycles in public schools • Across school types, churn is generally slowed by the need to establish relationships with decision-makers before they would switch materials
Competitive landscape	<ul style="list-style-type: none"> • Moderate competitive intensity: the overall market is penetrated by a high number of French and Moroccan publishers, but there are significant market gaps in current products as of 2023 • Alef is one of the few providers with high-quality Arabic solutions, while there is more intense competition for French and English content • Large international publishers like Oxford University Press have captured significant share in private schools
Sociopolitical and economic considerations	<ul style="list-style-type: none"> • Stagnating population growth: For the past decade, Morocco’s population growth rate has hovered around 1%, a relatively low rate compared to other Middle Eastern and North African nations • Linguistic transition: Arabic is the dominant language among Moroccan youth, and French is taught in schools as early as grade 1, but English is expected to become Morocco’s primary foreign language in the next five years according to the British Council, driven by high exposure to English via the internet and school • Consistent exchange rate: The currency exchange rate as of March 2024 stands at 10.02 MAD per \$1 USD; the exchange rate has hovered between 8 and 11 MAD per \$1 USD in the last decade • Moderate corruption concern: Morocco is ranked 94th out of 180 countries in the Corruption Perceptions Index (CPI), which ranks countries from least to most corrupt

*Notes: * Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED; **70% of primary-level textbooks are funded by the state as part of the Million Backpacks initiative, which was launched in 2016 to provide school supplies primarily to elementary-school students in rural areas to improve school attendance and retention;*

Sources: UNESCO, XE, Tyton Partners IP and analysis

Oman K-12 Market

Market Overview

The K-12 learning materials market in Oman served roughly 875,000 students in 2023 across four levels: preschool, Cycle 1, Cycle 2, and Post-basic. Students may enrol at public, private, or international schools. Oman's approximately 1,200 public schools, governed by the Ministry of Education (MoE), account for nearly 90% of total K-12 enrolment.

Curriculum design and distribution to Omani public schools is facilitated by the MoE. Private and international schools, however, autonomously purchase learning materials directly from third-party publishers for all subjects except Arabic and Islamic studies.

While there are several tailwinds for Edtech companies like Alef in Oman's K-12 learning materials market, the overall TAM is relatively small at AED 510 million (US\$139 million). Overall market dynamics are directionally positive, though the market's general commitment to print materials presents a key barrier for edtech entrants:





	<ul style="list-style-type: none"> • Low standardized test scores emphasize opportunity for innovative providers to improve outcomes <ul style="list-style-type: none"> ○ Oman ranks below other GCC countries on key international measures of literacy and STEM. 2021 PIRLS (Progress in International Reading Literacy Study) scores indicate that 4th-grade students in Oman scored well below (429) students in other GCC countries such as Qatar (483), UAE (483), Bahrain (458), and Saudi Arabia (449) on reading achievement levels ○ 2019 TIMSS (Trends in International Mathematics and Science Study) scores indicate that 4th graders in Oman scored lower (431) than students in GCC countries such as the UAE (481), Bahrain (480), Qatar (449), and Iran (443)
	<ul style="list-style-type: none"> • Increasing private-sector investment in education <ul style="list-style-type: none"> ○ Oman's Ministry of Commerce has encouraged foreign and domestic investment in Oman's education system. Education is set to become an important driver of GDP growth, with its share of 4.9% as of 2013 projected to climb to 6.2% by 2025 ○ Private education companies' interest has been strong due to availability of infrastructure, land and financial support offered by the government, and demand from a growing middle class
	<ul style="list-style-type: none"> • Government commitment to an increasingly digital education system... <ul style="list-style-type: none"> ○ In December 2020, the MoE signed a partnership agreement with Microsoft to accelerate its digital transformation in education ○ In June 2022, the MoE co-hosted a workshop on K-12 AI curricula with the Regional Center for Educational Planning (RCEP) and expressed a focus on evolving the national curriculum to include more interactive digital technologies such as augmented reality and interactive games
	<ul style="list-style-type: none"> • Amidst a general preference for print materials <ul style="list-style-type: none"> ○ Despite broad internet access and the MOE's partnership with Microsoft to expand digital transformation in the education sector, cultural preference for print over digital materials has led to slower adoption of digital tools, so mostly print materials are still used in most Omani schools

Exhibit 28: Summary of Oman K-12 market (as of 2023)

Estimated K-12 enrolment	<ul style="list-style-type: none"> • Overall: 784,000 students <ul style="list-style-type: none"> ○ Public schools: 682,000 ○ Private schools: 101,000
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> • Overall CAGR: 3.7% (2019-2023)
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> • Overall: 466M (\$127M) <ul style="list-style-type: none"> ○ Public schools: 327M (\$89M) ○ Private schools: 139M (\$38M)
National language	<ul style="list-style-type: none"> • Arabic
Purchasing dynamics	<ul style="list-style-type: none"> • Low purchasing autonomy in public schools, where the MOE designates learning materials to be used in classrooms • The MoE has partnered with Cambridge University Press for math and science learning materials since 2017 • Moderate purchasing autonomy in private national and international schools, where educators may purchase third-party materials with MOE approval

Adoption dynamics	<ul style="list-style-type: none"> Public schools' adoption of new materials is largely dictated by the government; cadence depends on the timeline set by the MoE for curricular reform Adoption of new materials within international schools is infrequent given generally high customer satisfaction with existing international learning materials providers National private schools infrequently change products due to limited budget (i.e., they seek to extract maximum value from each purchase over several years)
Competitive landscape	<ul style="list-style-type: none"> The Qatari government develops national curriculum and distributes it directly to public schools. The strong reliance on Cambridge University Press for math and science content in this channel may be difficult to disrupt In international schools, global giants such as Cambridge University Press and Pearson are most prevalent
Sociopolitical and economic considerations	<ul style="list-style-type: none"> Moderately sized economy with persistent growth: Oman's GDP ranked 64th globally in 2022, driven by Oman's oil and gas sector. Oman has seen its GDP per capita grow consistently over the last 20 years (AED 33K / \$US9K in 2000 to AED 84K / US\$23K in 2022) Booming population: Population growth rate is the highest among all GCC countries at 1.8%

Note: * Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED

Sources: UNESCO, Tyton Partners IP and analysis

Qatar K-12 Market

Market Overview

The K-12 learning materials market in Qatar served approximately 293,000 students in 2023 across four levels: pre-primary, primary, preparatory, and secondary. Students may enrol at public or national private schools (which teach the Qatari national curriculum in Arabic) or international schools. International schools in Qatar, which are regulated closely by the Ministry of Education and Higher Education ("MOEHE"), account for 55% of K-12 enrolment.

Overall market attractiveness is shaped by the following:




	<ul style="list-style-type: none"> Increased role of private sector in Qatari education system <ul style="list-style-type: none"> Since 2018, the MOEHE has expanded the role of the private sector in the provision of education in Qatar via partnerships with Microsoft, VMWare, and ExxonMobil One particularly notable partnership with Microsoft Qatar brought access to Microsoft Teams and Office 365 to 206 schools (over 30,000 classes) within three days
	<ul style="list-style-type: none"> Relatively robust technological infrastructure in schools <ul style="list-style-type: none"> Approximately 99% of Qataris have internet access, and there are 0.8 computers per student in Qatari schools (which is nearly on par with the UAE's rate of 0.9 computers per student)
	<ul style="list-style-type: none"> Shifting economic priorities and education funding allocations: <ul style="list-style-type: none"> In recent efforts to pursue self-sufficiency and economic diversification, one major consequence of this shift has been a 13% decline in education spending from 2017 to 2022, alongside a perceived stagnation in education quality

Exhibit 29: Summary of Qatar K-12 market (as of 2023)

Estimated K-12 enrolment	<ul style="list-style-type: none"> Overall: 293,000 students <ul style="list-style-type: none"> Public schools: 128,000 Private schools: 165,000
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> Overall CAGR: 3.7% (2019-2023)
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> Overall: 294M (\$80M) <ul style="list-style-type: none"> Public schools: 89M (\$24M) Private schools: 205M (\$56M)
National language	<ul style="list-style-type: none"> Arabic
Purchasing dynamics	<ul style="list-style-type: none"> MOEHE curriculum resources are distributed to public and national private schools for free, and to international schools for a small fee for non-Qatari students The MOEHE designates learning materials to be used in public- and private national-school classrooms, which limits purchasing autonomy

	<ul style="list-style-type: none"> International schools purchase international curriculum resources through local distributors, which expands purchasing autonomy While international schools may purchase third-party materials without MOEHE guidance, the materials must align with each school's original ministry-approved charter
Adoption dynamics	<ul style="list-style-type: none"> The Qatari government refreshes the national curriculum regularly with the support of K-12 public school teachers and public university lecturers, but maintains 5-7-year contracts with major international publishers to develop learning materials, thus limiting market entry opportunities for new competitors Interviews with international school leaders suggests international schools in Qatar may purchase new learning materials up to annually, which bodes well for new entrants
Competitive landscape	<ul style="list-style-type: none"> The learning materials market in Qatar is dominated by the MOEHE's curriculum development partners (primarily international curriculum providers such as Pearson and Oxford University Press) that serve both public and private schools International schools tend to adopt materials from these publishing giants, as well
Sociopolitical and economic considerations	<ul style="list-style-type: none"> Concern for corruption: As of 2022, Qatar is ranked 140th out of 180 countries on the Corruption Perceptions Index (CPI), which ranks countries from least to most corrupt Shifting political structure: The monarchical structure of Qatar's political system allows for minimal political mobility for most people, although the country held its first legislative election in 2021, which saw an approximately 64% voter turnout A steady economy: Following the World Cup in 2022 which fueled an approximately 5% expansion of the country's economy, the country's GDP growth is projected to grow 2.2% in 2024

Note: *Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED

Sources: UNESCO, International Monetary Fund, Tyton Partners IP and analysis


Kuwait K-12 Market


Market Overview


The K-12 learning materials market in Kuwait is relatively small, having served roughly 265,000 students in 2023 across three levels: primary, intermediate, and secondary. Students may enrol at public, private, or international schools. Kuwait's 450+ public schools, governed by the Ministry of Education (MoE), account for approximately 65% of total K-12 enrolment.

Kuwait's MoE develops all learning materials for Kuwaiti public schools and often uses local printing presses to assist with distribution. Private schools often adopt this content, as well, making the overall K-12 learning materials market mostly dominated by the government itself. In international schools, however, schools autonomously purchase learning materials directly from third-party sources.

External research and analysis suggests that the Kuwaiti market would be difficult to enter without a government partnership, though overall market dynamics are mixed:

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 - **GCC neighbor country with large Arabic-speaking K-12 population**
 - The primary language of instruction for Kuwait's 510,000 K-12 students is Arabic and, given Kuwait's geographical proximity and some cultural similarities, relatively minimal product development or localization would be required for Alef to enter the Kuwaiti market

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 - **High, persistent demand for international schools**
 - International school enrolment has consistently increased for the last 20 years due to a perceived higher quality of international schools over public schools, a desire for students to learn English, and increased interest among Kuwaiti students to attend international higher education institutions
 - International schools educate approximately 62% of the country's school-age population (as of 2023) and tend to have robust technological infrastructure and relatively high spend per student, which bodes well for potential entrants like Alef

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 - **Ongoing efforts to address teacher shortage in government schools**
 - In January 2023, Kuwait was reported to have 700 vacancies in 12 subjects across its government schools and has been targeting expatriate teachers to fill the roles. In May 2023, Kuwait recruited 600 teachers from Palestine and Jordan to address the growing demand for teachers
 - As of 2023, there is a tension between a desire to fill open teaching positions with Kuwaiti workers and the need to recruit expat teachers due to an insufficient amount of Kuwaiti teachers



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 - **Government’s minimal interest in third-party learning materials**
 - The MoE is incredibly isolated relative to other GCC Ministries of Education and is not open to partnership for curriculum development, learning materials, or assessments
- 
 - **Slow adoption of digital learning tools**
 - Adoption of digital materials in government schools has been hampered by cultural stigma from families unfamiliar with and distrustful of devices, a lack of teacher digital literacy, and insufficient technical infrastructure
 - Since 2002, the MoE has acknowledged the importance of online learning and listed it as a top priority, but public schools still lack digital tools and an online platform. Limited change is primarily due to the instability in the MoE’s administration and frequent leadership turnover

Exhibit 30: Summary of Kuwait K-12 market as of (2023)

Estimated enrolment K-12	<ul style="list-style-type: none"> • Overall: 265,000 students <ul style="list-style-type: none"> ○ Public schools: 163,000 ○ Private schools: 101,000
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> • Overall CAGR: 1.2% (2019-2023)
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> • Overall: 95M (\$26M) <ul style="list-style-type: none"> ○ Public schools: 62M (\$17M) ○ Private schools: 33M (\$9M)
National language	<ul style="list-style-type: none"> • Arabic
Purchasing dynamics	<ul style="list-style-type: none"> • Public schools receive their curriculum from the MoE, who develops it in-house through curriculum committees and uses local publishers to manufacture the materials • Private schools have greater autonomy to adopt any curriculum. The MoE does not stipulate which providers to adopt; however, it sets guidelines, including cultural standards that must be adhered • In international schools, teachers may provide input to school principals on which materials are most relevant to students. Principals relay teacher preferences to Curriculum Directors or purchasing departments, who have the ultimate say in curriculum purchasing decisions for their respective schools
Adoption dynamics	<ul style="list-style-type: none"> • In public schools, the adoption of new learning materials depends on when the MoE decides to revamp its curriculum • The MoE only uses local, third-party publishers for distribution to public schools • In many private schools, changing providers is a burdensome process due to time required and regulations, leading to high “stickiness” across schools
Competitive landscape	<ul style="list-style-type: none"> • The MoE provides the national curriculum at no cost to public and private schools; thus the competitive landscape is not penetrated by third party publishers • The international school market is crowded by large international incumbents
Sociopolitical and economic considerations	<ul style="list-style-type: none"> • Relatively high literacy rates compared to the MENA region: In 2021, 97% of males and 95% of females above the age of 15 could read and write, far surpassing the comparable rates of 86% for males and 73% for females in the Middle East and North Africa. This metric suggests a unique level of efficacy in Kuwait’s K-12 education system • One of the wealthiest countries in the region: Kuwait has a GDP per capita of \$34,000 in 2024 (ranked 36 of 193 countries) • Diversifying beyond oil: Oil accounts for 88% of projected revenues in Kuwait in 2023-24, but Kuwait’s Vision 2035 plan envisions a diversified economy that increasingly relies on knowledge workers and small businesses instead of oil • Positive relationship with the UAE: In 2022, Matar Al-Neyadi, the UAE ambassador to Kuwait, described bilateral ties as “exemplary” across all fronts and that the respective leaders of the two Gulf neighbours are mutually eager to progress relations

*Note: *Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED*

Sources: UNESCO, Tyton Partners IP and analysis

Indonesia K-12 Market


Market Overview


Indonesia’s K-12 system served over 48 million learners in 2023 across four levels (pre-primary, primary, junior secondary, and high school). The Ministry of Education, Culture, Research, and Technology (MOECRT) has the greatest oversight of K-12 education and is responsible for overseeing 81% of all students (39 million across all public schools). The remaining 19% of students (9 million) attend religious (madrassa) schools overseen by the Ministry of Religious Affairs (MoRA).


The Indonesian learning materials market is large (a TAM of approximately AED 2.6 billion/ US\$707 million as of 2023). However, spending on third-party learning materials is low (US\$14 per-student in public schools). The use and adoption of products in public and religious schools are dictated by the MOECRT and MoRA. However, spend-per-student is higher in international schools (~\$460 per-student), which presents a more attractive market entry opportunity.


External research and analysis suggest that while Indonesia presents a difficult market to break into, it still presents a sizable opportunity for organic and inorganic market entry.

Key K-12 trends and dynamics include:

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 - Increased focus on improving teacher quality**
 - Indonesia’s 421 teacher training institutes produce ~300,000 teachers per year, more than 3x the number of teacher candidates required by public schools. Nearly two in five institutes are not accredited
 - One of President Widodo’s 2024 initiatives is focused on “ensuring equal distribution of education quality through improvement of distribution of teachers”

- 
 - Increased emphasis on digital learning**
 - President Widodo has mandated the Ministry of Education, Culture, Research, And Technology (MOECRT) to prepare for the technological disruption that will be caused by automation. This has led to a greater focus on developing of 21st century skills as part of the “Making Indonesia 4.0” initiative (*Note: ‘Making Indonesia 4.0’ is a reference to preparing Indonesia’s economy and workforce for the 4th industrial revolution*), which targets adding 10 million new jobs, boosting the per cent of GDP that comes from manufacturing from 16% to 25%, and up-skilling/re-skilling for all sectors through vocational school – all by 2030
 - Currently, however, only 74% of the population has consistent access to the internet

- 
 - Growing national education budget**
 - President Joko Widodo’s proposed 2024 budget targets a 5.2% growth rate (higher than 2023’s predicted 5.1%, though lower than its actual 5.3%) and \$216 billion USD of government spending
 - Education funding is tied to the national budget; 20% of the national budget must be allocated to education by law

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 - High barriers to adoption for emerging learning materials providers**
 - The MOECRT creates the mandated national curriculum, inclusive of content and assessments, and distributes it to all public schools through the Merdeka Mengajar platform. Provincial departments of education are responsible for distributing national curriculum print materials
 - The national curriculum has changed several times in the last few decades, and schools are allowed to use any of the recent national curriculums: the 2013 Curriculum, Emergency COVID-19 Curriculum, or the new Freedom Curriculum.
 - Indonesia’s public schools therefore present a strong and substantially attractive opportunity, but would require careful execution of market entry


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 - Population and demographic shifts**
 - Indonesia currently has a very high proportion of young population – with half of the population under the age of 30 – though the government is aiming to lower the fertility rate to 2.1 children per woman by 2025, effectively flattening population growth
 - Birth rates are expected to flatten by 2025, meaning flat K-12 population growth

Exhibit 31: Summary of Indonesia’s K-12 market (as of 2023)

Estimated K-12 enrolment	<ul style="list-style-type: none"> Overall: 50.1M students <ul style="list-style-type: none"> Public schools: 33.8 M students Private schools: 16.3 M students
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> Overall CAGR: 0.0%% (2019-2023)
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> Overall: 2.6B (\$707M) <ul style="list-style-type: none"> Public schools: 1.5B (\$406M) Private schools: 1.1B (\$301M)
National language	<ul style="list-style-type: none"> Indonesian
Purchasing dynamics	<ul style="list-style-type: none"> The MOECRT is responsible for development of the national curriculum, which is then distributed for free to schools through provincial departments of education
Adoption dynamics	<ul style="list-style-type: none"> Government’s national curriculum (“Freedom to Learn”) has been distributed through the freely available Merdeka Mengajar digital platform as well as through print. Third-party B2B space in Indonesia is nascent with a limited number of providers selling wraparound products and services to districts.
Competitive landscape	<ul style="list-style-type: none"> Third party B2B space is difficult to enter given limited school budgets and requirements for schools Top 3rd party instructional competitors in MOECRT and MoRA schools are Ruangguru, Kelas Pintar, and Quipper, but overall third-party B2B space is nascent given challenges to market entry Cambridge and IB dominate private schools; NWEA and Reading A-Z are top supplemental players

Note: *Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED

Sources: UNESCO, Tyton Partners IP and analysis




Nigeria K-12 Market

Market Overview

Nigeria’s K-12 system served over 39 million learners in 2023 across four levels (pre-primary, primary, junior secondary, and senior secondary). However, spend on learning materials per student is inconsistent and digital infrastructure is generally weak, based on the lack of internet connectivity, computer ownership, and electricity among many households and schools. For example, national internet penetration only reached 50% in 2022.

Roughly 85% of students are enrolled in public schools, which are regulated by the Federal Ministry of Education (MoE). While enrolment is free, students and families generally bear the cost of textbooks and other learning materials, which makes even public school inaccessible to many Nigerian families.

The Nigerian learning materials market is large (a TAM of approximately AED 3 billion/ US\$800 million as of 2023), but several factors suggest it would be difficult to scale a digital learning solution successfully. Key K-12 trends and dynamics include:

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 - Low proficiency and poor academic outcomes emphasize opportunity to innovate K-12 education**
 - Nigeria is experiencing a severe learning crisis, with three out of four children in basic education unable to read with comprehension or solve simple math problems
 - In 2021, only 23% of children in grades 2-3 and 5-6 achieved minimum proficiency levels in reading and mathematics (Nigeria does not participate in PISA)
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 - Large K-12 population expected to grow amidst population surge**
 - Nigeria’s K-12 system served approximately 39 million students
 - Between 2023 and 2050, the UN predicts Nigeria’s population will grow by roughly 170% (driven in part by Nigeria’s high fertility rate of 5.1 children per woman, compared with the global rate of 2.4 births per woman)
- 
 - Low K-12 enrolment and retention (especially in northern regions of the country)**
 - Nigeria has the largest population of out-of-school children of primary-school age: 9.6 million in 2020, up from 6.4 million in 2000

	<ul style="list-style-type: none"> States in the northeast and northwest had female primary net attendance rates of 48% and 47% in 2023, respectively, meaning that more than half of the girls are not in school (according to UNICEF)
↓	<ul style="list-style-type: none"> High piracy risk in learning materials market <ul style="list-style-type: none"> Nigeria has seen considerable instances of piracy and counterfeiting as a barrier to intellectual property (IP) development in the K-12 instructional content market, as the country has one of the weakest IP protection regimes in the world
↓	<ul style="list-style-type: none"> High poverty rates exacerbate K-12 enrolment and performance challenges <ul style="list-style-type: none"> Nigerian families bear most of the cost of learning materials, meaning that many students adopt some or none of the materials due to lack of resources Almost half of all children in Nigeria (47%) live below the national poverty line; 40% of all Nigerians live below the poverty line
↓	<ul style="list-style-type: none"> Lack of internet—and often electricity—in many households and K-12 classrooms <ul style="list-style-type: none"> Internet user penetration in Nigeria only reached roughly 50% in 2022, and just approximately 65% of Nigerian households have electricity As of 2018, ownership of computers was very low, both in urban (13%) and rural areas (3%) Roughly 65% of all primary and junior secondary schools lack access to electricity (as of 2017, when data was last updated)

Exhibit 32: Summary of Nigeria K-12 market (as of 2023)

Estimated K-12 enrolment	<ul style="list-style-type: none"> Overall: 39.5M students <ul style="list-style-type: none"> Public schools: 31.3M students Private schools: 8.1M
Est. enrolment 5-year CAGR	<ul style="list-style-type: none"> Overall CAGR: 2.4% (2019-2023)
Est. K-12 learning materials market TAM, AED (\$USD)*	<ul style="list-style-type: none"> Overall: 2.9B (\$800M) <ul style="list-style-type: none"> Public schools: 2.3B (\$638M) Private schools: 595M (\$162M)
National language	<ul style="list-style-type: none"> English
Purchasing dynamics	<ul style="list-style-type: none"> In general, Nigerian families bear most of the cost of learning materials (in public and private schools) meaning that many students adopt some or none of the materials due to lack of resources, though some Nigerian states have begun to purchase learning materials for schools and students In public schools, decision-making is largely the responsibility of state (for secondary school) and local (for elementary school) governments. However, the Nigerian government is historically very corrupt, meaning dedicated education dollars rarely make their way to schools or students to purchase learning materials (thus students being responsible for adopting materials independently) In private schools, leadership may select the materials they want students to purchase, so long as they align with Nigeria’s national curriculum
Adoption dynamics	<ul style="list-style-type: none"> Churn for learning materials in Nigeria is relatively low, presumably as a means to mitigate cost However, when the government institutes a national curriculum change, publishers reach out to schools to sell them updated materials (curriculum revisions occur on an irregular basis)
Competitive landscape	<ul style="list-style-type: none"> Moderate competitive intensity: the market is dominated by local Nigerian publishers and, in the case of private national and international schools, international incumbents with high brand recognition Overall, the market is digitally immature and lacks AI-enhanced learning solutions

*Note: *Estimated 2023 total spend across private and public schools in K-12 on learning materials, inclusive of print and digital, with exchange rate of 1 USD to 3.67 AED*

Sources: UNESCO, Tyton Partners IP and analysis

Conclusion

Overall, the Group operates in a global K-12 Learning Materials market that represents an AED 325 billion (US\$90 billion) TAM in 2023. Based on its priority growth strategies and expansion markets – across several horizons – the Group has an opportunity to accelerate growth and market share capture through several channels (e.g., B2B and B2G), geographies, and product categories in the coming years:

- **TAM for Expansion Horizons.....79B (\$22B)**
 - Super-serve UAE.....4B (\$1B)
 - Home Markets.....13B (\$4B)
 - Developed Markets.....36B (\$10B)
 - High-growth Emerging Markets..... 21B (\$6B)
 - Reactive B2G Markets..... >5B (\$1.4B)

- **TAM for Target Growth Strategies.....16B (\$4.3B)**
 - Cross-Geography Growth Strategies.....6.5B (\$1.8B)
 - Priority Target Market Growth Strategies.....9.4B (\$2.54B)

Across the broad range of growth markets and horizons, the Group has an opportunity across all of its expansion markets to address a TAM of AED 79 billion (US\$22 billion). According to Tyton’s analysis, relative to the selected set of Cross-Geographic and Target Market Growth Strategies that have been evaluated and vetted, Tyton believes that the Group can address nearly AED 16 billion (US\$4.3 billion). Should the Group capitalize on the secular trend towards personalisation, competitive advantages, and deep knowledge on local purchasing models and market dynamics to inform organic and inorganic growth efforts, the Group can achieve significant scale. To illustrate the growth potential, should Alef achieve 15% of the TAM related solely to its Cross-Geography and Target Market growth strategies by 2033, the Group can achieve incremental revenue growth of AED 2.4 billion (US\$640 million).

TAM for Expansion Horizons for K-12 Learning Materials AED (\$USD) (as of 2023)*

Country	B2B TAM	B2G TAM	Total TAM
Super-serve UAE	3.1B (\$843M)	1.2B (\$335M)	4.3B (\$1.2B)
Home Markets	4.3B (\$1.2B)	9.2B (\$2.5M)	13.5B (\$1B)
Developed Markets	7B (\$1.8B)	29B (\$8B)	36B (\$10B)
High-growth Emerging Markets	3.4B (\$937M)	17B (\$4.7B)	21B (\$5.7B)
India	1.6B (\$444M)	3.4B (\$918M)	5B (\$1.4B)
Pakistan	292M (\$79M)	567M (\$155M)	859M (\$234M)
Turkey	666M (\$181M)	8.7B (\$2.4B)	9.4B (\$2.6B)
Brazil	243M (\$66M)	2.3B (\$632M)	2.6B (\$698M)
Nigeria	608M (\$166M)	2.3B (\$637M)	2.9B (\$803M)
Reactive B2G Markets	N/A	>5B (\$1.4B)	>5B (\$1.4B)

Note: *Rounded to nearest hundred million where applicable

Priority Target Market TAM for K-12 Learning Materials AED (\$USD) (as of 2023)*

Country	B2B TAM	B2G TAM	Total TAM
UAE	3.1B (\$843M)	1.2B (\$335M)	4.3B (\$1.2B)
Saudi Arabia (KSA)	1.4B (\$472M)	4.5B (\$1.2B)	5.9B (\$1.6B)
Egypt	1.2B (\$326M)	2.5B (\$671M)	3.7B (\$997M)
Morocco	236M (\$64M)	266M (\$72M)	501M (\$137M)
Oman	139M (\$38M)	327M (\$89M)	466M (\$127M)
Qatar	205M (\$56M)	88M (\$24M)	293M (\$80M)
Kuwait	32M (\$9M)	63M (\$17M)	95M (\$26M)
Indonesia	1.1B (\$301M)	1.5B (\$406M)	2.6B (\$707M)
Nigeria	608M (\$166M)	2.3B (\$637M)	2.9B (\$803M)
Total	13B (\$3.5B)	8B (\$2.2B)	21B (\$5.6B)

Note: *Rounded to nearest hundred million where applicable

SALE OF SHARES

The Company, the Selling Shareholders and the Joint Lead Managers named below have entered into an underwriting agreement with respect to the Offer Shares, in connection with the Qualified Investor Offering (the “**Underwriting Agreement**”). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement including the execution of the Pricing Agreement (as defined below), each Joint Lead Manager has agreed, severally but not jointly, to procure purchasers for, or failing which to purchase, such number of Offer Shares as are set forth and on the terms specified in the Underwriting Agreement and the Pricing Agreement. The number of Offer Shares will be determined no later than on the Pricing Date and set out in the Pricing Agreement. Such number of Shares will also be communicated in a press release to be issued by the Company.

Underwriting Agreement and Pricing Agreement

In the Underwriting Agreement, the Company and the Selling Shareholders have made certain representations and warranties and the Company and the Selling Shareholders have agreed to indemnify the several Joint Lead Managers against certain liabilities. The Joint Lead Managers are offering the Offer Shares and when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Offer Shares, and other conditions contained in the Underwriting Agreement, such as Admission and the receipt by the Joint Lead Managers of officers’ certificates and legal opinions. The Joint Lead Managers will be paid a selling commission in respect of the Shares.

The underwriting commitment of the Joint Lead Managers will be subject to certain conditions precedent, including among others, the execution of a pricing agreement to the Underwriting Agreement (the “**Pricing Agreement**”) by the Company, the Selling Shareholders and the Joint Lead Managers setting forth the Offer Price for the Offer Shares and the final number of Shares offered in the Global Offering. The Pricing Agreement is expected to be executed no later than the Pricing Date.

The Joint Lead Managers may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then the Global Offering will lapse.

Commissions and Expenses

All selling commissions and any discretionary fees will be paid by the Selling Shareholders. The expenses of the Global Offering will be borne by the Selling Shareholders.

Price Range

The Offer Price Range is AED 1.30 to AED 1.35 per Offer Share. The Offer Price Range is indicative only and may change during the course of the Global Offering. The Offer Price for the Offer Shares will be agreed between the Selling Shareholders and the Joint Lead Managers following a book building process.

Pricing of the Global Offering

It is expected that the offer price will be within the Offer Price Range. The Offer Price Range is indicative only and may change during the course of the Global Offering, and the offer price may be set within, above or below the Offer Price Range.

Prior to the Global Offering, there has been no public market for the Shares. The offer price will be determined by negotiations between the Company, the Selling Shareholders and the Joint Lead Managers. Among the factors considered in determining the offer price following the book building process will be the Group’s future prospects and the prospects of the Group’s industry in general, its revenue, profit and certain other financial operating information with respect to the Group in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in similar activities to the Group.

Lock-up Arrangements

The Selling Shareholders have contractually agreed, for a period of 180 days after Admission (the “**Lock-up Period**”), not to (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option,

right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholders), (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Lead Managers, such consent not to be unreasonably withheld or delayed.

The foregoing restriction will not apply to, among others:

- the offer and sale of the Shares in the Global Offering;
- any inter-company transfers of Shares by the Selling Shareholders in favour of its affiliates (provided that the transferee agrees to comply with the foregoing restrictions);
- accepting a general offer (including from the Company) made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);
- taking up any rights granted in respect of a pre-emptive share offering by the Company;
- selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company;
- any disposal by and/or allotment and issue of shares to the Selling Shareholders pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholders; or
- transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

The Company has contractually agreed, for the duration of the Lock-up Period, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The Fatwa issued in relation to the Global Offering does not approve the transactions listed above unless such transactions are structured in a Shari'ah compliant manner.

Stabilisation

There will be no stabilisation of the share price in connection with the Global Offering.

Allocation

The Global Offering comprises the Institutional Offering, the ADGM Exempt Offer, the DIFC Exempt Offer and the UAE Retail Offer. The allocation of Offer Shares among the Qualified Investor Offering (including the ADGM Exempt Offer and the DIFC Exempt Offer) and the UAE Retail Offer will be determined by the Joint Lead Managers, the Selling Shareholders, and the Company.

Factors that may be taken into account by the Joint Lead Managers, the Selling Shareholders and the Company when determining the allocations between prospective investors in the event of over-subscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that the Joint Lead Managers, the Selling Shareholders and the Company may deem relevant.

Other Relationships

Each of the Joint Lead Managers, together with their respective affiliates, are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, issuing or creating and trading in securities and financial products, publishing research and exercising voting power over securities on behalf of third parties, financing and brokerage activities, for which they receive customary fees. In the ordinary course of the Joint Lead Managers' and their respective affiliates' trading, brokerage, asset management, and financing activities, the Joint Lead Managers and their respective affiliates may at any time deal as principal or agent for more than one party in, or trading positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or financing of the Company, the Selling Shareholders, their respective associates or any counterparty. In addition, the Joint Lead Managers and any of their respective affiliates may also provide risk management products to the Company and/or the Selling Shareholders or any parties related to any of them in connection with the Global Offering for which they could receive payment(s), earn a profit and/or suffer or avoid a loss contingent on the closing of the Global Offering (and the quantum of such amounts may potentially be significantly in excess of the fees earned by the relevant Joint Lead Manager for its services acting as Joint Lead Manager in connection with the Global Offering).

Each Joint Lead Manager and its respective affiliates may have and may in the future have investment and commercial banking, financing, hedging, trading, trust, financial advisory, investment banking and other ancillary relationships with parties other than the Company and the Selling Shareholders which parties may have interests with respect to the Company or the Selling Shareholders, their respective affiliates or other persons. The Joint Lead Managers and their respective affiliates may provide such services for the Company, the Selling Shareholders and their respective affiliates in the future. The sharing of information relating to such activities is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Lead Manager may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholders.

Additional Information

In connection with the Global Offering, each of the Joint Lead Managers and any of their respective affiliates, may take up a portion of the Offer Shares in the Global Offering as a principal position and in that capacity, may subscribe for and/or acquire Offer Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its own account in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, any of the Joint Lead Managers and any of their respective affiliates acting in such capacity. In addition, certain of the Joint Lead Managers or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Joint Lead Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares. In addition, certain of the Joint Lead Managers or their affiliates may enter into financing or hedging arrangements with investors in connection with which such Joint Lead Managers (or their affiliates) may from time to time acquire, hold or dispose of the Shares.

None of the Joint Lead Managers intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Offer Shares or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is

required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Offering Memorandum or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States of America

The Offer Shares have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, resold, transferred or delivered, directly or indirectly, within the United States. The Offer Shares are being offered and sold outside the United States in reliance on Regulation S.

United Kingdom

In relation to the UK, no Offer Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in the UK prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority in the UK in accordance with the UK Prospectus Regulation and the FSMA, except that offers of Offer Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

- to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- at any time in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Selling Shareholders or any Joint Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the UK who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Lead Managers that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the UK to qualified investors, in circumstances in which the prior consent of the Joint Lead Managers has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, the Joint Lead Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares, the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression “FSMA” means the Financial Services and Markets Act 2000.

In connection with the Global Offering, the Joint Lead Managers are not acting for anyone other than the Company and the Selling Shareholders and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their clients nor for providing advice in relation to the Global Offering.

This Offering Memorandum is for distribution only to persons who are qualified investors as defined under the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments

and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“**high net worth companies, unincorporated associations etc.**”) of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

European Economic Area

In relation to each member state of the European Economic Area (each a “**Relevant State**”), no Offer Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State all in accordance with the Prospectus Regulation, except that offers of Offer Shares may be made to the public in that Relevant State of any Offer Shares at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Selling Shareholders or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Lead Managers that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the Joint Lead Managers has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, the Joint Lead Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression of an “offer to the public” in relation to any Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Arab Emirates (excluding the ADGM and the DIFC)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of Professional Investors, within the meaning of the United Arab Emirates SCA’s Board of Directors Decision No. 13 of 2021 Concerning the Financial Activities Rule Book, and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Offering Memorandum, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor have the Joint Lead Managers received authorisation or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE. It should not be assumed that any of the Joint Lead Managers is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

Abu Dhabi Global Market

The Offer Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

- an “Exempt Offer” in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority; and
- made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

Dubai International Financial Centre

The Offer Shares have not been offered and will not be offered to any persons in the DIFC except on the basis that an offer is:

- an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the DFSA Rulebook; and
- made only to persons who are existing clients of the DFSA Authorised Person distributing this Offering Memorandum or who otherwise meet the Deemed Professional Client criteria set out in Rule 2.3.4 of the DFSA Rulebook Conduct of Business Module and who are not natural persons.

Kingdom of Saudi Arabia

This document may not be distributed in the Kingdom, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

Australia

The Offer Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

- a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;
- a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- a person associated with the company under section 708(12) of the Corporations Act; or

- a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission (“ASIC”) or the Australian Securities Exchange (“ASX”) or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

Lebanon

This Offering Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Offer Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription or purchase.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon and its Offer Shares cannot be marketed and sold in Lebanon. No public offering of the Offer Shares is being made in Lebanon and no mass-media means of contact are being employed. This Offering Memorandum is aimed at institutions and sophisticated, high net worth individuals only, and this Offering Memorandum will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Offering Memorandum should pay particular attention to the section titled “*Risk Factors*” in this Offering Memorandum. Investment in the Offer Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Offering Memorandum does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This Offering Memorandum is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Offer Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this Offering Memorandum is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Company is incorporated and existing under the laws of the UAE. The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Offering Memorandum or for the performance of the Company with respect to the Offer Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Offer Shares have not been offered or sold, and will not be offered or sold to any person in the Kingdom of Bahrain except on a private placement basis to persons who are “accredited investors”.

For this purpose, an “accredited investor” means:

- an individual holding financial assets (either singly or jointly with a spouse) of USD 1,000,000 or more;
- a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than USD 1,000,000; or
- a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Offer Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Offer Shares is being made in Kuwait, and no agreement relating to the sale of the Offer Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Offer Shares in Kuwait.

Jordan

Any marketing of the Offer Shares to Jordanian investors shall be done by way of private placement only. The Offer Shares are being offered in Jordan on a cross border basis based on one-on-one contacts to no more than 30 potential investors and accordingly the Offer Shares will not be registered with the Jordanian Securities Commission and a local prospectus in Jordan will not be issued.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the “**FIEL**”). This Offering Memorandum is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The offering of the Offer Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (“**FinSA**”) because the Offer Shares are offered to less than 500 investors and the Offer Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Offering Memorandum does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Offer Shares.

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, *provided that* the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Joint Lead Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

Hong Kong

This Offering Memorandum has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly (i) the Offer Shares may not be offered or sold in Hong Kong by means of this Offering Memorandum or any other document other than to “professional investors” as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other

circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Offer Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Offer Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Offer Shares, namely a person who is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Offer Shares under Section 275 of the Securities and Futures Act except:

- to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law; or
- pursuant to Section 276(7) of the Securities and Futures Act.

Qatar and the Qatar Financial Centre

This Offering Memorandum is being provided by the Joint Lead Managers on an exclusive basis to the specifically intended recipient (being a qualified investor for the purposes of the Qatar Financial Markets Authority or the Qatar Financial Centre Regulatory Authority) in the State of Qatar, including the Qatar Financial Centre, upon that person’s request and initiative, and for the recipient’s personal use only.

Nothing in this Offering Memorandum constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of Offer Shares in the State of Qatar or in the Qatar Financial Centre or the marketing or promotion in the State of Qatar or in the Qatar Financial Centre of the Offer Shares or an attempt to do business, as a bank, a financial services company, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing offering, marketing or sale of the Offer Shares.

This Offering Memorandum and/or the Offer Shares have not been approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other regulator in the State of Qatar or in the Qatar Financial Centre.

Recourse against the Company, the Selling Shareholders and/or the Joint Lead Managers may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar (including the Qatar Financial Centre). The information contained in this Offering Memorandum is confidential and must not be reproduced in whole or in part (whether in electronic or hard copy form). Any distribution of this Offering Memorandum by the recipient to third parties in the State of Qatar or in the Qatar Financial Centre beyond the terms set out above is not authorised and shall be at the liability of such recipient.

Republic of Korea

A registration statement for the offering and sale of the Offer Shares has not been filed with the Financial Services Commission of the Republic of Korea (“**Korea**”) under the current laws and regulations of Korea, including but not limited to the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Offer Shares may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea) or to others for reoffering or resale, directly or indirectly in Korea or for the account or benefit of any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations.

South Africa

The Offer Shares are not the subject of a registered prospectus in terms of chapter 4 of the South African Companies Act, 71 of 2008 (“**Companies Act**”). Any purchaser of the Offer Shares in South Africa may not offer the Offer Shares for sale to the public in South Africa unless such offer is accompanied by a prospectus, or where applicable a written statement, that is registered with the Companies and Intellectual Property Commission in terms of the said chapter of the Companies Act and which complies with all relevant provisions in this regard. No advertisement in relation to a public offer may be made unless it complies with section 98 of the Companies Act. The “public” includes any section of the public.

Certain offers of shares are deemed, in terms of the safe harbour provisions of section 96 of the Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation as defined in the Public Investment Corporation Act, 2004; (iii) persons regulated by the Reserve Bank of South Africa; (iv) authorised and licensed financial services providers; (v) financial institutions as defined in the Financial Services Board Act, 1990, (vi) wholly owned subsidiaries of the persons contemplated in (iii), (iv) and (v), acting as agent in the capacity of authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, 1956 or as manager for a collective investment scheme registered in terms of the Collective Investment Schemes Control Act, 2002, or (vii) a combination of any of the foregoing. Also included in the safe harbours are:

- (i) offers where the minimum offer consideration per offeree, acting as principal, is Rand 1,000,000;
- (ii) if it is a non-renounceable offer made only to (i) existing holders of the company’s securities; or (ii) persons related to existing holders of the company’s securities;
- (iii) if it is a rights offer that satisfies the prescribed requirements, and (i) an exchange has granted or has agreed to grant a listing for the securities that are the subject of the offer; and (ii) the rights offer complies with any relevant requirements of that exchange at the time the offer is made;
- (iv) if the offer is made only to a director or prescribed officer of the company, or a person related to a director or prescribed officer, unless the offer is renounceable in favour of a person who is not a director or prescribed officer of the company or a person related to a director or prescribed officer; and/or
- (v) if it pertains to an employee share scheme that satisfies the requirements as set out in terms of section 97 of the Companies Act, 2008.

Accordingly, offers may be made to such institutions or under such circumstances without having to comply with chapter 4 of the Companies Act.

The Global Offering will further not be made and this Offering Memorandum will further not be distributed in South Africa or to any person with an address in South Africa in any manner which could be construed

as an offer to the public in terms of the Companies Act, 2008 and should any person who does not fall into any of the above exemptions receive this prospectus they should not and will not be entitled to acquire any Offer Shares or otherwise act thereon.

TRANSFER RESTRICTIONS

The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

United States

The Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

Regulation S

Each purchaser of the Offer Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Offer Shares, will be deemed to have represented, agreed and acknowledged as follows:

- The purchaser is, or at the time the Offer Shares were purchased will be, the beneficial owner of such Offer Shares and (a) is, and the person, if any, for whose account it is acquiring the Offer Shares is, outside the United States; (b) is not an affiliate of the Company or a person acting on behalf of such an affiliate; and (c) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Offer Shares from the Company or an affiliate thereof in the initial distribution of such Offer Shares.
- The purchaser is aware and agrees that such Offer Shares (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Offer Shares in an “offshore transaction” in reliance on Regulation S.
- The purchaser represents, warrants and undertakes that neither it, its affiliates (as defined in Rule 501 under the Securities Act), nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Offer Shares.
- The purchaser acknowledges that the Company, the Selling Shareholders, the Joint Lead Managers and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

INDEPENDENT AUDITORS

The Financial Statements, included in Annex 1 (Financial Statements) of the UAE Prospectus attached to this Offering Memorandum, have been audited by Ernst & Young - Middle East (ADGM Branch), independent auditors, as stated in their report included in Annex 1 (*Financial Statements*) of the UAE Prospectus attached to this Offering Memorandum.

GLOSSARY OF SELECTED TERMS

“ADGM”	The Abu Dhabi Global Market.
“AED” or “dirham”	The lawful currency of the United Arab Emirates.
“Articles of Association” or “Articles”	Depending on the context, the articles of association of the Company, as amended from time to time and currently in force.
“ASIC”	Australian Securities and Investments Commission.
“ASX”	Australian Securities Exchange.
“billion”	A thousand million.
“Board of Directors” or “Board”	Depending on the context, the board of directors of the Company or any other legal person, entity or institution, the management body of which consists of a board of directors.
“Capital Market Authority”	Capital Market Authority of the Kingdom of Saudi Arabia.
“Corporations Act”	Australia Corporations Act 2001 (Cth).
“DFM”	The Dubai Financial Market.
“DFSA”	The Dubai Financial Services Authority.
“DIFC”	The Dubai International Financial Centre.
“EEA”	European Economic Area.
“EFG DIFC”	EFG-Hermes UAE Limited.
“EFG Hermes”	EFG UAE acting jointly with EFG DIFC.
“EFG UAE”	EFG Hermes UAE LLC.
“EU” or “European Union”	The European economic and political union.
“EUWA”	The European Union (Withdrawal) Act 2018.
“FAB”	First Abu Dhabi Bank PJSC.
“FIEL”	Financial Instruments and Exchange Law.
“FSMA”	UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
“FSRA”	Abu Dhabi Financial Services Regulatory Authority.
“General Assembly”	The general assembly of the shareholders of the Company.
“Group”	The Company and its subsidiaries.
“IFRS”	International Financial Reporting Standards.
“Industry Consultant”	Tyton Partners.
“Industry Report”	Market data and other market information derived from reports prepared for the Company by the Industry Consultant.
“Joint Bookrunners”	EFG Hermes and FAB.
“Joint Lead Managers”	EFG Hermes and FAB.
“Kingdom”	The Kingdom of Saudi Arabia.

“ Member State ”	Each Member State of the European Economic Area.
“ MENA ”	Middle East and North Africa.
“ NIN ”	National Investor Number.
“ Order ”	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
“ Pricing Agreement ”	The pricing agreement to the Underwriting Agreement to be executed by the Company, the Selling Shareholders and the Joint Lead Managers.
“ Prospectus Regulation ”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.
“ Regulation S ”	Regulation S under the Securities Act.
“ Relevant State ”	Member states of the European Economic Area.
“ SA Companies Act ”	South African Companies Act, No. 71 of 2008.
“ SCA ”	The UAE Securities and Commodities Authority.
“ SEC ”	United States Securities and Exchange Commission.
“ Securities Act ”	United States Securities Act of 1933, as amended.
“ Selling Shareholders ”	Tech Nova Investment LLC - Sole Proprietorship L.L.C., and Kryptonite Investments L.L.C. – O.P.C.
“ UAE Prospectus ”	A prospectus relating to the UAE Retail Offer, the publication of which was approved by the SCA.
“ UAE ”	United Arab Emirates.
“ UK MiFIR Product Governance Requirements ”	FCA Handbook Product Intervention and Product Governance Sourcebook.
“ UK Prospectus Regulation ”	Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.
“ UK ”	The United Kingdom.
“ USA ” or “ US ”	The United States of America.
“ \$ ”, “ USD ” or “ US Dollars ”	The lawful currency of the United States of America.

This is a non-certified translation of the original Arabic version of the Prospectus. This English version is provided for convenience only and does not constitute a legal document. Subscribers should only rely on the Arabic version of the Prospectus. In the case of any discrepancies or omissions, the Arabic version of the Prospectus shall prevail.

**OFFER TO SUBSCRIBE FOR SHARES IN A FREE ZONE COMPANY IN A PUBLIC
SUBSCRIPTION IN THE UAE ONLY**

**Prospectus for the Public Offering of Shares in
Alef Education Holding plc (the “Company”)**

*(a public company limited by shares incorporated in the Abu Dhabi Global Market (“ADGM”) and
subject to the ADGM Companies Regulations 2020 (as amended))*



Dated: 20 May 2024

This is the prospectus (the “**Prospectus**”) for the sale of 1,400,000,000 (one billion four hundred million) ordinary shares with a nominal value of AED 0.01 (one Fils) each, representing 20% (twenty percent) of the total issued shares in the share capital of the Company (the “**Offer Shares**”), to be sold by the Company’s shareholders namely; Tech Nova Investment – Sole Proprietorship L.L.C and Kryptonite Investments L.L.C (the “**Selling Shareholders**”) in a public subscription in the United Arab Emirates (the “**UAE**”) only. The Selling Shareholders reserve the right to amend the size of the Offering and the size of any Tranche (as defined below) at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the Securities and Commodities Authority in the UAE (“**SCA**” or the “**Authority**”). The offer price will be in AED and determined based on the offer price range (the “**Offer Price Range**”), which will be announced on the same day and before the opening of the Offer Period on 28 May 2024. The Offer Shares will be duly and validly issued as at the date of listing (the “**Listing**”) of the Shares on the Abu Dhabi Securities Exchange (the “**ADX**”).

The final offer price (the “Final Offer Price”) and the final offering size (the “Final Offer Size”) will be announced after the closing of the subscription of the Second Tranche. Please refer to the section on the Final Offer Price in the first section of this Prospectus which sets out a description of how the Final Offer Price will be calculated.

Except in the UAE only, no action has been taken or will be taken in any jurisdiction that would permit a public subscription of the Offer Shares pursuant to this Prospectus or the possession, circulation or distribution of this Prospectus. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any jurisdiction except in compliance with any applicable rules and regulations of any such jurisdiction.

The Company is not subject to UAE Federal Decree by Law No. 32 of 2021 concerning commercial companies (as amended) (the “**UAE Commercial Companies Law**”). The Authority is not responsible for the content of this Prospectus, or the information contained herein. The Company is subject to the ADGM Companies Regulations 2020 (as amended) (the “**Companies Regulations**”) and other applicable rules and regulations in the ADGM. The ADGM Registration Authority (the “**ADGM Registration Authority**”) is responsible for the supervision and regulation of all public companies incorporated in the ADGM, including the Company, in relation to compliance with the Companies Regulations.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the “Investment Risks” and the “Important Notice” sections of this Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

Offer Period

The Offer Period for the First Tranche and the Second Tranche (as described in this Prospectus) starts on 28 May 2024 and will close on 4 June 2024 for the First Tranche and on 5 June 2024 for the Second Tranche.

If all of the Offer Shares are subscribed for and allocated, and the Offer size is not increased, the Offer Shares will represent 20% of the total issued ordinary shares in the capital of the Company (the “Shares”) (this percentage has been calculated based on the total number of Shares in the share capital of the Company). The Selling Shareholders reserve the right to amend the size of the Offering and the size of each Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the SCA. Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Period in respect of the First Tranche and the Second Tranche and accepting the subscription for Shares, the Company will apply to list its Shares on the ADX.

Date of the SCA’s approval of publishing this Prospectus: 17 May 2024.

This Prospectus contains data that has been submitted in accordance with the rules for issuance and disclosure issued by the SCA in the United Arab Emirates and publishing this Prospectus has been approved by the SCA on 17 May 2024. However, the SCA’s approval of publishing this Prospectus does not constitute an endorsement of the feasibility of investment in the Offer Shares nor a recommendation to subscribe to the Offer Shares; the approval only confirms that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to prospectuses. The SCA is not responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this Prospectus or any part of it. The members of the Company’s board of directors, jointly and severally, bear full responsibility regarding the validity of the information and data contained in this Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable enquiries, that there are no other facts or material information, which were not included in this Prospectus that renders any statement contained therein misleading to the Subscribers or which may influence their decision to invest.

Method of offer and sale of the Offer Shares in a public subscription

The Offer Shares represent 1,400,000,000 (one billion four hundred million) Shares with a nominal value of AED 0.01 (one Fils) each of the total issued shares in the share capital of the Company, which will be sold by the Selling Shareholders in a public offering whereby the Final Offer Price will be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Second Tranche Subscribers. The Selling Shareholders reserve the right to amend the size of the Offering and the size of any Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of SCA.

In creating the subscription orders ledger, the Offer Shares subscribed by the Second Tranche Subscribers will constitute all of the Offer Shares used in calculating the Final Offer Price of each Offer Share. In order for the subscription to succeed, the subscription percentage of the Second Tranche Subscribers must not be less than 60% (sixty per cent), and the subscription percentage of First Tranche Subscribers must not be more than 40% (forty per cent) of the Offer Shares in aggregate.

If the First Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the Second Tranche. The Receiving Banks commit to refund the oversubscription amounts received from the First Tranche Subscribers for the Offering and any accrued profit on such amounts one day after the subscription closing until one day prior to the refund to the First Tranche Subscribers, provided that the refund is made within five working days from the date on which all allocations of Offer Shares to successful First Tranche Subscribers is determined.

The Selling Shareholders may not, whether directly or indirectly or through any of their subsidiaries, subscribe for any of the Offer Shares.

Book Building Mechanism

Book building is a mechanism pursuant to which the price is set prior to the issuance of the shares or prior to the Offering.

The book building process comprises these steps:

1. The Company and the Selling Shareholders hire one or more investment banks to act as lead manager(s) who are licensed by SCA to carry out on behalf of the Company and the Selling Shareholders, the management of the Offering, and to provide advice related to the Offering, and to coordinate with SCA and the Offer Participants and to assist the Company and the Selling Shareholders in determining the price range at which the security can be sold and drafting a prospectus to send out to the investors.
2. The appointed joint lead managers invite certain Professional Investors, normally, but not restricted to, large-scale sophisticated buyers and fund managers (and may invite other Professional Investors), to submit bids on the number of shares that they are interested in buying and the prices that they would be willing to pay for such shares and recording the Professional Investors' opinions in the register specifically for recording the subscription orders for the shares offered.
3. The book is 'built' by listing and evaluating the aggregated demand for the issue from the submitted bids. The underwriters analyze the information and based on that analysis, determine with the issuing company and its Selling Shareholders, the final price for the shares, which is termed the final offer price.
4. Shares for submitted bids pertaining to the Second Tranche are then allocated among the accepted bidders, at the discretion of the Company and the Selling Shareholders.

Listing Advisor

First Abu Dhabi Bank PJSC has been appointed to be the Listing Advisor of the Company (in accordance with the requirements for that role) as described in Article 33 (Second) (14) of the Offering Regulations) for a period of twelve (12) months from the date of Listing.

A list of further definitions and abbreviations is provided in the “**Definitions and Abbreviations**” Section of this Prospectus.

TRANCHE STRUCTURE

A. *First Tranche*

The First Tranche offer will be made pursuant to this Prospectus, 8% (eight per cent) of the Offer Shares, representing 112,000,000 (one hundred twelve million) Shares, are allocated to the First Tranche. Each successful Subscriber in the First Tranche will be guaranteed a minimum allocation of up to 2,000 (two thousand) Shares, subject to the limits and conditions set out in this Prospectus. The final minimum guaranteed allocation for each Subscriber in the First Tranche shall be determined at the end of the subscription period based on the total number of Subscribers in the First Tranche and the Final Offer Price. Shares in the First Tranche available for allocation in excess of the aggregate minimum guaranteed allocation shall be allocated on a pro-rata basis. The Selling Shareholders reserve the right to amend the minimum guaranteed amount subject to obtaining SCA's approval. The First Tranche is restricted to the following persons:

- ***Individual Subscribers***

Natural persons (including natural persons constituting Assessed Professional Investors) who do not participate in the Second Tranche) who have a bank account and hold a National Investor Number (“**NIN**”) with ADX (except for any person who is resident in the United States within the meaning of the US Securities Act 1933, as amended (the “**US Securities Act**”). There are no citizenship or residence requirements in order to qualify as an Individual Subscriber.

Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard.

- ***Other investors***

Other investors (companies and establishments) who do not participate in the Second Tranche and who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act).

All First Tranche Subscribers must hold a NIN with the ADX.

The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE, and the approval of the SCA, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.

If all of the Offer Shares in the First Tranche are not fully subscribed, the unsubscribed Offer Shares will be made available to Second Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholders may (i) extend the Closing Date for the First Tranche and the Second Tranche, and/or (ii) close the Offering at the level of applications received.

The minimum application size for subscribers in this Tranche is AED 5,000 (five thousand UAE Dirhams) with any additional application to be made in increments of AED 1,000 (one thousand UAE Dirhams).

There is no maximum application size for subscribers in this Tranche.

B. *Second Tranche*

The Second Tranche offer will be made pursuant to the Second Tranche Document, 92% (ninety two per cent) of the Offer Shares, amounting to 1,288,000,000 (one billion two hundred eighty eight million) Shares, are allocated to the Second Tranche, which is restricted to “**Professional Investors**” (as defined in the SCA Board of Directors’ Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorised in the following manner:

- ***“Deemed Professional Investors” which include:***

- a. international corporations and organisations whose members are state, central banks or national monetary authorities;

- b. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them;
 - c. central banks or national monetary authorities in any country, state or legal authority;
 - d. capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA;
 - e. financial institutions;
 - f. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds;
 - g. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions;
 - h. any company whose shares are listed or accepted to trade in any market of an IOSCO member country;
 - i. a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more;
 - j. licensed family offices with assets of AED 15,000,000 or more;
 - k. joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 or more (excluding partner and shareholder loans);
 - l. a body corporate who fulfils (on the date of its last financial statements) a “large undertaking” test, whereby it fulfils at least two of the following requirements:
 - (i) holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities);
 - (ii) has a net annual revenue of AED 150,000,000 or more; or
 - (iii) has an aggregate total of cash and investments on its balance sheet of, or its total equity (after deducting paid up share capital), is not less than AED 7,000,000.
- ***“Service-Based Professional Investors”, which include:***
 - a. **Any person conducting an activity involving the provision of credit facilities for commercial purposes for:**
 - (i) an undertaking;
 - (ii) a person in control of an undertaking;
 - (iii) any member of the group to which the undertaking belongs; or
 - (iv) any joint investment venture in which the undertaking is a partner.
 - b. **A person conducting credit facility and investment deal arrangement services in connection with structuring, financing, and companies.**
 - ***“Assessed Professional Investors” which include:***
 - a. **a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (a “HNWI”);**
 - a natural person who is:
 - (i) approved by the SCA or a similar supervisory authority;
 - (ii) an employee of a licensed entity or a regulated financial institution who has been employed for the past two years;
 - (iii) assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or
 - (iv) represented by an entity licensed by the SCA;
 - b. **a natural person (the “account participant”) with a joint account for investment management with a HNWI (the “main account holder”), provided that each of the following conditions are satisfied:**

- (i) the account participant must be an immediate or second degree relative of the main account holder;
 - (ii) the account is used to manage the investments of the main account holder and their subscribers; and
 - (iii) written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder;
- c. special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI;**
- d. an undertaking which:**
- (i) maintains an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000; and
 - (ii) has sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); and
- e. an undertaking which:**
- (i) it has a controller (e.g. a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors),
 - (ii) a holding or subsidiary company or
 - (iii) a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor,

who, in each case, has been approved by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act; (b) a person in the DIFC to whom an offer can be made in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (c) a person in the ADGM to whom an offer can be made in accordance with the Financial Services Regulatory Authority (the "FSRA") Financial Services and Markets Regulations (the "FSMR") and the FSRA Market Rules and made only to persons who are Professional Clients' as defined in the ADGM Conduct of Business Rulebook.

All Second Tranche Subscribers (Professional Investors) must hold a NIN with the ADX.

If all of the Offer Shares in the Second Tranche are not fully subscribed, then the Offer will be withdrawn.

The minimum application size for the Second Tranche Subscribers (Professional Investors) is AED 5,000,000 (five million UAE Dirhams). There is no maximum application size for the Second Tranche Subscribers (Professional Investors).

Every Subscriber in any of the above-mentioned Tranches must hold a NIN with ADX and bank account number in order to be eligible to apply for Offer Shares. Subscribers may apply for Offer Shares in only one Tranche. In the event a person applies in more than one Tranche, the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The approval of the Authority has been obtained for publication of the Prospectus for the offer and sale of the Offer Shares in a public subscription in the UAE (outside the ADGM and the DIFC). Other than in the ADGM, the Shares have not been registered with any other regulatory authority in any other jurisdiction.

The publication of the Arabic version of this Prospectus has been approved by the Authority.

A copy of the offering document for the Second Tranche (in English only), referred to as the "**Second Tranche Document**", which was not sighted or endorsed by the Authority, will be available at www.alefeducation.com / www.alefipo.com. No information contained in, or referred to in, the Second Tranche Document, forms part of, or is incorporated into this Prospectus.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the “Investment Risks” section of the Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

This Prospectus was issued on 20 May 2024.

This Prospectus is available on the website of the Company at www.alefeducation.com/
www.alefipo.com

Name and Contact Details of the Offer Participants

JOINT LEAD MANAGERS

EFG HERMES UAE LLC

Office 106, The Offices 3
One Central, DWTC
P.O. Box 112736
Dubai, United Arab Emirates

First Abu Dhabi Bank PJSC

FAB Building
Khalifa Business Park – Al Qurm District
P.O. Box 6316
Abu Dhabi, United Arab Emirates

LEAD RECEIVING BANK

First Abu Dhabi Bank PJSC

FAB Building
Khalifa Business Park – Al Qurm District
P.O. Box 6316
Abu Dhabi, United Arab Emirates

RECEIVING BANKS

As per the list of banks attached in Annex (3) to this Prospectus.

Listing Advisor

First Abu Dhabi Bank PJSC

FAB Building
Khalifa Business Park – Al Qurm District
P.O. Box 6316
Abu Dhabi, United Arab Emirates

IPO SUBSCRIPTION LEGAL COUNSEL

Legal advisor to the Company as to UAE and ADGM laws

IBRAHIM & PARTNERS

24th Floor, Al Sila Tower, ADGM Square
Tel: +971 2 694 8668
E-mail: Info@inp.legal
P.O. Box 5100746
Abu Dhabi, United Arab Emirates

Legal advisor to the Joint Lead Managers as to English, US and ADGM law

White & Case LLP

ICD Brookfield Place – Level 8 Reception, Al Mustaqbal St.
Dubai International Financial Centre
P.O. Box 9705
Dubai, United Arab Emirates

INDEPENDENT AUDITORS TO THE COMPANY

Ernst & Young – Middle East (ADGM Branch)

Sila Tower, 24th Floor, Office 2449
Abu Dhabi Global Market Square, Al Maryah Island
P.O. Box: 136
Abu Dhabi, United Arab Emirates

IPO Subscription Auditor

Deloitte & Touche (M.E)
Emaar Square, Building 3, Downtown Dubai
P.O. Box: 4254
Dubai, United Arab Emirates
Tel: +971 4 376 8888

Investor Relations

Reem Hindieh
Email: ir@alefeducation.com
Alef Education HQ, Al Muntazah - Ministries Complex

P.O. Box: 769719
Abu Dhabi, United Arab Emirates
Tel: +971 2 204 0100

This Prospectus is available on the website of the Company at www.alefeducation.com/
www.alefipo.com

The publication of this Prospectus was on 20 May 2024.

IMPORTANT NOTICE

(To be carefully read by all Subscribers)

- This Prospectus is intended to provide potential Subscribers with information to assist in deciding whether or not to apply for Offer Shares. Potential Subscribers should read this Prospectus in its entirety, and carefully review, examine and consider all data and information contained in it, before deciding whether or not to apply for Offer Shares (and, in particular, Section 8 (“Investment Risks”)) as well as the Articles of Association of the Company, when considering making an investment in the Company.
- In making an investment decision, each potential Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved and obtain any necessary advice from his or her legal and financial advisors regarding the investment. An investment in Offer Shares entails considerable risks. Potential Subscribers should not apply for Offer Shares unless they are able to bear the loss of some or all of that investment.
- Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering the subscription in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering whether or not to apply for Offer Shares under the First Tranche. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.
- The contents of this Prospectus should not be construed as legal, financial or tax advice.
- The information contained in this Prospectus shall not be subject to revision or addition without securing the approval of the Authority and informing the public of such revision or addition by publication in two daily newspapers in accordance with the rules issued by the Authority. The Selling Shareholders reserve the right to cancel the Offering at any time and at their sole discretion with the prior written approval of the SCA.
- The Offer Shares are being offered for sale under this Prospectus for the purpose of subscription in the UAE only. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Offer Shares by any person in any jurisdiction outside of the UAE (including the ADGM and the DIFC).
- This Prospectus is not being published or distributed, and must not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE (including the ADGM and the DIFC). The Offer Shares have not been registered with any regulatory authority in any jurisdiction other than the SCA.
- If the Offer Shares are offered in another jurisdiction, the Offer Shares shall be offered in a manner that is compliant with the applicable laws and rules and acceptable to the relevant authorities in the relevant jurisdiction.
- This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the FSRA Markets Rules or the DIFC Markets Law or under the DIFC Markets Rules.
- The Offering has not been approved or licensed by the FSRA or DFSA and does not constitute an offer of securities in the ADGM in accordance with the FSRA Markets Rules or in the DIFC in accordance with the DIFC Markets Law or the DIFC Markets Rules.
- The publication of this Prospectus has been approved by the SCA. The SCA’s approval of the publication of this Prospectus shall neither be deemed as an endorsement or approval of the subscription feasibility nor a recommendation of investment, but it means only that the minimum requirements according to the issuance rules and information disclosure applicable to the Prospectus and issued by the SCA have been met. The SCA and the ADX shall not be held liable for the accuracy, completeness or sufficiency of the information contained in this Prospectus, nor shall they be held liable for any damage or loss suffered by any person due to reliance upon this Prospectus or any part thereof.

The publication of this Prospectus was approved on 17 May 2024.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical financial information

The historical financial statements included in this Prospectus are:

- The Group's special purpose audited consolidated financial statements as of and for the years ended 31 December 2023, 2022, and 2021; and for the three-month periods ended 31 March 2024 and 2023 (together, the "**Financial Statements**"). The Financial Statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("**IFRS**").

Non-IFRS measures

Definitions of certain financial measures that are not defined or recognized under IFRS, or any generally acceptable accounting principles including Adjusted EBITDA ("**Non-IFRS measures**"), along with an explanation of their relevance and the reconciliations to the most directly comparable measures calculated and presented in accordance with IFRS are disclosed in the "Financial Disclosures" section. These Non-IFRS measures are derived from the financial information included in the Group Special Purpose Consolidated Financial Statements.

Currency presentation

Unless otherwise indicated, all references in this document to:

"**UAE Dirham**" or "**AED**" are to the lawful currency of the United Arab Emirates; and

"**US dollar**" or "**USD**" are to the lawful currency of the United States of America.

The value of the UAE Dirham has been pegged to the US dollar at a rate of AED 3.6725 per USD 1 since 1997. All AED/USD conversions in this Prospectus have been calculated at this rate.

Rounding

Certain data in this document, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. The forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “would”, “risk”, “intends”, “estimates”, “aims”, “plans”, “targets” “predicts”, “continues”, “assumes”, “positioned” “anticipates” “potential” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by applicable laws of the UAE.

Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Please refer to Section 8 (“**Investment Risks**”) for further information.

IMPORTANT INFORMATION

This Prospectus does not constitute or form part of any offer or invitation to sell, or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering an investment in the Offer Shares. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus. Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section headed “**Investment Risks**”) as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

No person is authorized to give any information or to make any representation or warranty in connection with the Offer or Offer Shares which is not contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorized by the Company, the Selling Shareholders or the other Offer Participants. By applying for Offer Shares, a Subscriber acknowledges that (i) they have relied only on the information in this Prospectus and (ii) no other information has been authorized by the Company, the Selling Shareholders, any other Offer Participant, or any other of the Company’s advisors (the “**Advisors**”).

No person or Advisor, except the Joint Lead Managers and the Receiving Banks set out on pages 9 and 10, are participating in, receiving subscription funds from, or managing, the public offering of the Offer Shares in the UAE.

Neither the content of the Company’s website or any other website referred to in the Prospectus, nor the content of any website accessible from hyperlinks on any of such websites, forms part of, or is incorporated into, this Prospectus, and neither the Company, the Selling Shareholders, any other Offer Participant, nor any Advisor bears or accepts any responsibility for the contents of such websites.

None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners, or the Advisors or any of their respective representatives accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company, the Offer or the Offer Shares. None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors or any of their respective representatives makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

None of the Company, the Selling Shareholders, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors or any of their respective representatives warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Statements contained in this Prospectus are made as at the date of this Prospectus unless some prior time is specified in relation to them and the publication of this Prospectus (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of the Company since such date.

This Prospectus will not be subject to revision, unless the prior written approval of the SCA is received. Any revision will become effective only after it has been announced in two daily newspapers circulating in the UAE. The Selling Shareholders reserve the right, with the prior approval of the SCA, to withdraw the Prospectus and cancel the Offer at any time and in their sole discretion. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued profits. Neither the delivery of this Prospectus nor any sale made under it may, under any circumstances, be taken to imply that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in it is correct as of any subsequent time.

First Abu Dhabi Bank PJSC has been appointed as listing advisor (“**Listing Advisor**”). First Abu Dhabi

Bank PJSC, and EFG Hermes UAE LLC have been appointed as joint lead managers (the “**Joint Lead Managers**”) and both companies obtained their licenses by the SCA on 5 November 2017 and 5 November 2017 respectively, and will manage the issuance, marketing and promotion of the Offer Shares and coordinate with the Company, the SCA and the other Offer Participants with regard to the offering of the Offer Shares in the UAE. First Abu Dhabi Bank PJSC has also been appointed as lead receiving bank (the “**Lead Receiving Bank**”) and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE under the First Tranche, and the Second Tranche.

Each of the Offer Participants shall be liable for its participation in the Offering process, including the Selling Shareholders and the Board members, with regard to the validity of the information contained in this Prospectus within the limits of the scope of work and expertise of each Offer Participant.

First Abu Dhabi Bank PJSC and EFG Hermes UAE LLC have been appointed as joint bookrunners (the “**Joint Bookrunners**”).

The Joint Lead Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Prospectus) as a client to any of the Offer Participants in relation to the Offer. Whereas the Advisors and the Offer Participants and their representatives shall act with due care, and each of them shall be liable to perform his duties.

The Joint Lead Managers and the Offer Participants may have engaged (directly or through their respective affiliates) in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholders for which they would have received customary fees. Any previous transactions between the Joint Lead Managers and the Offer Participants and the Company do not constitute any conflict of interest between them.

The Board members of the Company whose names are set out in this Prospectus assume joint and several responsibility for the completeness, accuracy and verification of the contents of this Prospectus. They declare that, they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus materially misleading.

This Prospectus contains data submitted according to the issuance and disclosure rules issued by the SCA.

In making an investment decision, each potential Subscriber must rely on its own examination and analysis, having reviewed the information contained in this Prospectus (in its entirety) that has been provided by the Selling Shareholders and the Board members of the Company whose names are set out in this Prospectus.

No action has been taken or will be taken in any jurisdiction other than the UAE that would permit a public subscription or sale of the Offer Shares or the possession, circulation or distribution of this Prospectus, or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where any action for that purpose is required. Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offer material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes must inform themselves of and observe all such restrictions.

None of the Company, the Selling Shareholders, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners, or the Advisors accepts any responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase Offer Shares by any person, whether or not a prospective purchaser of Offer Shares in any jurisdiction outside the UAE (including the ADGM and the DIFC), and whether such offer or solicitation was made orally or in writing, including by way of electronic mail. None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors (or their respective representatives) makes any representation to any potential Subscriber regarding the legality of applying for Offer Shares by such potential Subscriber under the laws applicable to such potential Subscriber.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Lead Managers, or the Joint Bookrunners under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint

Lead Managers, Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accepts any responsibility whatsoever or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Offering and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Joint Lead Managers, the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accordingly disclaims all and any responsibility or liability whatsoever which it might otherwise have in respect of this Prospectus or any such statement or the public offering of the Offer Shares in the UAE generally. The Board of Directors named in this Prospectus are individually and jointly responsible for the accuracy, completeness and correctness of the content of this Prospectus. They acknowledge that, having carried out due diligence investigations, the information contained in this Prospectus as at the date of issue is factual, accurate, complete, and correct and that no information has been omitted which would make any statement in this Prospectus misleading. The Selling Shareholders and the Board of Directors assume responsibility for the completeness and accuracy of the information contained in this Prospectus. The Offer Participants and the advisors and their respective representatives are required to exercise due care and each of them shall be liable to perform his duties.

The publication of the Prospectus was approved by the SCA on 17 May 2024.

DEFINITIONS AND ABBREVIATIONS

ADEK	Abu Dhabi Department of Education and Knowledge.
ADGM	Abu Dhabi Global Market.
ADX	Abu Dhabi Securities Exchange in the UAE.
AED or UAE Dirham	The lawful currency of the United Arab Emirates.
Alef Education	Alef Education Consultancy LLC.
Articles of Association	The articles of association of the Company, as set out in Annex 2.
Authority or SCA	The Securities and Commodities Authority of the United Arab Emirates.
AWS	Amazon Web Services EMEA SARL.
Board or Board of Directors	The board of directors of the Company.
CAGR	Compound annual growth rate.
CAPEX	Capital expenditure.
Closing Date	4 June 2024 for the First Tranche and 5 June 2024 for the Second Tranche.
Companies Regulations	ADGM Companies Regulations 2020 (as amended).
Company	Alef Education Holding plc, a public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations.
DFSA	Dubai Financial Services Authority in the UAE.
DIFC	Dubai International Financial Centre.
Directors	The Executive Board Members and the Non-Executive Board Members.
Education Solutions Fee	A fixed fee paid to the Company under the ADEK Agreement for education content per student per academic year, which varies depending on the level of enrolment.
Electronic Applications	Applications via online banking / mobile banking / FTS and ATMS as provided by the Receiving Banks and ADX to the First Tranche Subscribers.
ESM	Emirati School Model.
ESE	Emirates School Establishment.
Etisalat	Etisalat by e&.
EU	The European Union.
European Economic Area	The market consisting of the EU member states and EFTA states.
Final Offer Price	The offer price at which all the Subscribers in the First Tranche, and the Second Tranche will purchase each Offer Share will be at the Final Offer Price. The Final Offer Price of each Offer Share will be determined following a bookbuild process for the Second Tranche and

	<p>following consultation between the Joint Lead Managers, the Selling Shareholders and the Company. The shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of each Offer Share.</p> <p>Following closing of the Second Tranche, the Company will publish an announcement setting out the Final Offer Price (the “Offer Price Announcement”), on the following website: www.alefeducation.com / www.alefipo.com.</p>
Financial Statements	The Group’s special purpose audited consolidated financial statements as of and for the years ended 31 December 2023, 2022, and 2021, and for the three-month periods ended 31 March 2024 and 2023, and the related notes thereto.
Financial year	The financial year of the Company starts on 1 January and ends on 31 December of each year.
First Tranche	The Offering of the Offer Shares in the UAE to First Tranche Subscribers.
First Tranche Subscribers	Individual Subscribers and other investors (including natural persons, companies and establishments) who do not participate in the Second Tranche and who hold a NIN with the ADX and have a bank account.
FSMR	ADGM Financial Services and Markets Regulations 2015.
FSRA	ADGM Financial Services Regulatory Authority.
FTS Fund Transfer Mode (FTS)	UAE Central Bank Fund Transfer (“FTS”) mode.
GCC	Gulf Cooperation Council countries comprising the United Arab Emirates, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
Governance Rules	The Chairman of the SCA’s Board of Directors’ Decision No. (3/R.M) of 2020 Concerning Approval of Joint Stock Companies Governance Guide (as amended from time to time).
Group, our, us or we	The Company and its subsidiaries.
IFRS	International Financial Reporting Standards.
Individual Subscribers	Natural persons who hold a NIN with the ADX and have a bank account (including natural persons constituting Assessed Professional Investors who do not participate in the Second Tranche). There are no citizenship or residence requirements.
IT Infrastructure Solution Fee	<p>A fee paid to the Company under the ADEK Agreement for procuring certain equipment/related services to ADEK, divided as follows:</p> <ul style="list-style-type: none"> a) IT start-up costs per ADEK School (including servers, network equipment, network passive components and accessories) b) IT start-up costs per student (charging cart, wireless access point, student and teachers’ laptop and accessories); and c) IT maintenance cost.

Joint Bookrunners	First Abu Dhabi Bank PJSC and EFG Hermes UAE LLC.
Joint Lead Managers	First Abu Dhabi Bank PJSC and EFG Hermes UAE LLC.
KHDA	The Knowledge and Human Development Authority.
Lead Receiving Bank	First Abu Dhabi Bank PJSC.
Listing	The listing of the Shares to trading on the ADX.
Listing Advisor	First Abu Dhabi Bank PJSC.
Manager's Cheque	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
Maximum Investment	No maximum subscription in Offer Shares has been set.
MCY	Ministry of Culture and Youth.
MENA	Middle East and North Africa.
Minimum Investment	The minimum subscription for Offer Shares in the First Tranche has been set at AED 5,000 (five thousand UAE Dirhams), with any additional investment to be made in increments of at least AED 1,000 (one thousand UAE Dirhams). The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (five million UAE Dirhams) (see the section on “ Subscription Amounts ” in the first section of this Prospectus for further details).
MOD	Ministry of Defence.
MOD Agreement	Ministry of Defence Agreement.
MOE	Ministry of Education.
MRO	Media Regulatory Office.
NIN	A unified investor number that a Subscriber must obtain from ADX for the purposes of subscription.
Non-Executive Directors	The non-executive Directors of the Company.
Northern Emirates	Sharjah, Ajman, Fujairah, Ras al-Khaimah, and Umm al-Quwain.
Offer Participants	The entities listed on pages 9 and 10 of this Prospectus.
Offer Period	The subscription period for the First Tranche and Second Tranche starts on 28 May 2024 and will close on 4 June 2024 for the First Tranche and on 5 June 2024 for the Second Tranche.
Offer Price Range	The Offer Shares are being offered at an offer price range in AED that will be published on the first business day and prior to the start of the Offer Period.
Offer Shares	1,400,000,000 Shares which will be sold by the Selling Shareholders in a public subscription process. The Selling Shareholders reserve the right to amend the size of the Offering and the size of each Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws and the SCA's approval.
Offering or Offer	The public subscription of 1,400,000,000 (one billion four hundred million) of the ordinary shares with a nominal value of

	<p>AED 0.01 each representing 20% of the total issued shares in the Company which are being offered for sale by the Selling Shareholders.</p> <p>The Selling Shareholders reserve the right to amend the size of the Offering and the size of each Tranche at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws of the UAE and the SCA's approval.</p>
Offering Regulations	SCA Chairman of the Board Resolution No. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, as amended.
PC	The Presidential Court.
PC Arrangement	The arrangement between the Company and the PC for payment of part of the ADEK Agreement.
Professional Client	Persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.
Professional Investors	<p>“Professional Investors” (as defined in the SCA Board of Directors’ Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically include those investors which can be categorised in the following manner:</p> <p>“Deemed Professional Investors” which include:</p> <ul style="list-style-type: none"> • international corporations and organisations whose members are state, central banks or national monetary authorities; • governments, government institutions, their investment and non-investment bodies and companies wholly owned by them; • central banks or national monetary authorities in any country, state or legal authority; • capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA; • financial institutions; • regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds; • any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions; • any company whose shares are listed or accepted to trade in any market of an IOSCO member country; • a trustee of a trust which has, during the past 12 months, assets of AED 35,000,000 or more; • licensed family offices with assets of AED 15,000,000 or more; • joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000

	<p>or more (excluding partner and shareholder loans);</p> <ul style="list-style-type: none"> • a body corporate who fulfils (on the date of its last financial statements) a “large undertaking” test, whereby it fulfils at least two of the following requirements: • holds total assets of AED 75,000,000 or more (excluding short-term liabilities and long-term liabilities); <ul style="list-style-type: none"> ▪ has a net annual revenue of AED 150,000,000 or more; or ▪ an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000. • “Service-Based Professional Investors”, which include: • Any person conducting an activity involving the provision of credit facilities for commercial purposes for: <ul style="list-style-type: none"> ▪ an undertaking; ▪ a person in control of an undertaking; ▪ any member of the group to which the undertaking belongs; or ▪ any joint investment venture in which the undertaking is a partner. • A person conducting credit facility and investment deal arrangement services in connection with structuring, financing, and companies. • “Assessed Professional Investors” which include: <p>f. A natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (a “HNWI”);</p> <p>a natural person who is:</p> <ul style="list-style-type: none"> ▪ approved by the SCA or a similar supervisory authority; ▪ an employee of a licensed entity or a regulated financial institution who has been employed for the past two years; ▪ assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or ▪ represented by an entity licensed by the SCA; <p>g. A natural person (the “account participant”) with a joint account for investment management with a HNWI (the “main account holder”), provided that each of the following conditions are satisfied:</p> <ul style="list-style-type: none"> i. the account participant must be an immediate or second degree relative of the main account
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	<p>holder;</p> <ul style="list-style-type: none"> ii. the account is used to manage the investments of the main account holder and their subscribers; and iii. written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder; <p>h. Special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI;</p> <p>i. An undertaking which satisfies the following requirements:</p> <ul style="list-style-type: none"> i. maintains an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000; and ii. has sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); and <p>j. An undertaking which:</p> <ul style="list-style-type: none"> 1.1.1 has a controller (e.g. a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking’s board of directors); 1.1.2 is a holding or subsidiary company or 1.1.3 is a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor, <p>who, in each case, has been approved by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act; (b) a person in the DIFC to whom an offer can be made in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook, and made only to persons who meet the “Deemed Professional Client” criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook and who are not natural persons; or (c) a person in the ADGM to whom an offer can be made in accordance with the Financial Services Regulatory Authority (the “FSRA”) Financial Services and Markets Regulations (the “FSMR”) and the FSRA Market Rules and made only to persons who are Professional Clients’ as defined in the ADGM Conduct of Business Rulebook.</p>
Receiving Banks	The list of banks attached in Annex 3 of this Prospectus.
Regulation S	Regulation S under the US Securities Act.

Second Tranche	The offer of Offer Shares to Second Tranche Subscribers made under the Second Tranche Document.
Second Tranche Document	<p>The Second Tranche offer document has been drafted in a specific manner to be addressed only to Professional Investors for the Second Tranche and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been reviewed, endorsed or approved by the SCA, and the offer document does not form part of this Prospectus and the information contained therein does not form part of this Prospectus.</p> <p>The offer document for the Second Tranche will be available at www.alefeducation.com / www.alefipo.com.</p>
Second Tranche Subscribers	Professional Investors.
Selling Shareholders	Tech Nova Investment – Sole Proprietorship L.L.C and Kryptonite Investments L.L.C.
Shareholder	Holder of Shares in the capital of the Company.
Shares	The ordinary shares of the Company with a nominal value of AED 0.01 (one Fils) each.
SPEA	Sharjah Private Education Authority
SMS	Short Message Service.
Subscriber	A natural or juridical applicant, in either case who applies for subscription in the Offer Shares.
Tranche	The First Tranche or the Second Tranche.
UAE	United Arab Emirates.
UAE Central Bank	The central bank of the United Arab Emirates.
UK	The United Kingdom of Great Britain and Northern Ireland.
UK Bribery Act of 2010	The UK Bribery Act of 2010 covering offences relating to bribery and for connected purposes.
Underwriting Agreement	The underwriting agreement among the Company, the Selling Shareholders and the Joint Bookrunners.
United States or US	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
U.S. Foreign Corrupt Practices Act of 1977	The act to amend the US Securities Exchange Act of 1934 (as amended) to make it unlawful for certain issuers to make certain payments to foreign officials and other foreign persons, to require such issuers to maintain accurate records, and for other purposes.
US Securities Act	The US Securities Act of 1933, as amended.
VAT	Value added tax.

FIRST SECTION: SUBSCRIPTION TERMS AND CONDITIONS

Key details of Offer Shares for sale to the public

- **Name of the Company:** Alef Education Holding plc (Free Zone Company).
- **Commercial license of the Company:** 17843.
- **Company head office:** Office 2332, 23rd Floor, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates.
- **Share capital:** The share capital of the Company as at the date of this Prospectus has been set at AED 70,000,000 divided into 7,000,000,000 (seven billion) Shares paid-in-full, with the nominal value of each Share being AED 0.01 (one Fils).
- **Percentage, number and type of the Offer Shares:** 1,400,000,000 (one billion four hundred million) Shares, all of which are ordinary shares, all Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations, and which constitute of 20% of the Company's issued share capital (this percentage has been calculated based on the total number of Shares in the capital as at the Listing date).
- **Offer Price Range per Offer Share:** The Offer Price Range will be in UAE Dirhams and announced prior to the day of opening the Offer Period and on the same day and before opening of the Offer Period on 28 May 2024.
- **Eligibility of the qualified categories of Subscriber to apply for the acquisition of the Offer Shares:**
 - **First Tranche:** The First Tranche of the Offering will be open to First Tranche Subscribers as described on the cover page of this Prospectus and the “**Definitions and Abbreviations**” section of this Prospectus. All Subscribers in the First Tranche must hold a NIN with ADX and a bank account number. 8% (eight per cent) of the Offer Shares, representing 112,000,000 (one hundred twelve million) Shares are allocated to the First Tranche. The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.
 - **Second Tranche:** The Second Tranche of the Offering will be open to Second Tranche Subscribers as described on the cover page of this Prospectus and the “Definitions and Abbreviations” section of this Prospectus. All Subscribers in the Second Tranche must hold a NIN with ADX. 92% (ninety-two per cent) of the Offer Shares, representing 1,288,000,000 (one billion two hundred eighty eight million) Shares are allocated to the Second Tranche. The Selling Shareholders reserve the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche does not exceed 40% of the Offer Shares in aggregate.
- **Public subscription in the Offer Shares is prohibited as follows:**

Public subscription is prohibited to any Subscriber whose investment is restricted by the laws of the jurisdiction where the Subscriber resides or by the laws of the jurisdiction to which the Subscriber is situated. It is the Subscriber's responsibility to determine whether the Subscriber's application for, and investment in, the Offer Shares conforms to the laws of the applicable jurisdiction(s).

- **Minimum Investment:**

The minimum subscription in Offer Shares in the First Tranche has been set at AED 5,000 (five thousand UAE Dirhams) with any additional investment to be made in AED 1,000 (one thousand UAE Dirhams) increments. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 5,000,000 (five million UAE Dirhams).

- **Maximum Investment:**

No maximum subscription in Offer Shares has been set.

- **Subscription by Selling Shareholders:**

The Selling Shareholders may not subscribe for Offer Shares, whether directly or indirectly, or through any of their subsidiaries.

- **Lock-up period:**

Pursuant to an underwriting agreement to be entered into between the Company, the Selling Shareholders and the Joint Lead Managers prior to the date of Listing (the “**Underwriting Agreement**”), the Shares held by the Selling Shareholders following Listing shall be subject to a lock-up which ends 180 days after the date of Listing.

- **Reasons for the Offering and Use of Offer Proceeds**

The net proceeds generated by the Offering (after base fees and discretionary fees are paid) will be received by the Selling Shareholders. The Group will not receive any proceeds from the Offering other than reimbursement from the Selling Shareholders for any expenses relating to the Offering. All expenses of the Offering (including base fees and any discretionary fees) will be borne by the Selling Shareholders. The Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of their respective shareholdings, while providing increased trading liquidity in the Offer Shares and raising the Group’s profile with the investment community.

Further Information on the First Tranche

1. Subscription Applications

Each Subscriber in the First Tranche may submit one subscription application only (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another Subscriber, in which case the subscription application will be submitted in the name of such Subscriber); or (ii) in the case of a subscription application by a corporate entity, in its corporate name. In case a Subscriber submits more than one application in his or her personal name or its corporate name, the Receiving Banks and the Joint Lead Managers reserve the right to disqualify all or some of the subscription applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

Subscribers must complete all of the relevant fields in the subscription application along with all required documents and submit it to any Receiving Bank together with the subscription amount during the Offer Period for the First Tranche.

The completed subscription application should be clear and fully legible. If it is not, the Receiving Banks shall refuse to accept the subscription application from the Subscriber until the Subscriber satisfies all the required information or documentation before the close of the subscription.

Subscription for Offer Shares would deem the Subscriber to have accepted the Articles of Association of the Company and complied with all the resolutions issued by the Company's general meeting. Any conditions added to the subscription application shall be deemed null and void. No photocopies of subscription applications shall be accepted. The subscription application should only be fully completed after reviewing this Prospectus and the Company's Articles of Association. The subscription application then needs to be submitted to any of the Receiving Banks' branches mentioned herein or through electronic channels (see "**Electronic subscription**").

The Subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the Subscriber or his or her representative.

The Receiving Banks and the Joint Lead Managers may reject subscription applications submitted by any Subscriber in the First Tranche for any of the following reasons:

- If the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allotment of Offer Shares if the address of the subscribers is not filled in correctly);
- If the subscription application amount is paid using a method that is not a permitted method of payment;
- If the subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the First Tranche offer;
- If the completed subscription application form is not clear and fully legible;
- If the Manager's Cheque is returned for any reason;
- If the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Receiving Bank is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
- If the NIN is not made available to ADX or if the NIN is incorrect;
- If the subscription application is found to be duplicated (any acceptance of such duplicate application is solely at the discretion of the Company and the Selling Shareholders);
- If the subscription application is otherwise found not to be in accordance with the terms of the Offering;

- If the Subscriber is found to have submitted more than one application (it is not permitted to apply in more than one of the First Tranche or the Second Tranche, nor is it permitted to apply in either Tranche more than once), any acceptance of such duplicate/multiple application(s) is solely at the discretion of the Company and the Selling Shareholders;
- If the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);
- If a Subscriber has not adhered to the rules applicable to the First Tranche or the Second Tranche offers;
- If it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Regulations, the Articles of Association, this Prospectus or the requirements of the UAE Central Bank, the SCA or the ADX; or
- If for any reason FTS/SWIFT/online/mobile/ATM subscription Channels transfer fails or the required information in the special fields is not enough to process the application.

The Receiving Banks and the Joint Lead Managers may reject the application for any of the reasons listed above at any time until allocation of the Offer Shares and have no obligation to inform the subscribers before the notification of the allocation of Shares to such rejected Subscribers.

2. Documents accompanying subscription applications

Subscribers shall submit the following documents along with their subscription application forms:

For individuals who are UAE or GCC nationals or nationals of any other country:

- The original and a copy of a valid passport or Emirates ID; and
- In case the signatory is different from the Subscriber:
- the duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the country;
- the original passport/Emirates ID of the signatory for verification of signature and a copy of the original passport/Emirates ID; and
- a copy of the passport/Emirates ID of the Subscriber for verification of signature; or
- In case the signatory is a guardian of a minor, the following will be submitted:
 - Original and copy of the guardian’s passport/Emirates ID for verification of signature;
 - Original and copy of the minor’s passport; and
 - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

For corporate bodies including banks, financial institutions, investment funds and other companies and establishments:

- **UAE registered corporate bodies:**
 - The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;
 - The original and a copy of the document that authorizes the signatory to sign on behalf of the Subscriber and to represent the Subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription form; and
 - The original and a copy of the passport/Emirates ID of the signatory.

- **Foreign corporate bodies:** the documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Joint Lead Managers to obtain the list of required documents.

3. Method of subscription and payment for the First Tranche

A. Method of payment for First Tranche

The subscription application must be submitted by a Subscriber to any of the Receiving Banks listed in this Prospectus and the NIN with ADX and the Subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the Offer Shares, which is to be paid in one of the following ways:

- Certified bank cheque (Manager's Cheque) drawn on a bank licensed and operating in the UAE, in favour of "**Alef Education Holding PLC IPO**";
- Debiting a Subscriber's account with a Receiving Bank; or
- Electronic subscriptions (please refer to the section on Electronic subscription below).

Details of the Subscriber's bank account must be completed on the subscription application form even if the application amount will be paid by Manager's Cheque.

The subscription amount may not be paid or accepted by a Receiving Bank using any of the following methods:

- In cash;
- Cheques (not certified); or
- Any other mode of payment other than mentioned above.

Please refer to Annex 3 for the Receiving Bank's participating branches.

B. Electronic subscription (E-subscription)

The Receiving Banks may also have their own electronic channels (ATMs, on-line internet banking applications, mobile banking applications, etc.) interfaced with the ADX eKteta IPO system. By submitting the electronic subscription application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is the relevant Receiving Bank to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favour of "**Alef Education Holding PLC IPO**" held at the Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any profit thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

Subscription applications may also be received through UAE Central Bank Fund Transfer ("**FTS**") mode. The investor choosing the FTS method will be required to provide their valid NIN with ADX along with the value of Offer Shares subscribed for in the special instructions field.

ADX ePortal Subscription

For applying through ADX ePortal Subscriptions:

Please access -

For Arabic – <https://www.adx.ae/Arabic/Pages/ProductsandServices/ipo.aspx>

For English – <https://www.adx.ae/English/Pages/ProductsandServices/ipo.aspx>

Please refer to the “ADX IPO ePortal Subscription Instructions” page and follow the instructions.

Click on the IPO Subscription Link provided to subscribe for the First Tranche.

If you have any queries about any of the above, please reach out via telephone on 800-ADX(239) or via email on info@adx.ae

FAB EIPO-Subscription

- Access
English: <https://www.bankfab.com/v1/en-ae/investment-banking/iposubscription>
Arabic: <https://www.bankfab.com/v1/ar-ae/investment-banking/iposubscription>
- Please refer to the “How to subscribe page” and follow the instructions and submit subscriptions for the First Tranche.

FAB Mobile Banking application is available for FAB clients.

If you need any support, please call FAB Call Centre at +971 2 616 1800.

Abu Dhabi Islamic Bank E-Subscription

ADIB’s electronic subscription channels, including online internet banking, are accessible via ADIB’s official website www.adib.ae and mobile banking app. These are duly interfaced with the ADX database and are only available to ADIB account holders.

ADIB account holders will access ADIB’s electronic subscription channels with their relevant username and password and this will be deemed to be sufficient for the purposes of fulfilling the identification requirements.

ADIB account holders complete the electronic application form relevant to their Tranche by providing all required details including an updated ADX NIN, an active ADIB account number, the amount they wish to subscribe for, and by selecting the designated brokerage account.

By submitting the electronic subscription form, the ADIB account holder accepts the Offering terms and conditions, authorizes ADIB to debit the amount from the respective ADIB account and to transfer the same to the IPO account in favour of the issuer account held at ADIB, as detailed in the subscription application.

ADIB account holders with a successful subscription automatically receive an acknowledgement of receipt by email and have to keep this receipt until they receive the allotment notice.

In case of any issues or support, please contact ADIB call centre at +971 2 652 0878.

Abu Dhabi Commercial Bank E-Subscription:

Process Steps:

Step # 1 ADCB customers to visit the <https://www.adcb.com/alef> and click IPO Subscription Link

Step # 2 Complete login authentication (Customer ID, Mobile Number and OTP)

Step # 3 Enter NIN Number

Step # 4 Select Broker, Enter Subscription Amount, Select Account and Submit.

In case of any issues or support, please contact ADCB call centre at 600 502 030.

Mbank E-Subscription:

To subscribe through Mbank, download Mbank UAE app on your mobile device from Apple App store or Google Play or Huawei AppGallery. For instructions on the process of applying for the IPO through the app, access <https://www.mbank.ae/IPO> Refer to the section “How to subscribe” for step-by-step guidance.

Applications for Minors can also be made through the app.

Applicants can also issue ADX NINs from the Mbank mobile app.

Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

In case of any issues or for support, please contact Mbank call centre at 600 571 111.

Important dates relevant to the methods of payment of the subscription amounts

- Subscription amounts paid by way of cheque must be submitted by 12pm (midday) on 1 June 2024 (2 working days prior to the Closing Date).
- Subscription applications received through PGS, FTS and SWIFT must be made before 5pm on 3 June 2024 (1 working day prior to the Closing Date).

Subscription amounts

Subscribers in the First Tranche must submit applications to purchase Offer Shares in the amount of AED 5,000 (five thousand UAE Dirhams) or more, with any subscription over AED 5,000 (five thousand UAE Dirhams) to be made in increments of AED 1,000 (one thousand UAE Dirhams). Subscribers in the First Tranche shall accordingly apply for an AED subscription amount which shall be applied towards purchasing Offer Shares at the Final Offer Price, rather than applying for a specific number of Offer Shares.

Final Offer Price

The offer price at which all the Subscribers will purchase Offer Shares will be at the Final Offer Price.

The Offer Shares will be sold in a public offer and the Final Offer Price will be determined by way of the application of a book building process, where an application orders' ledger will be created through the application orders made only by the Second Tranche Subscribers (see details of who may apply in the Second Tranche). Second Tranche Subscribers will be invited to bid for Offer Shares within the Offer Price Range using price sensitive orders (as in, by indicating application amounts that vary in size depending on price). The Joint Lead Managers will use the information indicating the extent of the demand at various price levels provided by these Second Tranche Subscribers to determine and recommend to the Company and the Selling Shareholders the Final Offer Price (which must be within the Offer Price Range) for all participants in the Offering.

The Shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of the Offer Shares.

Subscription process

Subscribers must complete the application form relevant to their Tranche, providing all required details. Subscribers who do not provide the NIN with ADX and bank account details will not be eligible for subscription and will not be allocated any Offer Shares.

Subscribers may only apply for the Offer Shares in one Tranche. In the event a person applies for Offer Shares in more than one Tranche, then the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The Receiving Bank through which the subscription is made will issue to the Subscriber an acknowledgement of receipt which the Subscriber has to keep until the Subscriber receives the allotment notice. One copy of the subscription application after being submitted, signed and stamped by the Receiving Bank shall be considered as an acknowledgement for receipt of the subscription application. This receipt shall include the data of the Subscriber, address, amount paid, details of the payment method, and date of the investment. The acknowledgement in the case of Electronic Applications via online internet banking and ATM would provide basic information of the application such as NIN number, amount, date, and customer bank account details.

If the address of the Subscriber is not filled in correctly, the Company, the Selling Shareholders, the Joint Lead Managers and the Receiving Banks take no responsibility for non-receipt of such allotment advice.

4. Further information on various matters

Offer Period

Commences on 28 May 2024 for the First Tranche and the Second Tranche and closes on 4 June 2024 for the First Tranche and on 5 June 2024 for the Second Tranche.

Receiving Banks

- **Lead Receiving Bank:** First Abu Dhabi Bank PJSC.
- **Receiving Banks:** a list of banks attached in Annex 3 of this Prospectus.

Method of allocation of Offer Shares to different categories of Subscribers

(Under SCA CHAIRMAN OF THE BOARD RESOLUTION NO. (11/R.M) OF 2016 ON THE REGULATIONS FOR ISSUING AND OFFERING SHARES OF PUBLIC JOINT STOCK COMPANIES), AS AMENDED

Should the total size of subscriptions received exceed the number of Offer Shares, then the Selling Shareholders will allocate the Offer Shares according to the allocation policy specified below and will refund to Subscribers the excess subscription amounts and any accrued profit resulting thereon.

Notice of Allocation

A notice to successful Subscribers in the First Tranche will be sent by way of SMS initially confirming allocation of offered Shares to them. This will be followed by a notice setting out each Subscriber's allocation of Offer Shares, which will be sent by registered mail or via e-mail to the registered address in the subscription application to each Subscriber.

Method of refunding surplus amounts to Subscribers

By no later than 10 June 2024 (being within five (5) working days of the Closing Date of the Second Tranche), the Offer Shares shall be allocated to Subscribers and, within five (5) working days of such allocation, the surplus subscription amounts*, and any accrued profit resulting thereon, shall be refunded to Subscribers in the First Tranche who did not receive Offer Shares, and the subscription amounts and any accrued profit resulting thereon shall be refunded to the Subscribers in the First Tranche whose applications have been rejected for any of the above reasons. The surplus amount and any accrued profit thereon are returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the Subscriber at the address mentioned in the subscription application.

*The difference between the subscription amount accepted by the Company and the Selling Shareholders for a Subscriber, if any, and the application amount paid by that Subscriber will be refunded to such Subscriber pursuant to the terms of this Prospectus.

Inquiries and complaints

Subscribers who wish to submit an inquiry or complaint with respect to any rejected requests, allocation or refunding of the surplus funds, must contact the Receiving Bank through which the subscription was made, and if a solution cannot be reached, then the Receiving Bank must refer the matter to the Joint Lead Managers. The Subscriber must remain updated on the status of any such inquiry or complaint. The Subscriber's relationship remains only with the party receiving the subscription request.

Listing and trading of Shares

Subsequent to the allocation of Offer Shares, the Company will list all of its Shares on the ADX in accordance with the applicable listing and trading rules as at the Listing date. Trading in the Shares will be effected on an electronic basis, through the ADX's share registry, with the commencement of such trading estimated to take place after completion of the registration and listing.

Voting rights

All Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations. Each Share confers on its holder the right to cast one vote on all Shareholders' resolutions.

Risks

There are certain risks that are specific to investing in this Offering. Those risks have been discussed in a section headed "**Investment Risks**" of this Prospectus and must be taken into account before deciding to subscribe in Offer Shares.

5. Timetable for subscription and Listing

The dates set out below outline the expected timetable for the Offering. However, the Company and the Selling Shareholders reserve the right to change any of the dates/times, or to shorten or extend the specified time periods, upon obtaining the approval of the SCA and ADX and publishing such change during the Offering period in daily newspapers.

Event	Date
Price range announcement and offering commencement date (The Offer Period for the First Tranche shall continue for seven days, including Saturdays, for the purposes of accepting Subscribers' applications)	28 May 2024
Closing Date of the First Tranche	4 June 2024
Closing Date of the Second Tranche	5 June 2024
Announcement of Final Offer Price	6 June 2024
Allocation of First Tranche	10 June 2024
SMS Confirmation to all successful First Tranche subscribers	11 June 2024
Commencement of refunds of investment surplus to the Subscribers and commencement of dispatch of registered mail relating to allotment of shares	11 June 2024
Expected date of Listing the Shares on the ADX	12 June 2024

6. Tranches

The Offering of the Offer Shares is divided as follows:

The First Tranche:

Size: 112,000,000 (one hundred twelve million) Shares representing 8% (eight per cent) of the Offer Shares. The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and approval of the SCA, provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.

Eligibility: First Tranche Subscribers (as described in the section of this Prospectus headed "*Definitions and Abbreviations*").

Minimum application size: AED 5,000 (five thousand UAE Dirhams), with any additional application in increments of at least AED 1,000 (one thousand UAE Dirhams).

Maximum application size: There is no maximum application size.

Allocation policy: In case of over-subscription in the First Tranche, at the outset, up to 2,000 Offer Shares will be allocated to each Subscriber, subject to the total number of Shares allocated pursuant to the minimum guaranteed allocation not exceeding the total number of Shares available in the First Tranche, and any additional Offer Shares will then be allocated to First Tranche Subscribers pro rata to each Subscriber's subscription application amount based on the Final Offer Price.

Applications will be scaled back on the same basis if the First Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allocation policy, based on the Final Offer Price. Each successful Subscriber will be allocated a minimum guaranteed allocation of up to 2,000 (two thousand) Shares. The minimum guaranteed allocation of up to 2,000 (two thousand) Shares is subject to (i) the total number of Shares allocated pursuant to the minimum guaranteed allocation in the First Tranche not exceeding the total number of Shares available in the First Tranche; and (ii) the number of Shares allocated to any single Subscriber in the First Tranche pursuant to the minimum guaranteed allocation in the First Tranche not exceeding the number of Shares applied for by the said Subscriber in the First Tranche based on the Final Offer Price. The final minimum guaranteed allocation for each Subscriber in the First Tranche shall be determined at the end of the subscription period based on the total number of Subscribers in the First Tranche and the Final Offer Price. The Selling Shareholders reserve the right to amend the minimum guaranteed amount after obtaining SCA's approval.

Multiple applications in the First Tranche under the same NIN number will be aggregated and the minimum guaranteed allocation will be applied once only, with the balance allocated on a pro-rata basis.

Unsubscribed Offer Shares: If not all of the Offer Shares allocated to the First Tranche are fully subscribed, such unsubscribed Offer Shares shall be made available for subscription by Professional Investors or, alternatively (in consultation with the SCA) the Selling Shareholders may extend the Closing Date for the First Tranche, and the Second Tranche and/or close the Offering at the level of applications received.

The Second Tranche:

Size: 1,288,000,000 (one billion two hundred eighty eight million) Shares representing 92% (ninety-two per cent) of the Offer Shares. The Selling Shareholders reserve the right to amend the size of the Second Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the approval of the SCA., provided that the subscription percentage of the Subscribers in the Second Tranche does not fall below 60% (sixty per cent) of the Offer Shares and the subscription percentage of the Subscribers in the First Tranche does not exceed 40% (forty per cent) of the Offer Shares in aggregate.

Eligibility: Professional Investors (as described in the section of this Prospectus

headed “*Definitions and Abbreviations*”).

- Minimum application size:** The minimum application size is AED 5,000,000 (five million UAE Dirhams).
- Maximum application size:** There is no maximum application size.
- Allocation policy:** Allocations within the Second Tranche will be determined by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers. It is therefore possible that Subscribers who have submitted applications in this Tranche may not be allocated any Offer Shares or that they are allocated a number of Offer Shares lower than the number of Offer Shares mentioned in their subscription application.
- Discretionary allocation:** The Selling Shareholders reserve the right to allocate Offer Shares in the Second Tranche in any way they deem necessary. It is therefore possible that Subscribers who have submitted applications in this Tranche may not be allocated any Offer Shares or that they are allocated a number of Offer Shares lower than the number of Offer Shares mentioned in their subscription application.
- Unsubscribed Offer Shares:** If not all of the Offer Shares allocated to the Second Tranche are fully subscribed, the Offer will be withdrawn. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued profits.

Multiple Applications

A Subscriber should only submit an application for Offer Shares under one Tranche. Multiple applications received under the same tranche will be combined for the purposes of minimum guaranteed shares and pro-rata allocation of shares. In the event a Subscriber applies for subscription in more than one Tranche, the Receiving Banks and the Joint Lead Managers (in consultation with the Company and the Selling Shareholders) may deem one or both applications invalid.

Important Notes

Subscribers in the First Tranche will be notified of whether they have been successful in their application for, and allocation of, Offer Shares by means of an SMS.

Upon Listing of the Shares on the ADX, the Shares will be registered on an electronic system, as applicable, to the ADX. The information contained in this electronic system will be binding and irrevocable, unless otherwise specified in the applicable rules and procedures governing the ADX.

Subject to the approval of the SCA, the Selling Shareholders reserve the right to alter the percentage of the Offer Shares, which are to be made available to either the First Tranche, or the Second Tranche.

SECOND SECTION: KEY DETAILS OF THE COMPANY

1. Overview of the Company

Name of the Company:	Alef Education Holding plc. A free zone public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations.
Primary objects of the Company:	The objectives of the Company are as follows: Activities of holding companies; Proprietary investment; and Activities of head offices.
Head office:	Office 2332, 23 rd Floor, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates.
Branches:	None.
Details of trade register and date of engaging in the activity:	License No. 17843; Issue Date: 15 March 2024.
Term of the Company:	Not applicable for ADGM companies.
Financial year:	1 January to 31 December.
Major bank dealing with the Company:	First Abu Dhabi Bank PJSC.

Details of current Board Members:

Name	Year of Birth	Nationality	Capacity
H.E Abdulhamid Mohammed Alahmadi*	1957	Emirati	Chairman/Non-executive Director
H.E Ahmed Ali Al Sayegh*	1962	Emirati	Vice-chairman/Non-executive Director
H.E Noura bint Mohammed Al Kaabi*	1978	Emirati	Non-executive Director
H.E Jameela Al Muhairi*	1968	Emirati	Non-executive Director
Omar Abdulla Al Hashmi*	1979	Emirati	Non-executive Director
Rima Al Mokarrab*	1978	Emirati	Non-executive Director
Dr. Saeed Alghfeli	1970	Emirati	Non-executive Director

*denotes that the Director is considered “*independent*” under the Governance Rules.

The following members of the Board hold memberships in the boards of directors of joint stock companies in the UAE:

H.E Abdulhamid Mohammed Saeed Alahmadi	<ul style="list-style-type: none"> • Mubadala Investment Company PJSC • Abu Dhabi Development Holding Company PJSC
Ahmed Ali Al Sayegh	<ul style="list-style-type: none"> • Abu Dhabi National Oil Company PJSC
Omar Abdulla Al Hashmi	<ul style="list-style-type: none"> • Arabian Energy Company PJSC • Ruwais Energy Company PJSC

No bankruptcy ruling or a bankruptcy arrangement has been issued against any member of the Board or members of the senior management of the Company.

None of the members of the Board or the senior management and their first-degree relatives’ own shares in the Company.

Summary of the remuneration of the board of directors and senior management team

The total aggregate remuneration to the Board and the senior management expensed in the 12 months ended 31 December 2023 is AED 12,291,674.

BUSINESS DESCRIPTION

Investors should read this section of this Prospectus in conjunction with the more detailed information contained in this Prospectus and in the Financial Statements, including the related notes, included elsewhere in this Prospectus.

Overview

The Group is an award-winning AI-powered learning solutions provider based in Abu Dhabi, United Arab Emirates. The Group's operations are primarily conducted through the Company's subsidiary, Alef Education Consultancy L.L.C ("**Alef Education**"). The Group, through Alef Education, provides digital and personalised learning solutions for K-12 education, with a strong focus on Arabic learning, and digital educational resources for governments, primary and secondary schools, students, their parents, and schoolteachers in the United Arab Emirates, the United States, and Indonesia.

Established in 2016, the Group integrates technology, data analytics, and pedagogy to redefine teaching and learning experiences, developing a leading K-12 digital education platform in the MENA region.

The first implementation took place in 2017, with one school and 200 students. The success of the first year of implementation paved the way for the subsequent expansion of Alef Education to all public schools in the UAE.

In 2018, the Group entered the United States and won the Forbes Ai Brave Award for industry-leading AI in education. The Group's entry into the United States was a result of its collaboration with a renowned United States based education institution.

Since then, Alef Education has continued to improve the quality of instruction in its core subjects: Math, Science, English, Arabic, Social Studies and Islamic Studies.

As COVID-19 became a global crisis, the Group used its digital learning solutions to support the United Arab Emirates government, allowing students in public schools across the country to continue their learning during the lockdown. It also launched the '*Alef Summer Program*' in 2020 to provide healthcare foundation courses, including infection control and pandemic awareness, in collaboration with Higher Colleges of Technology of the UAE and Capital Health Hospitals in Abu Dhabi.

Currently, the Group provides digital educational resources to all public schools and many private schools in the United Arab Emirates. It has a 100% penetration rate among Cycle 2 (Grades 5-8) and Cycle 3 (Grades 9-12) public schools in the UAE.

Through the Group's branded products, namely the Alef Platform, Alef Pathways (Math), Arabits (Arabic for non-native speakers), and Abjadiyat (Arabic for young native speakers), the Group has garnered attention for its potential to transform the educational landscape, particularly in the MENA region where there is a strong emphasis on innovation in education and technology.

The Group's goal is to improve educational outcomes by leveraging the latest in pedagogy and technology to address the diverse learning needs of students and to empower educators with practical tools for instruction and assessment.

In 2023, the Group's platforms served approximately 1.1 million registered students, 50,000 teachers and 7,000 schools, having captured approximately 16 million data points per day. As of February 2024, the Group had published a total of approximately 285,000 assessment questions and 15 academic publications, having produced approximately 17,000 digital lessons and 25,000 videos through its platforms.

History and development

An overview of the main events in connection with the history and growth of Alef Education's business is set out below:

The Group was founded in 2016 with the incorporation of Alef Education. In September 2017, with the mandate from the Department of Education and Knowledge of Abu Dhabi ("**ADEK**"), the education regulator for the Emirate of Abu Dhabi, Alef Education launched its first technology-enabled education solution at Al Asayel Abu Dhabi Public School in the UAE.

The following chart sets out the number of schools and geographical locations of the registered schools using Alef Education’s digital education platforms. This also includes all students and schools under pilot phases which do not generate revenues:

Year	No. of registered schools	No. of registered students	Geographical location
2017	1 school	around 200	UAE
2018	62 schools	26,130	UAE and US
2019	194 schools	63,172	UAE and US
2020	587 schools	241,796	UAE and US
2021	2,779 schools	440,481	UAE, US and Indonesia
2022	6,522 schools	907,124	UAE, US, Indonesia and Morocco
2023	6,730 schools	1,100,379	UAE, US, Indonesia and Morocco

On 15 March 2024, the Company was incorporated in ADGM under the name Alef Education Holding Limited.

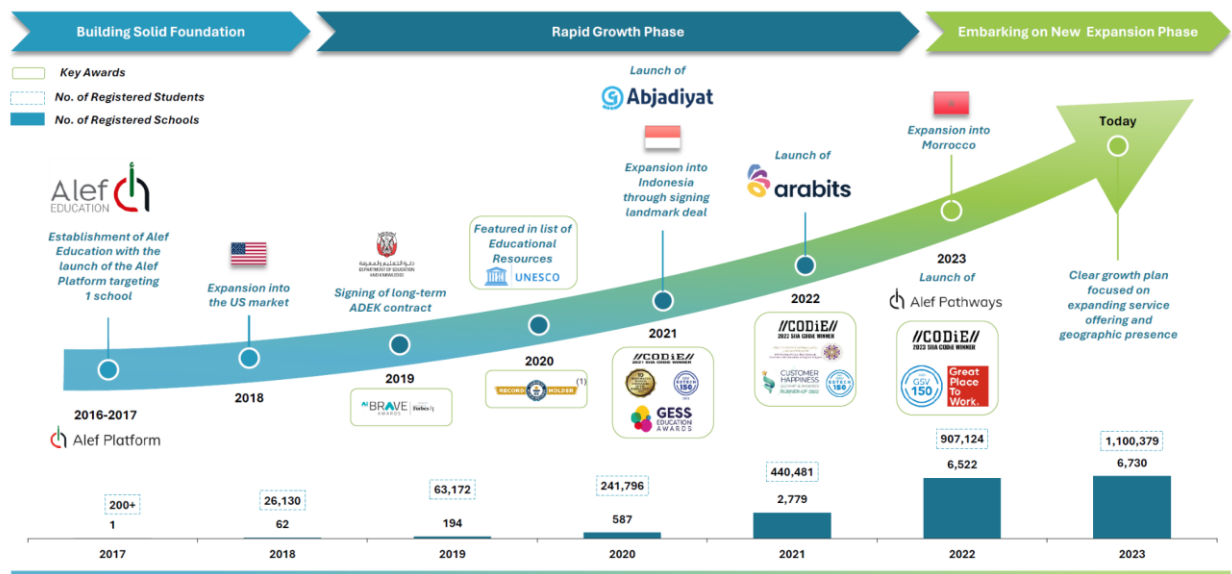
Brand expansion

Alef Education has developed integrated technology-powered education products and service offerings, aiming to offer culturally relevant digital educational resources catering to the learning needs of K-12 students, students, their parents, schoolteachers, principals and schools in the UAE and globally.

Alef Education has been expanding its portfolio of teaching, learning, and assessment solutions in multiple languages that leverage the latest data science, digital technology, and learning science.

The Group’s education product and service offerings fulfil the full spectrum of applications for various education scenarios and offer an innovative learning experience. The Group, through Alef Education, currently operates a growing portfolio of products for schools and governments, consisting of the Alef Platform (2017), Abjadiyat (2021), Arabits (2022), and Alef Pathways (2023).

As at 31 December 2023, the Group had approximately 663 registered schools and 434,000 registered students in the UAE (including public and private schools), 6,016 registered schools and 649,000 registered students in Indonesia and approximately 37 registered schools and 15,600 registered students in the US.



Recognition and engagement by the UAE government

In September 2017, the Group launched its first technology-enabled education solution at Al Asayel Abu Dhabi Public School in UAE.

In June 2018, the UAE Ministry of Education (“UAE MOE”) expanded its mandate to Alef Education and signed an agreement with Alef Education to apply the Alef Platform in ten Abu Dhabi-based public schools, namely Al Suqoor School, Al Asayel School, Fatima Bint Mubarak School, Sa’ad Bin Mo’ath School, Atika Bint Abdel Muttalib School, Makkah School, Al Dhaher School, Al-Khair School, Qatr Al Nada School, and Al Nokhba School on September 1, 2018.

Following the success of using the Alef Platform in the pioneer public schools in Abu Dhabi, Alef Education was awarded a long-term agreement with ADEK for “Implementation of Education System in Abu Dhabi Schools” in 2019. This agreement is valid from January 2019 until the end of the first trimester of the academic year 2030/2031. This long-term arrangement with ADEK has become a cornerstone of the Group’s business model and cemented Alef Education’s market share in the education technology sector in the UAE.

During the height of the COVID-19 pandemic, the Group launched the ‘Alef Summer Program’ initiative with Healthcare Foundation courses in collaboration with Higher Colleges of Technology of the UAE and Capital Health Hospitals in Abu Dhabi, which aimed at driving a deep understanding of the medical profession with practical hands-on experience by students from Grades 7-12, with a vision to increase the next generation’s participation in the nursing profession in the UAE.

In October 2020, Alef Education further collaborated with the Arabic Language Centre/Department of Culture and Tourism – Abu Dhabi to commence cooperation in Arabic language education modernization and support. This memorandum of understanding established a framework focused on utilising modern technologies, data analysis, and a range of regional and international programs geared toward supporting Arabic language adoption and education.

In line with the objectives of the 28th Conference of the Parties of the UNFCCC (COP 28), hosted by the UAE in November and December 2023, Alef Education signed a memorandum of understanding with the UAE MOE in October 2023 to establish a framework for increased collaboration in environmental sustainability and climate education.

On January 19, 2024, Alef Education entered into a collaboration agreement with the UAE MOE in relation to the UAE MOE’s initiative to educate 1,000 displaced students. Pursuant to this collaboration agreement, Alef Education has, amongst other companies, donated devices and provided access to the Alef Platform, including educational content for Grades 3-12, additional product offerings of Abjadiyat and Pathways Math, an AI tutoring system, and support in implementation of the platform for 1,000 students on a pro-bono basis.

Expansion outside of the UAE

In October 2018, Alef Education expanded its offering outside the UAE and launched the Alef Platform with a nonprofit organization for children and families in New York City, the United States.

In November 2020, Alef Education signed a cooperation agreement with the Ministry of Religious Affairs of Indonesia (“**MORA**”), granting schools access to its digital learning platform under its system. The agreement provides access for up to 500,000 students in madrasah schools in Indonesia, beginning in July 2021 at the start of the academic year. Madrasah schools are Islamic schools managed by the Ministry of Religious Affairs of Indonesia. These schools offer predominantly Islamic subjects alongside secular subjects; other madrasahs offer a wholly Islamic curriculum. As part of MORA’s efforts to improve the quality of education in its madrasah schools, it approached Alef Education to enable students to access its AI-powered digital learning platform. The expansion is part of the Group’s global growth plans, with Indonesia serving as an entry point in Asia.

In April 2021, the Group, through Alef Education, entered into a new partnership with MetaMetrics® regarding Math, which enabled teachers in the United Arab Emirates and the United States to access the robust data of MetaMetrics®.

In November 2022, the Group, through Alef Education, supported Moroccan Ministry of National Education in its digital transformation journey and quest to improve literacy and numeracy by distribution of Alef Platform and courses to a selection of 14 pilot schools, which covered more than 2,000 students, covering English and Math.

In March 2023, the Group, through Alef Education, entered into a memorandum of understanding with the Ministry of Preschool and School Education of the Republic of Uzbekistan (“**MPSE**”), under which the parties intended to collaborate to support the digital transformation of the schools in Uzbekistan, including the localization and distribution of the Alef Platform and courses across MPSE schools, including among other subjects, English language, Arabic as a second language, and STEM subjects in Uzbek and English.

In September 2023, the Group, through Alef Education, entered into an agreement with the American Samoa Department of Education (ASDOE) to implement Alef Pathways for 10,000 students across all public schools in Samoa. Alef Pathways is a student-centred, self-paced supplemental Math program that provides a comprehensive solution for improving Math instruction.

In March 2024, Alef Education further collaborated with MetaMetrics® to launch an Arabic reading scale to improve the literacy skills of K-12 Arabic speakers.

Recognition by major technology platforms and service providers

In September 2019, the Group, through Alef Education, entered into a memorandum of understanding with Microsoft, under which the parties agreed to integrate the Alef Platform with Microsoft Office 365 and Teams while exploring ways to leverage the recently launched Microsoft Azure UAE Datacentre.

In August 2019, the Group, through Alef Education, formed its strategic technology partnership with Google Ireland Limited for Education as the first content developer in the Middle East to hold a ‘premium level’ partnership in the Google for Education Partner Program.

In February 2020, the Group, through Alef Education, collaborated with Acer to provide approximately 45,000 devices to more than 100 public schools in the UAE, enabling students to enjoy the digitised learning experience offered by the Group. Acer is one of the world’s top global information and communication technology companies. More than 1,000 teachers across public schools in the UAE were equipped and trained on how to use all Acer devices in collaboration with the Group. The partnership aligned with the UAE Vision 2021, which called for transforming the current education system and teaching methods. The strategy also aims for all schools to be equipped with smart systems and devices as a basis for all teaching methods.

In March 2020, Etisalat Digital and Alef Education signed a memorandum of understanding that will enable both entities to collaborate on a series of digital initiatives to empower the region’s education sector, and identify opportunities to access leading-edge platforms, including IoT, Cloud technologies, and 5G networks.

In October 2020, the Group, through Alef Education, entered into a collaboration agreement in October

2020 with Amazon Web Services (“AWS”), which covered three main programs - AWS Educate, AWS Marketplace, and AWS EdStart. Alef Education will carry AWS Educate on its digital learning platform, giving students and educators zero-cost cloud computing learning content and access to the AWS Console to apply their knowledge by building in the cloud. Students can complete AWS Educate Cloud Pathways and Badges via an API integration on the Alef Platform to explore concepts like artificial intelligence, programming, and cybersecurity through interactive challenges and real-world examples. Alef Education joined AWS Marketplace to expand its sales channel. Alef Education was also working to join AWS EdStart, the AWS educational technology (“EdTech”) startup accelerator, which enabled Alef Education to benefit from AWS as it builds new products and services with greater access to technical training and support and access to a global community of EdTech experts.

Awards and accreditations



In 2019, Alef Education won the Ai Brave Award for its innovative use of AI in education. The AI Brave Awards, organised by Forbes AI, celebrate innovative uses of artificial intelligence in various sectors, and recognise companies worldwide for their pioneering achievements in AI technology.



In April 2021, the Alef Platform was named a 2020 SIIA CODiE Award finalist in the Best Use of Emerging Technology for Learning in Education category. The CODiE Awards, founded in the USA, are world-class global excellence awards for software, education, information, and media products.



As a result of the Alef Summer Program initiative in partnership with the Higher Colleges of Technology of the UAE and Capital Health Hospitals in Abu Dhabi, Alef Education was awarded two Guinness World Records™ titles in November 2020 for ‘Most users to take an online infection control lesson in 24 hours’ in August 2020 and ‘Most users to take an online pandemic awareness lesson in 24 hours’ in October 2020.



In June 2022, Alef Education won two SIIA CODiE Awards for Best Science Instructional Solution for Grades 9-12 and Best Mathematics Instructional Solution for Grades 9-12.

In October 2022, Alef Education was awarded runner-up for Best Implementation of Technology to Enhance Customer Happiness.

In October 2023, Alef Education received the Platinum Award in the Education and Awareness category at the prestigious Global ESG Awards, underscoring its commitment to promoting sustainable development and advancing education in line with the United Nations Sustainable Development Goals. Still in October 2023, Alef Education won the Silver Award for Best Technology Initiative to Enhance Customer Happiness.



Alef Education has also obtained two International Organization for Standardization (ISO) certifications, in relation to Alef Education’s information security management system (including services provided to internal and external customers), and IT services management (including services provided to internal and external customers). ISO 27001 is a specification for an information security management system, which is a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation’s information risk management processes. ISO 20000-1 holds the international quality standard for IT service management. The certification focuses on the evaluation of quality-of-service level and delivery to ensure performance meets expectations.

Alef Education is certified for ISO/IEC20000-1:2018 and ISO/IEC 27001:2022.

Collaborations with UAE private schools

In March 2021, Alef Education signed a deal with iCademy Middle East for access to its AI-powered distance learning platform. More than 250 students from Grades 5-11 of iCademy, the UAE’s only online K-12 school, had access to the Alef Platform which provides individualised learning modules and assessments in Arabic and Islamic subjects.

In October 2023, Alef Education entered into a memorandum of understanding with New Century Education, a recently established school group based in Abu Dhabi, to enable real-time data-driven insights and support digital transformation within New Century Education educational institutions in the UAE.

As of March 2024, Alef Education has onboarded 302 private schools in the UAE to use its digital education solutions.

Alef Education continues to adopt a growth-focused strategy, including organic and inorganic expansion in the UAE. It will consider further growth opportunities on a case-by-case basis as they become available.

Mission

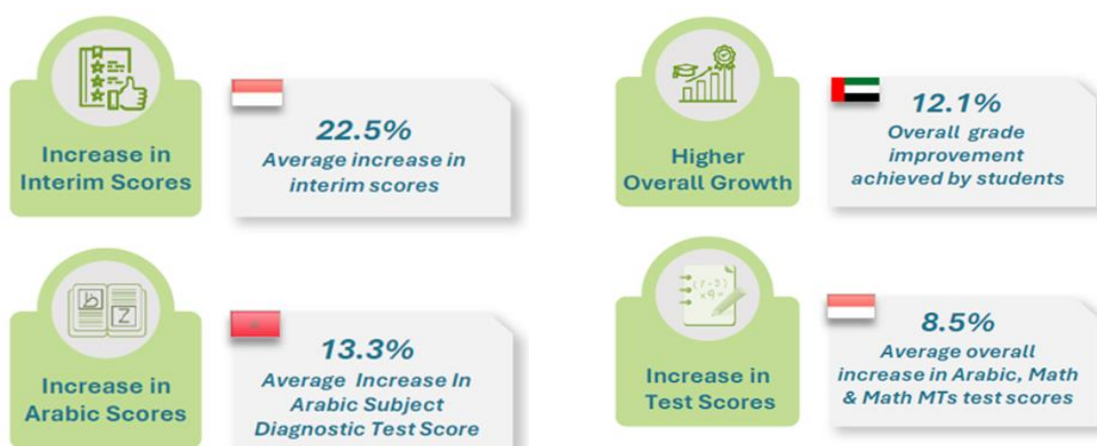
Alef Education was founded with a mission to redefine education, where every learner fulfils their unique potential.

Competitive Strengths

Established Edtech Player with Strong Track Record of Success Across Countries of Operation

Within the education sector, governments worldwide place a particular emphasis on partnering with companies that exhibit a track record of success, especially in improving student outcomes. Governments' ministries of education focus on providing the best quality education for the budgets available (including through a combination of curriculum, instructional materials, teacher supply and professional development) to upskill a nation's future workforce. They are often measured on how well students in their countries perform in standardised tests, such as the Program for International Student Assessment ("PISA"). As a result, companies like the Group, which have a strong track record in enhancing student performance are highly sought after by governments seeking to maximise educational outcomes.

Throughout its 7-year history, the Group has invested heavily in its in-house research functions, which serves to empirically assess performance to ensure and validate the efficacy of its offerings to acquire additional market share. The outcome of such research has demonstrated the Group's ability to improve student test scores across various geographies. In Indonesia, for example, the Group's platforms contributed to an increase in student scores by an average of 8.5% across Arabic, Math, and Math MT subjects, along with a remarkable 22.5% increase in interim test scores. As a result of its achievements in Indonesia, the Group had 339,000 onboarded students and 8,000 onboarded teachers in Indonesia as of June 2023 and 649,000 registered students as of December 2023. Similarly, in Morocco, where the Group conducted a 6-month period pilot-program in the 2022-2023 academic year, the Group's platforms contributed to a significant 13.3% increase in Arabic subject diagnostic test scores, a 22.7% increase in overall final exam test scores for students and a 27% increase in test scores for Grade 9 English students, with 465 monthly active users in March 2022. In the 2018-2019 academic year, Alef Education conducted a large-scale, controlled experiment in Abu Dhabi, UAE, analysing final exam results from 357 public schools. The study revealed that students using the Alef platform demonstrated a 12.1% higher growth in their grades compared to their peers.



Additionally, experience gained across various geographies has enhanced the Group's multi-lingual abilities and has served as a proof of concept, showcasing its impact on international student learning, and allowing it to roll out services in various languages with ease, while catering to diverse student populations.

The Group has published several peer-reviewed papers, of which some have identified language difficulties as a leading barrier to student learning, particularly in Math. This research underscores the importance of the Group's multilingual abilities, which enables it to maximise student learning outcomes across different geographies and language backgrounds.

Due to the Group's strong track record of positive results, as well as positive impact on student's learning capabilities and in-house research capabilities and data aggregation, the Group enjoys high levels of customer satisfaction, with governments increasingly relying on the data and insights provided by the Group.

This reliance has led to the establishment of a sticky long-term contract, further solidifying the Group's position as a trusted partner in driving educational excellence.

Redefining the Educational Experience Through Fully-Fledged AI-Powered Learning Solutions Catering to All Key Stakeholders in the Education Ecosystem

Classrooms today often struggle to cater to the diverse needs of students, leading to a standardised learning experience that can be ineffective and tedious for many. This lack of personalization is one of the leading problems currently facing the world of education, with some students lagging while others excel, underscoring the need for innovative solutions. Additionally, the traditional teaching model places considerable time constraints and administrative burdens on teachers, limiting their ability to provide individualised attention to those who need it most.

To address these significant hurdles, the Group set out to implement an AI-powered learning platform combined with interactive materials that keeps students engaged, allows teachers to focus on students who need additional support and gives parents visibility on their children's performance on a rolling basis. This approach ultimately addresses some of the most fundamental challenges facing modern education, which has long been in need of alignment with the unique requirements of the 21st century student.

The Group's AI-powered study companion is aiming to bring quality education to an increasingly wide audience whose educational needs were previously unmet, by providing tailored recommendations to students, and acting as an attentive personal tutor able to recognize the unique strengths and areas of weakness of each student. The AI tutor aims to analyse each student's performance to offer personalised study plans in order to maximise the students' learning outcomes. The system also features the added benefit of being connected with the student's learner profile allowing for better targeted instructions.

The Group's platform is distinctive in its cloud-based approach from the outset, which has allowed for improved scalability and reliability. This system – which has been built in-house with all intellectual property and digital assets belonging to the Group – boasts a modular infrastructure facilitating the roll out of select products to different customers, and which can be toggled on and off with ease.

Strong Growth, Profitability and Cash Flow Generation Leveraging Long-Term Contract

The Group has consistently delivered strong financial performance, with revenue from contracts with customers reaching AED 750 million for the financial year ended 31 December 2023, increasing by 12.4% from AED 667 million in the financial year ended 31 December 2021, underpinned by robust profitability margins, with Adjusted EBITDA and Adjusted Net Profit margins standing at 65% and 61%, respectively, for the financial year ended 31 December 2023. This is further underscored by the consistency of these margins, whereby the Group has managed to achieve a similarly high average Adjusted EBITDA margin of 62% between 2021-2023. The Group's financial stability is further bolstered by visibility on minimum revenue from the ADEK Agreement, supported by a minimum number of students of 80,000 students and a minimum fixed fee per student (subject to cost-based escalations), with seven years remaining plus an additional four years' extension being formalized. This arrangement provides a reliable revenue stream, enhancing the Group's financial predictability and resilience.

The Group's business model, which emphasises embedded technology and data-driven insights, results in sticky contracts with sound margins. As customers and educators increasingly rely on the data gathered by the Group's platform, the Group believes that there is an inclination to renew contracts, further solidifying the Group's revenue base. This sticky revenue model enhances the Group's financial sustainability and long-term growth prospects.

Furthermore, the Group currently maintains an un-levered balance sheet, which provides ample capacity for financing going forward. The Group plans to capitalise on financial flexibility in executing its ambitious growth plans, including expanding into new markets, investing in research and development, and acquiring complementary businesses. The Group's strong financial position and financing capacity position it well to capitalise on growth opportunities, with the aim to continue delivering significant value to its stakeholders.

The following chart provides an overview of the Group's financial performance as at and for the years ended 31 December 2021 and 31 December 2022 and 31 December 2023 and for the three months period ended 31 March 2024:

	As at/ for the year ended 31 December			As at/ for the three months period ended 31 March
	2021	2022	2023	2024
	<i>(all amounts in AED millions, unless otherwise indicated)</i>			
Revenue from contracts with customers	667	773	750	177
Adjusted EBITDA ⁽¹⁾	396	476	489	130
Adjusted EBITDA margin (%) ⁽²⁾	59%	62%	65%	73%
Adjusted Net Profit ⁽³⁾	359	437	455	110
Adjusted Net Profit margin (%) ⁽⁴⁾	54%	57%	61%	62%
Net cash (used in) generated from operating activities	251	496	478	(73)
Lease liabilities	-	-	0.5	0.2
Cash Conversion	95%	94%	93%	57%
Capital Expenditure	18	33	37	57
Operating Free Cash Flow ⁽⁵⁾	248	493	480	196
Dividend distributed	-	-	1,632 ⁽⁶⁾	-

Note:

- (1) Adjusted EBITDA = Profit for the period/year + depreciation on property and equipment and right of use assets + amortisation of intangible assets + interest expense on lease liability + income tax expense – income from financial assets carried at fair value through profit or loss – interest income
- (2) Adjusted EBITDA margin = Adjusted EBITDA / revenue from contracts with customers
- (3) Adjusted Net Profit = Profit for the period/year – income from financial assets carried at fair value through profit or loss – interest income
- (4) Adjusted Net Profit margin = Adjusted Net Profit / revenue from contracts with customers
- (5) OCF = Adjusted EBITDA +/- Change in Net Working Capital
- (6) The dividends for the financial year ended 31 December 2023 were recommended by the board of Alef Education, approved by the Selling Shareholders on 13 December 2023, and beneficially assigned on 17 December 2023. The total dividend distributed amounted 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 to the Selling Shareholders in full settlement of the dividend liability. The dividend was settled through receivables from a related party (Capital Investment L.L.C.) and financial assets recorded at fair value of AED 1.017 billion and AED 0.615 billion respectively. Dividends paid through a related party can also be compared with financing activities in the Group's Statement of Cash Flows. The movement in the relevant accounting items due to the payment of dividends is summarised below (please refer to Note 25 of the Financial Statements for further details):

Description	Amount before dividends	Dividends	Amount after dividends
Amount due from related party - Capital Investment (Note 15)	AED 1,126,891,526	AED (1,017,489,192)	AED 109,402,334
Financial assets recognised at fair value through profit or loss (Note 8)	AED 614,606,186	AED (614,606,186)	
		AED (1,632,095,378)	

Seasoned Management Team with Extensive Experience in Education and Technology Backed by a Reputable Shareholder Base

The Group's management team is recognized for its deep industry expertise and strong leadership in the educational sector. The team consists of alumnus from key education sector companies including Pearson, McGraw Hill and Houghton Mifflin Harcourt. Comprised of professionals with diverse backgrounds in education, the team is well-equipped to drive the Group's success in the future. Management's extensive experience also allows them to develop innovative solutions that meet the evolving needs of educators, students and institutions.

Backed by strong shareholders, which indirectly include Abu Dhabi Capital Group, the Group's management team is well-positioned to unlock the next phase of growth. Their strategic vision and commitment to excellence have already propelled the Group to new heights, and their continued guidance and leadership are expected to drive sustained growth and value creation. With a proven track record of delivering results and a clear roadmap for the future, the management team plays a pivotal role in shaping the Group's success story.

Strategies

Large and Growing Addressable Market Underpinned by Strong Tailwinds

The Group operates within a sizeable market that is set to realize significant growth in the coming years, both on a regional and global basis, with the global K-12 education sector market size estimated at AED 14.75tn in 2020, projected to grow at a CAGR of approximately 5% between 2020 and 2030. Additionally, the global total addressable market for learning materials, which is defined as all spend on learning materials, print and digital, on all the subjects in each grade from Kindergarten through Grade 12 (“**TAM**”) is estimated at AED 323 billion in 2023, and is projected to increase to AED 338 billion by 2027. Within that, the education technology (“**EdTech**”) market’s share of the industry is forecasted to increase from 36% to 65% across the same period, growing from AED 117 billion to AED 220 billion respectively (source: Industry Report).

Growth thus far has been strongly supported by - and continues to benefit from – the UAE government’s focus on providing quality education to a wide student base, with the fiscal budget allocated to education representing 15% of the total federal budget, at approximately AED 10 billion in 2023 (source: Industry Report). Similarly, neighbouring GCC countries share the same vision of improving human capital development to drive a knowledge-based economy and have also allocated significant portions of GDP towards the education sector.

Beyond the GCC, the Group’s future growth potential is also buoyed by the significant fiscal education spend across the wider MENA region - an area which the Group proudly calls home - a region which the Group estimates has allocated an average of 4% of GDP towards education spending in 2022. Additionally, the Group is also set to realize further growth in various other geographies which also underscore education as a key driver for long term social and economic empowerment.

The sector is further supported by increasing NGO spend, with UNICEF having invested USD 1.2 million in Egyptian K-12 market and unlocked an additional funding of USD 16.5 million from the UK and the GPE to advance the implementation of Education 2.0; meanwhile the World Bank loaned USD 500 million for its “Supporting Egypt Education Reform Project,” which aligns with Education 2.0 (source: Industry Report).




Alongside sizable public spending in the sector, countries like KSA have seen a rapidly growing share of private sector involvement, both on a national and international level. With the region playing host to some of the world’s top K-12 schools from various curricula including International Baccalaureate (IB), A-Levels, IGCSE and American AP system.

Ultimately, the Group aspires to be both a beneficiary and a proponent of the market’s push towards EdTech, as it aims to increase its presence across several key markets, and within key segments including early childhood education, assessments for K-12 and teacher development.

Scalable Business Model Building on Strong Digital Foundation Well-Positioned to Harness Future Growth on the Back of Well-Defined Growth Strategy

The Group believes it is well positioned to achieve its strategy to become a global leader in the EdTech industry, with a scalable business model that leverages its various unique strengths including a proprietary multiplatform solution, a multi-lingual approach adaptable to many geographies, as well as a customizable core curriculum that can adapt to the unique requirements of local syllabi.

As part of its multi-pronged growth strategy, the Group has set out a strategy to super-serve the UAE’s business-to-government (“**B2G**”) and business-to-business (“**B2B**”) markets, representing the first of its key growth pillars. Having already captured significant market share within the country’s B2G market at the G5-12 level, the Group aims to unlock further growth by offering its services to a younger student base. On the B2B front, the Group currently serves approximately 40-50% of the UAE’s private school market, offering a small handful of subject areas. To expand within this space, the Group plans to expand its offerings into more subjects and content areas, as well as catering to a wider range of age groups within the private market. The following chart illustrates the evolution of the number of B2B schools served by the Group in the UAE, Indonesia and the US between January 2023 and March 2024.

Evolution of No. of B2B Schools Per Country		
Country	Jan 2023	Mar 2024
 UAE	223	+85 schools → 308
 Indonesia	-	+200 schools → 200
 USA	8	+33 schools → 41

Another key pillar of the Group’s growth strategy is its high-impact B2G strategy. The TAM for the high impact B2G market in focus geographies identified by the Group for its expansion strategy was estimated by the Group to amount to approximately AED 22 billion, inclusive of physical and digital instructional material. As mentioned, governments around the world are prioritizing educational improvement as a means for social and economic empowerment, presenting a significant opportunity for the Group while allowing it to make a tangible impact on students’ lives. The Group has previously achieved immense success within the Indonesian market, whereby it was able to roll out its services to approximately 650 thousand students across approximately 6,000 schools as of 2023, offering a variety of subjects in the Bahasa Indonesian language, all from within its native multi-platform solution.

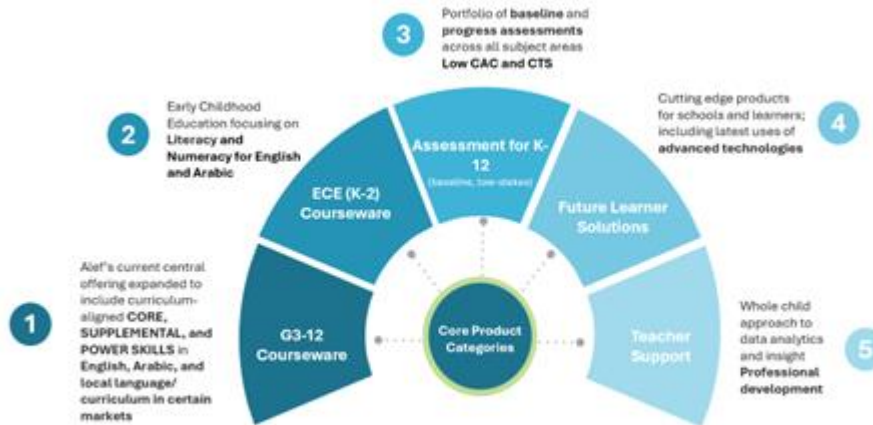
Furthermore, the Group has also tested its platform within the North African market, having completed a pilot program in Morocco, as well as various initiatives in certain Arabic speaking countries. The Group is also in discussions with several governments to expand its offering to other jurisdictions, highlighting its potential to become a global leader in this segment.

The final key growth strategy pillar centres on the Group expanding into the global B2B market to unlock additional growth, further strengthening its potential to become a global leader in EdTech. The TAM for the global B2B market in focus geographies identified by the Group for its expansion strategy was estimated by the Group to amount to approximately AED 25 billion, inclusive of digital instructional material. The Group operates on a software-as-a-service (SAAS) model catering to private education groups, which provides it with stable recurring revenues from thousands of potential clients. With a successful expansion into Indonesia and traction in the US market, the Group has demonstrated its ability to scale internationally. Additionally, the Group has recently onboarded an on-the-ground sales team in Saudi Arabia and Egypt, further enhancing its growth prospects within these two large markets.

To achieve its stated mission, the Group plans to focus on both organic and inorganic growth strategies. Organically, the Group aims to build its go-to-market capabilities and collaborate with distributors and resellers, while expanding its product offering. The Group’s go-to-market plans are developed with the goal to achieve certain key objectives, namely maximising school penetration, optimising pricing, increasing products per school and minimising churn, through investing in targeted local sales and marketing, investing in product portfolio as well as customer success. Inorganically, the Group will pursue a strategy similar to that of successful peer companies (including some in the US), by either acquiring or investing in companies either with products or capabilities that complement its own (Capability Targets), or those which would allow the Group to cross sell its services to a wide customer base (Distribution

Targets). This approach will enable the Group to expand its reach and enhance its distribution capabilities, accelerating its growth trajectory.

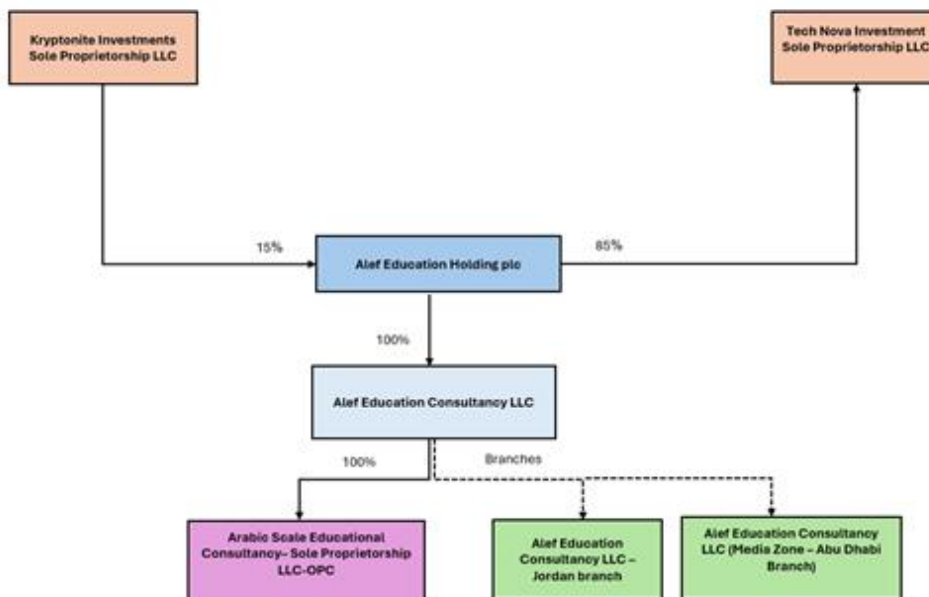
The Group’s strategic focus areas include the UAE as its core market, where there is ample room for growth. The Group will also target home markets that share cultural, language, and pedagogical similarities, as well as developed markets where EdTech adoption is high. Additionally, in time and when the economics are satisfactory, the Group will focus on high-growth emerging markets. This multi-faceted approach to market targeting positions the Group as a formidable player in the global EdTech landscape. The following chart provides an overview of the Group’s product portfolio expansion strategy through organic and inorganic means:



Corporate structure and main subsidiaries

Corporate structure

The following structure chart provides an overview of Alef Education’s current corporate structure:



Main subsidiaries

The Company's main subsidiaries are:

1. **Alef Education Consultancy L.L.C.**, a limited liability company incorporated in Abu Dhabi, which is the main subsidiary through which the Group operates. Alef Education Consultancy L.L.C owns and operates its digital education platforms through its branch in Jordan and Abu Dhabi Media Zone., and its wholly owned subsidiary Arabic Scale Educational Consultancy Sole Proprietorship L.L.C.
2. **Arabic Scale Educational Consultancy L.L.C. - O.P.C.**, a sole proprietorship limited liability company incorporated in Abu Dhabi, and is the operational subsidiary through which Alef Education plans to use this subsidiary to facilitate the cross-border commercial partnership with MetaMetrics®.

Branches

Alef Education Consultancy L.L.C. maintains a branch office in Western Amman, Jordan from May 20, 2021, and a team in Jakarta, Indonesia from August 12, 2022.

Alef Education Consultancy L.L.C. maintains a branch office in Media Zone, Abu Dhabi (formerly known as Media Zone – Abu Dhabi) from 18 February 2019.

Operations

Overview of key technology-powered education products and service offerings

The Group has developed integrated technology-powered education product and service offerings, aiming to offer curriculum-aligned and culturally appropriate digital educational resources catering to the learning needs of primary and secondary school students, their parents, and schoolteachers in the UAE and beyond. The Group's education product and service offerings are able to fulfil the full spectrum of applications for various education scenarios by offering an innovative learning experience. Currently, the Group has the following digital education solutions:

Alef's Current Product Portfolio in Perspective



1. Alef Platform

This is a fully comprehensive digital learning solution for Grades 5-12 in the MENA region. It covers the UAE Ministry of Education Curriculum.

2. Abjadiyat (Arabic for young native speakers)

Abjadiyat is an Arabic learning platform for early Kindergarten to Grade 4 learners. It is a mobile application interface for students that contains a series of interactive lessons and practice. It also provides an interactive Arabic language program for native-speaking early learners.

3. Arabits (Arabic for non-native speakers)

Arabits is a mobile application interface that aims to help non-native speakers learn Arabic and help students pass their grade-level examinations in Arabic. This is a native Android and iOS application optimized for mobile devices.

4. Alef Pathways

Alef Pathways is a supplemental self-paced Mathematics programme for Grade 3 to 8 learners enriched with engaging lesson content that aims to help students to work on their Mathematics learning objectives. The Alef Math Ability Test (AMAT) is available to determine the student’s level and provide the best learning path forward. Teachers and parents have access to the platform dashboard with the details of the learning progress of each student.



The learning platforms operated by the Group share the following characteristics:

Personalized learning

The Group’s platforms provide personalised learning experiences for all students, so they learn at their own pace, anytime and anywhere. Artificial intelligence allows students to receive individualised instruction and gives them the choice of how they prefer to learn.

Engaging content

The Group's platforms give students innovative ways to comprehend difficult lessons by breaking down content and using effective learning techniques such as engaging videos, activities, and games. Subjects include Mathematics, English, Science, Arabic, Islamic Studies, and Social Studies.

As of academic year of 2023/2024, the Group had published 285,000 assessment questions and produced 25,000 videos, 2,750 English lessons, 10,250 Math and Science lessons, 1,825 Arabic lessons and 1,270 Islamic Social Studies lessons.

Immediate feedback

The Group's platform provides immediate feedback to teachers about students' attainment. Teachers can use the data to address specific areas and help students with individual needs.

The students also benefit from the real-time feedback from the Group's platform, which allows them to catch and correct mistakes early on.

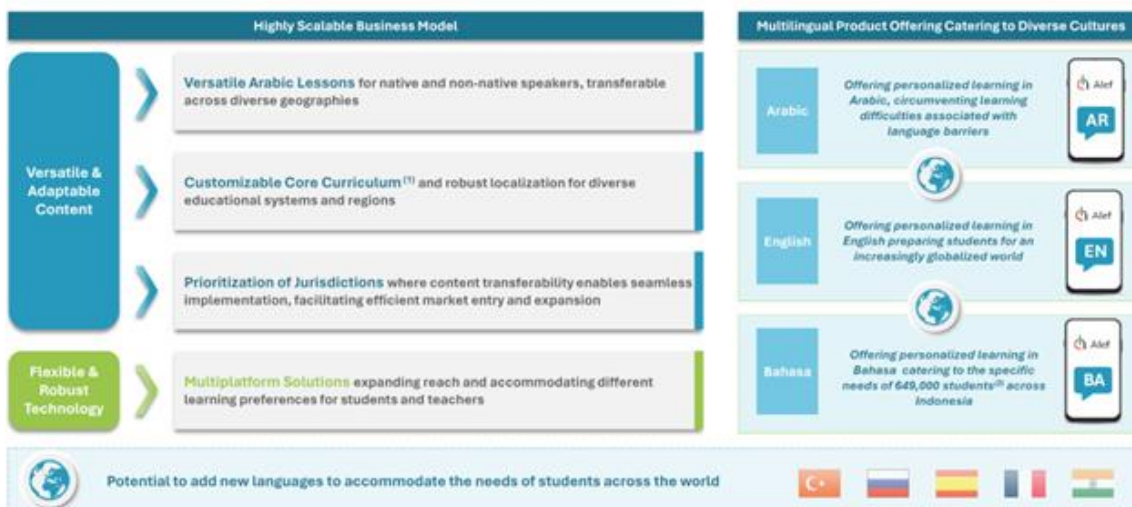
Real-time data

The Group's platform provides advanced school monitoring and feedback systems. This data tracks progress on a district, school, grade, subject, class, and student level for teachers, principals, and guardians.

Relevant curriculum

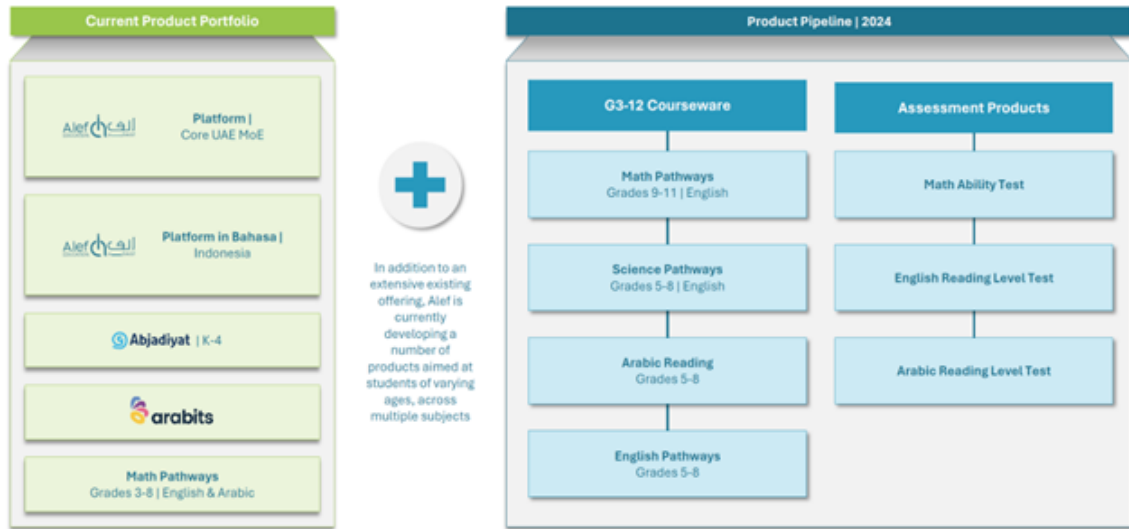
Curriculum aligned lesson plans and culturally appropriate media built into all the digital lessons help save teachers time in lesson planning and preparation.

Versatile & Adaptable Content Building on Multi-Lingual Product Offering



Source: Company Information.
Notes: (1) English, Arabic, Math, Science; (2) Refers to registered students as of 2023.

The following chart illustrates the current product portfolio covered by the Group’s digital learning solutions, as well as the Group’s product pipeline for 2024 as part of its growth strategy:



5. Alef Academy

Alef Academy is a unique and customized platform providing educators (teachers and school leaders) with self-paced learning opportunities, toolkits, and tailored resources. It consists of professional learning courses supporting the implementation of digital learning for effective teaching and learning, and includes on demand resources, videos, lesson plans, and other features that support the Alef platform users to maximize learning outcomes.

Alef Guardian App

The Group has developed a mobile guardian application allowing parents to participate in their child’s learning journey.



Student’s performance

In the performance screen, the parent/guardian can see how well the child does in each subject. The parent or guardian will see an alert message if they fall behind in the number of lessons completed for any particular subject. The parent/guardian can click on any lesson to see the performance each time the child attempts the lesson, as well as view the Lesson Introduction video.

Weekly reports

In the report screen, there is a summary of how the child performed in each subject over the last week. It

shows the parent/guardian which subjects the child excels in and which subjects the child needs to work on. The parent/guardian also sees lessons the child can re-attempt to achieve a pass mark.

Product design and services

Incidental to the operation of the Alef Platform, Alef Pathways, Arabits, and Abjadiyat digital learning platforms, Alef Education has specialised teams to carry out the following activities:

Learning design

Curriculum design

Learning journeys are designed with outcomes in mind, aligning with various curricula and international standards and their end-of-year expectations for student growth and achievement.

Assessment writing

Assessments are designed according to the required depths of knowledge and proficiencies associated with skill mastery. They are balanced and continuous and used as opportunities to reflect upon student progress, motivation, and choice of strategies.

Content development

The contents of the Alef Platform guide students through inquiries and problem-solving. The platforms also include built-in tools that guide teachers through responsive instruction and intervention facilitated by data and evidence.

The Group has in-house educators and outsourced content designers who create quality content with care for cultural sensitivity, accuracy, and an appropriate level of challenge.

Digital production

The Group's digital products are highly interactive and engaging, making online and experiential learning fun.

Professional Support

To support schools in their digital transformation journey:

Professional development

The Group provides onsite and offsite training and professional development support to help teachers adopt new technology tools in their classroom, utilising the Group's digital education solutions. To that extent, the Group runs a ratio of one Digital Learning Implementation Specialist (“**DLI Specialist**”) for around 210 teachers. The DLI Specialists visit schools on a regular schedule to run observations and walkthroughs to assist the teachers with the usage of the Alef Platform as well as support them with any new pedagogical approach to digital learning. The DLI Specialists also conduct three Professional Learning Communities (“**PLCs**”) at the beginning of each academic term with the teachers (virtual, hybrid, or physical sessions), which account for the teachers' credits. During school observation and walkthrough, the DLI Specialists establish a corrective action plan that helps the teacher identify areas for improvement with recommended tasks to be performed within a set amount of time. The DLI Specialists then follow up with the teacher on the progress achieved.

Teachers can also access the Alef Academy online via their credentials, where they can access training materials and lessons at their leisure to acquire new skills or competencies.

IT installation (specific to the ADEK Agreement)

The Group provides onsite IT installation and configuration services to schools in the UAE within the scope of the ADEK Agreement to ensure that they are fully IT-ready for the digital transformation brought by the Group's digital education solutions. As per the ADEK Agreement, the Group is providing laptops, mice, and headsets for Grade 5 and Grade 9 at the beginning of each new academic year. The student keeps this equipment for four years. The Group also provides repair support for devices. To minimise disruption in the student's learning, the Group has spare devices to swap the defective devices in schools. Once the

faulty device is repaired, the Group returns it to the student and place the loaned item back into available stock. The Group also provides school infrastructure, such as access points, firewalls, servers, and connections. Contractually, the Group is required to replace these devices every five years by upgrading them with new and more effective technology that meets the minimum requirements set in the ADEK Agreement.

The Group provides one onsite support technician per school in the Abu Dhabi emirate and back-office teams, such as network and server teams and system administrators, to implement and support the entire IT service. The onsite support technician is dedicated to the schools and works with other teams to provide relevant support in troubleshooting for server and network equipment, stock management of spare devices, follow-up with repair centres, and asset logistics.

Project management

The Group has dedicated project management service teams to manage the successful roll-out of the Group's digital education solutions at the schools and facilitate the end-to-end transformation of schools to embrace a modernised and conducive learning environment.

For every client, a dedicated or shared account manager, depending on the account size, is appointed to manage the relationship with the client and support the client through the contract's term. The account managers usually drive the governance meetings with the client, documenting all discussions and decisions. The account managers engage with all departments internally to drive improvement and improve management and service delivery. The account managers act as a single point of contact for the client for anything related to the contract, its delivery, and renewal from an operational perspective. They also collaborate with the Growth and Product departments to support any growth within the account and manage any new projects the client is procuring.

Service hotline

The Group operates a service desk five days a week to answer any queries, feedback, or concerns from teachers or parents regarding Alef Education products and services. It can be reached through phone with an interactive voice response to select language, email, or chat via the platform. The service desk is a triage centre that routes the clients' queries to the proper resolver group. It assigns the ticket and priority to trigger the corresponding SLA and ensure resolution.

Today, the Service Desk operates in two languages: Arabic and English. Spanish and French were recently added for a special project run with the UAE MOE.

The Service Desk also provides frequently asked questions via a chatbot for some clients to help them resolve their issues themselves. The service expedites resolution and empowers users to become more inclusive in the troubleshooting process, which tends to increase user satisfaction, with seats currently at around 95% on average.

The service desk operates during standard working hours in the UAE but can respond to Priority One tickets 24/7. On average, the service desk handles about 5,500 incidents and 5,000 requests per month.

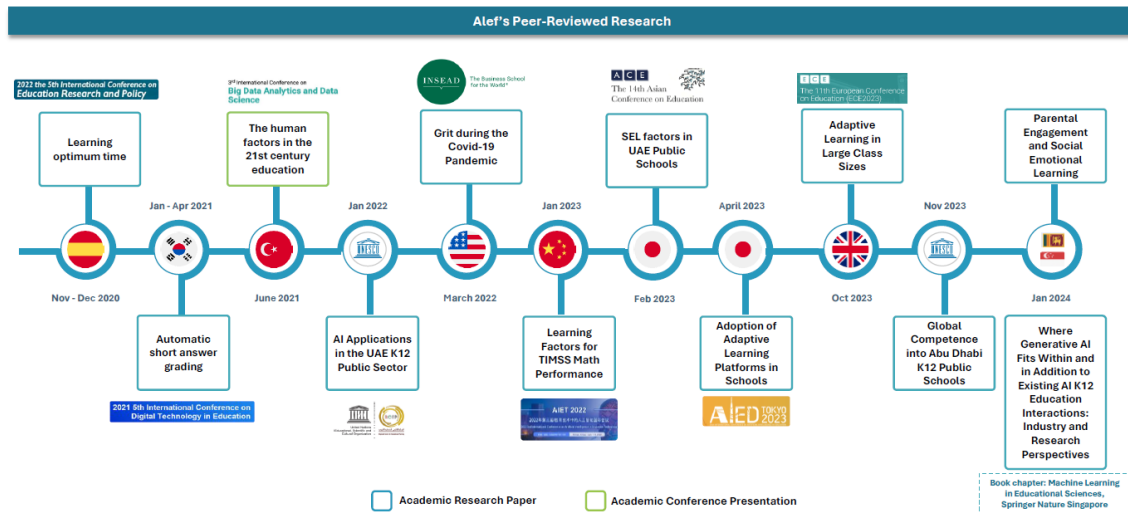
Research

The Group is passionately committed to transforming education through innovative technology and artificial intelligence. The Group's mission is to enhance human development across all K-12 stages by overhauling the education system and utilising AI to foster creative and impactful learning experiences. The Group dedicated to building capacities that align with the dynamic needs of students, empowering them with the skills and knowledge required to thrive in a rapidly evolving world.

The Group's approach is grounded in evidence-based methodologies, with the aim to drive the contribution of the Group's initiatives in educational research to effective problem-solving and making an impact. By integrating cutting-edge research and learning sciences, the Group innovates products and services that help drive significant improvement in learning outcomes. The Group's efforts extend to rigorously assessing the impact of these innovations on all stakeholders within the education ecosystem. The Group's strategy is to become beacon of thought leadership, playing a pivotal in shaping the educational landscape, driving forward-thinking policies, and setting new benchmarks for the AI in Education ("AIED") sector in the UAE and across the MENA region.

The Group’s research team has made substantial academic contributions, authoring over 15 academic papers, and showcasing their findings at numerous international conferences.

Peer-Reviewed Research and Partnerships With Top Universities Further Endorsing Alef’s Content



Notably, some of the Group’s research has been distinguished as the best study at these conferences, a testament to the Group’s pioneering work in the field. These studies, which are summarised in the chart above, reflect the Group’s commitment to excellence and innovation in education and AI, and offer valuable resources to educators, researchers, and policymakers.

Delivering Quality Education And Strong Student Outcomes

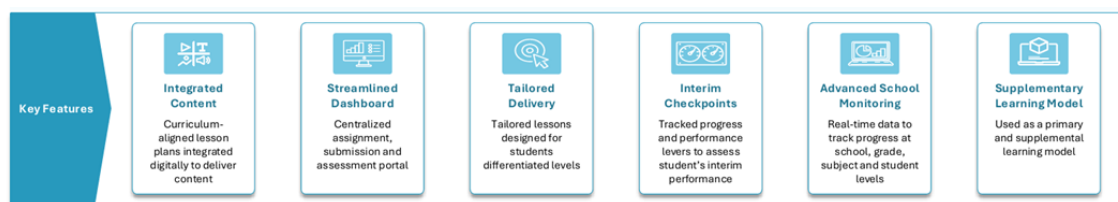
The Group’s AI-powered digital learning solutions offer interactive content, assessments, and analytics to support both students and teachers in the learning process and benefit different stakeholders in the education ecosystem in the following ways:

A. Decision Makers

Decision makers, such as governmental institutions, benefit from the Group’s AI-powered digital learning solutions by gaining access to a real-time dashboard providing AI enabled insights to assist in their decision-making processes. The real-time dashboard offers a wide range of insights to decision makers, including trend analysis, machine learning tools, research questions, correlation analysis, predictive models, efficacy studies, as well as historical data analysis and progress reporting. This comprehensive toolset empowers decision makers to make informed and strategic decisions to drive positive outcomes and enhance the overall education experience.

B. Teachers

For teachers, the Group’s capabilities provide invaluable insights into student performance and progress. Teachers receive real-time analytics on each student’s level, allowing them to adapt their teaching strategies to meet individual needs. This personalised approach not only helps improve student outcomes but also enhances the overall teaching experience by empowering educators with the tools to make data-driven decisions. The Group’s platform solutions help reduce teachers’ administrative burdens and preparation time, allowing teachers to focus on their primary role of facilitating student learning. Teachers are also able to track student performance across subjects, allowing them to pinpoint cross-subject weaknesses and giving them a more holistic view of learners’ unique skillsets. The following chart illustrates the key features available for teachers.



C. Students

The Alef Platform offers culturally relevant coverage of English and Arabic subjects through a unified and student-friendly platform experience, leveraging creative research and development initiatives that focus on student engagement and interest and provide well-structured remediation programs for gaps identified. By providing immediate feedback and real-time data, the Alef Platform enables students to identify and correct mistakes early on, fostering a more efficient and effective learning experience. To support student development, the Group launched a new mobile application in January 2023, the Alef application, which provides support for Arabic, English and Bahasa Indonesian language and is designed to increase students' engagement and motivation.

D. Parents/Guardians

Parents are also key beneficiaries of the Group's technology. The platform allows parents to track their child's performance and progress, providing a deeper understanding of their academic strengths and areas for improvement. Moreover, parents can communicate directly with teachers through the platform, facilitating collaboration and enabling them to play a more active role in their child's education. The Group's platform enhances parental engagement and involvement in the student's education by providing (i) daily updates and summary of the school day and any pending tasks, (ii) real time performance updates to easily monitor the student's progress in each subject (e.g. average scores and performance trends), (iii) a user-friendly application to conveniently access updates and announcements from teachers and school administrators; and (iv) weekly report providing a comprehensive breakdown of the student's performance (e.g. week-to-week progress, awards achieved and areas of improvement).

E. School principals

School principals benefit from the Group's capabilities through access to comprehensive data and insights. The platform provides school leaders with a holistic view of student performance across various subjects and classes. The Group's platform offers principals overall school performance reports that cover real-time and historical performance, as well as custom insights into individual grade levels, and quantification of class performance to identify high achievers and students who need additional assistance. By leveraging AI technology, the platform empowers school administrators to create a more effective and responsive learning environment for students.

Key Business Models

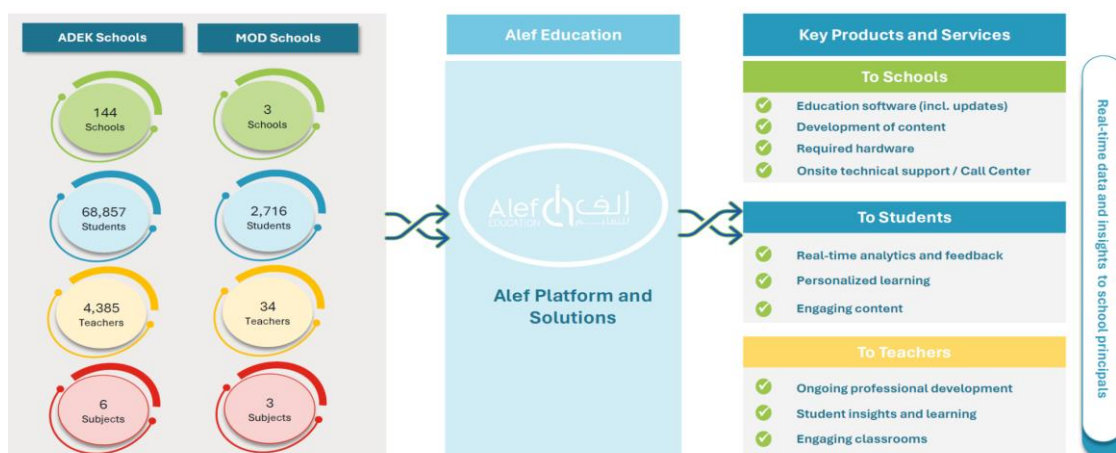
The Group currently operates through two different business models: (i) B2G model, targeting Government-partnerships, which includes all the public schools in the UAE, other UAE government-related organisations, and public schools in Indonesia, and (ii) B2B model, targeting individual schools, as further described below.

For the financial year ended 31 December 2023, the Group's government-partnership segment represented its core business segment, contributing 99% of revenue from contracts with customers, while the partnership with ADEK represented the highest contributor to Alef Education's gross fees among all, contributing 99% of the Group's government-partnership segment gross fees.

Government-partnerships overview

Riding on the success of the pilot program in public schools in Abu Dhabi from 2017 to 2019, the UAE Ministry of Education announced the implementation of the Alef Platform in all UAE public schools. This will allow the ministry to use the Alef Platform to achieve its goals of developing a digital education system.

The Group contributes significantly to digitalisation learning in Abu Dhabi public schools and the schools run by UAE Ministry of Defence ("MOD")



Below is an overview of the arrangements in place with ADEK and UAE MOD, focusing on certain elements that govern the relevant contracts. For details see “*Material Agreement*” in this prospectus.

1. ADEK

Alef Education entered into a 10-year agreement for “*Implementation of Education System in Abu Dhabi Schools*” with ADEK, effective from 1 January 2019 (“**ADEK Agreement**”). The ADEK Agreement has been amended subsequently since 2019. Pursuant to an amendment in the ADEK Agreement in 2021, the term of the ADEK Agreement is now valid for a 12-year period, to end on 30 December 2030, unless it is terminated in accordance with its terms or extended by the parties.

Under the ADEK Agreement, Alef Education provides comprehensive digital education solutions through its platform (“**Education System**”) in government funded schools for students in grade 5 to grade 12 in the UAE (“**ADEK Schools**”).

As part of its offering under the ADEK Agreement, Alef Education supplies the following in order to provide the Education System to ADEK:

- Education software (including updates and new versions of the same) created by the Company;
- Educational content developed by the Company (collectively the “**Software Materials**”); and
- Supplementary hardware and other equipment.

Alef Education’s education software program is currently stored in two parts: (a) cloud hosted microservices architecture; and (b) local content servers in each ADEK school. The equipment supplied by the Company includes laptops and related accessories, charging carts, network IT infrastructure, local content server, amongst others.

Alef Education also supplies third-party software required to operate such hardware, equipment and networking in order to integrate the Software Materials.

The educational content developed by Alef Education is subject to changes that may be requested by ADEK. Up to 15% of the rework (determined based on the time and effort involved in making changes vis-à-vis the time and effort involved in developing the original education content) undertaken is complementary for ADEK. Any additional requirements in excess of 15% of the rework are subject to an agreed standard consultancy charge.

Alef Education is also providing training to teachers who form part of the ADEK Schools, through Alef Education’s “*Digital Learning Implementation Specialists*” who support ADEK Schools with ongoing professional development. These coaches are certified teachers, bilingual (where possible) who specialize in one or more subjects.

Under the ADEK Agreement, Alef Education is also providing technical support services during the duration of the ADEK Agreement. These services include technical support for the equipment and the software (including the required maintenance), as well as providing onsite specialists and help-desk support.

Payment and payment terms

In connection with the services provided by Alef Education, ADEK is required to pay an education solutions fee (“**Education Solutions Fee**”) to the Company, which is calculated based on the number of students enrolled in an academic year, subject to a contractual minimum commitment of students, using ADEK’s official enrolment register in the respective grades in ADEK Schools.

In addition to the Education Solutions Fee, Alef Education also receives a fee for procuring certain equipment/related services to ADEK. The fee for such equipment/related services are divided as follows (collectively, the IT Infrastructure Solution Fee):

- a) IT start-up costs per ADEK School (including servers, network equipment, network passive components and accessories);
- b) IT start-up costs per student (charging cart, wireless access point, student and teachers’ laptop and accessories); and
- c) IT maintenance cost.

The amounts due to Alef Education under each invoice are subject to 5% retention to be released by ADEK and paid to Alef Education at the end of each academic year (which may be subject to performance related deductions in accordance with the ADEK Agreement).

The ADEK Agreement contains standard indemnity provisions in favour of ADEK against all actions, suits, claims, demands, losses, charges, costs and expenses which ADEK may suffer in connection with property damage, death or personal injury to any person resulting from negligent or wrongful act or omission of Alef Education.

2. UAE Ministry of Defence

Alef Education entered into an agreement with the UAE Ministry of Defence for “providing a digital platform for teaching academic subjects in military high schools” on 18 April 2021 (“**MOD Agreement**”). The term of the MOD Agreement is for a period of 4 years, beginning from the 2021-2022 school year.

Pursuant to the MOD Agreement, Alef Education is required to implement the Alef Platform in the military high schools from the beginning of the 2021-2022 academic year. These include the military high schools in Al Ain, Al Dhafra and Al Dhaid City and any other schools that may be added by the MOD.

As part of its service offering under the MOD Agreement, Alef Education has been providing and maintaining the content of Alef Platform for three Arabic subjects in line with the curriculum set out by the MOE.

Under the MOD Agreement, Alef Education is required to appoint:

- a) three academic trainers and assign to each school a trainer to hold workshops and provide training courses for students, teachers, and coordinators from the military schools. Such trainers will also make classroom visits to provide best practices in classroom management. Alef Education is also required to train any new student, teacher or any other person assigned by the commanders of the military high school to work on the Alef Platform during the term of this MOD Agreement; and
- b) three engineers for technical and technological support.

Under the MOD Agreement, based on the request of the MOD, Alef Education may be required to transfer the Alef Platform to the electronic cloud infrastructure of military high schools. The MOD imposes comprehensive supervision by the MOD on the services offered by Alef Education, including forming a joint committee to review the functioning of the Alef Platform, holding periodic meetings, and reviewing weekly reports prepared by the Company, amongst others.

Payment and Payment Terms

The MOD Agreement provides that the annual fees for the subscription to the Alef Platform (for the subjects being subscribed to) is paid in instalments in arrears at the end of each semester, with each academic year consisting of three semesters. The fee is calculated for the student annual subscription fee for each semester for which the instalment is paid, based on the actual number of subscribed students in the relevant semester

under an agreed formula.

See “Risk Factors — Risks Relating to the Group and its business — Alef Education is a party to a number of supply contractual arrangements and any breach of the terms of these agreements could cause financial and operational risks to the Group.”

Distribution channels

The Group has utilized various distribution channels to make its educational technology solutions and platforms available to schools, educators, and students. Some of the distribution channels that Alef Education has employed include:

Government and institutional contracts: The Group has successfully secured a number of contracts with government entities, educational ministries, or large institutional clients to provide its educational technology solutions at scale, often as part of broader educational initiatives.

Direct sales: The Group engages in direct sales efforts, where its sales teams directly contact schools, educational institutions, and decision-makers within the education sector to promote and sell its educational platforms and solutions.

Partnerships with educational institutions: The Group has established partnerships and collaborations with schools, school districts, and educational organizations to integrate its technology into their academic programs. These partnerships can involve tailored deployments, training, and ongoing support.

Online platforms and portals: The Group offers its educational technology solutions through online platforms and portals, to expand its sales channel, allowing schools and educators to directly access and acquire the tools they need for their classrooms.

Reseller and distribution partners: The Group works with authorized resellers and distribution partners in the United States, Indonesia, and Qatar to expand its reach and make its products and services available to a broader range of educational institutions.

These distribution channels enable the Group to reach its target audience of schools, educators, and students, making its innovative educational platforms and tools accessible to a wide range of academic stakeholders. By leveraging diverse distribution channels, the Group can effectively deliver its technology solutions and support the integration of advanced educational resources in diverse learning environments.

Below is an overview of the arrangements with such distributors, focusing on some of the elements that govern the relevant contracts.

USA

On March 7, 2022, the Group, through Alef Education, entered into a distribution agreement (as amended from time to time) (“**Distribution Agreement**”) with the Framework Development Group LLC (“**Framework Group**”), a company established in the USA, under which Alef Education has appointed the Framework Group as its non-exclusive distributor for distribution of the Group’s educational solutions (including Alef *Pathways*) in certain South-Eastern States in the USA. Under the Distribution Agreement, the Framework Group is entitled to appoint resellers to distribute the Alef Platform on its behalf, subject to Alef Education’s prior approval. The Framework Group is restricted from distributing or creating any software that directly or indirectly competes with the Alef Platform or any other product of the Group. Under the Distribution Agreement, Alef Education is required to provide help desk support to end-users, and training and consultancy for the Framework Group’s employees. The Group has also provided Framework Group a discretionary market development fund monthly for effective promotion and sale of Alef Education products. In accordance with the Distribution Agreement, The Group is entitled to a percentage of the suggested retail price (which will be provided by the Company) for the Alef platform based on the subscription sales to new end users.

Indonesia

On October 11, 2023, the Group, through Alef Education, entered into a reseller agreement (as amended from time to time) with PT Berkas Utama Sejati, a company incorporated in Indonesia, under which Alef Education has appointed PT Berkas Utama Sejati as its non-exclusive distributor for distribution of the Alef Platform in Jabodetabek, Indonesia.

Qatar

On November 6, 2023, the Group, through Alef Education, entered into a reseller agreement (as amended from time to time) with Techno Lab WLL, a company incorporated in Qatar, under which Alef Education has appointed Techno Lab WLL as its non-exclusive distributor for distribution of Alef products (including Alef Platform, Alef Pathways, Abjadiyat, and Alef Guardian app) in Qatar.

Fee structure of the Group

Education Solutions fees

The education solutions fees of the Group correspond to all revenue received from customers for the right of access to the Group's learning solutions. The services rendered (including access to the Group's platform, the availability of learning content, onsite support, and other ancillary services) are considered one performance obligation as they are highly interdependent or interrelated.

IT set-up services fees

The Group provides a combination of procurement and installation of IT equipment to provide its education system solutions to schools and students.

IT maintenance services

This service relates to maintenance work that may be required on IT equipment for the duration of the contract, which generally covers a period of five years. Maintenance service is considered a distinct service as it is available to customers from other providers in the market.

Inorganic expansion through mergers and acquisitions

From time to time, the Group identifies and capitalizes suitable opportunities for mergers and acquisitions as part of the Group's growth and integration strategy. The Group goes through the following process in general to enable its inorganic growth:

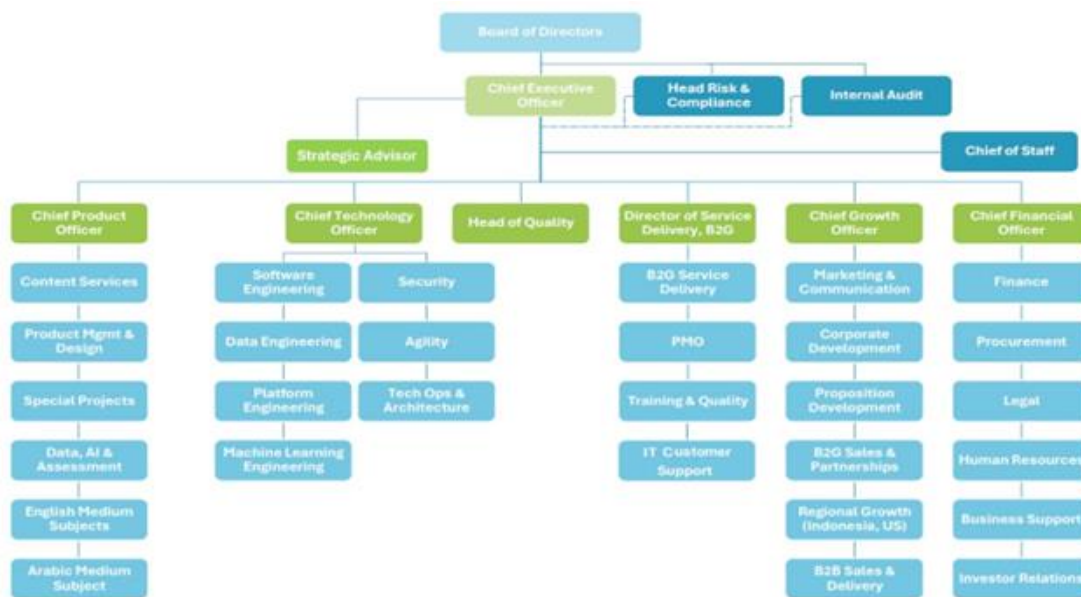
1. The Group carefully assesses compatibility and potential synergies of the target company, with the aim of successful integration and long-term value creation.
2. The Group conducts a thorough valuation of the target company to determine a fair deal value before proceeding with the offer making process.
3. Following offer acceptance, the Group commences comprehensive due diligence process encompassing the review of financial, legal, commercial, human resources and other pertinent aspects.
4. The Group negotiates for deal closure and finalizing agreements with a focus on legal compliance and risk protection.

To ensure the continuous success of the integration of the acquired target within the Group, the Group establishes integration objectives and a dedicated team, as part of its due diligence process. The Group conducts a thorough assessment of itself and the acquired target, and develops a detailed integration plan, including systems, processes, and cultural alignment. Such integration plan will be communicated effectively with stakeholders. The Group continues to monitor the progress, make necessary adjustments, evaluate the success of the integration.

The integration of Abjadiyat, an Arabic education platform for K-Grade 4 native speakers is one of the successful inorganic expansions of the Group in the UAE. Following the acquisition, the Group initially maintained Abjadiyat's original team, leveraging their expertise in early education. The Group then implemented a structured reporting system, and streamlined the team, structure to refocus on B2B and deliver cost synergies, margin improvement and revenue growth. As a result of the successful integration of Abjadiyat in 2021, the Group's customer base of Abjadiyat has grown from 2,000 to 26,500 users in 4 years, which cemented the Group's position as a leader in the early years Arabic language education market. The Group also acquired and integrated Arabits which is positioned as a B2B product for non-Native Arabic speakers and launched in 2022.

Organisational Structure

The chart below outlines the organisational structure of the Group’s directors and senior managers (the “C-Suite”):



The C-Suite team retains decision-making control on several aspects of the Group’s strategy, including resource allocation, procurement, day-to-day operations, marketing, and establishing the five-year strategy plan in compliance with the governance for Alef Education. Certain key functions, such as the approval of the budget, the development of the growth strategy (both organic and inorganic), and the determination of management compensation, require the approval of the Board of Directors.

The Group’s organisation structure is comprised of (i) the C-Suite (i.e., the Senior Executive Board), (ii) the Product team, (iii) the Technology team, (iv) the Service Delivery team, (v) the Growth team, (vi) the Operations team, and (vii) the Head of Quality.

Product Team:

- The Product Team is responsible for the development and management of the Group’s educational technology products or services.
- Functions include product ideation, design, development, testing, and ongoing enhancement.
- Collaborates with other divisions to ensure products meet market needs and adhere to the Group’s standards.
- Drives the product vision across different geographies.
- Builds the roadmap of every product across different geography.
- Develops and executes the product strategy to enable growth division to meet its targets.
- Builds the data research and efficacy capabilities to validate impact.

Technology Team:

- The Technology Team focuses on the technological infrastructure that supports the Group’s products and services.
- Responsibilities include software development, IT infrastructure management, cybersecurity, and data analytics.
- Ensures the Group’s technological resources are efficient, scalable, and secure.

Service Delivery Team:

- The Service Delivery Team is responsible for delivering the Group's products or services to customers.
- Functions include customer support, implementation, training, and ongoing service management.
- Focuses on ensuring a positive customer experience and maximising the value customers derive from the Group's offerings.

Growth Team:

- The Growth Team is responsible for strategic planning and execution of initiatives aimed at driving the Group's expansion, revenue growth, and market penetration. It also handles the promotion and positioning of the Company's products or services in the market.
- Functions include market analysis, identifying growth opportunities, developing strategies to capitalise on them, branding, advertising, lead generation, and customer engagement.
- Conducts research to understand market trends, customer needs, and competitive landscapes.
- Develops and executes marketing campaigns, partnerships, and sales initiatives to acquire new customers and expand the Group's reach.
- Evaluates potential mergers, acquisitions, or strategic partnerships that align with the Group's growth objectives.
- Collaborates with other divisions to align growth strategies with product development, marketing, and sales efforts.
- Monitors key performance indicators and metrics to assess the effectiveness of growth initiatives and adjust strategies as needed.
- Works closely with senior management to provide insights and recommendations for long-term growth and sustainability.
- Works to attract and retain customers, build brand awareness, and drive revenue growth through strategic marketing initiatives.

Operations Team:

Finance Team

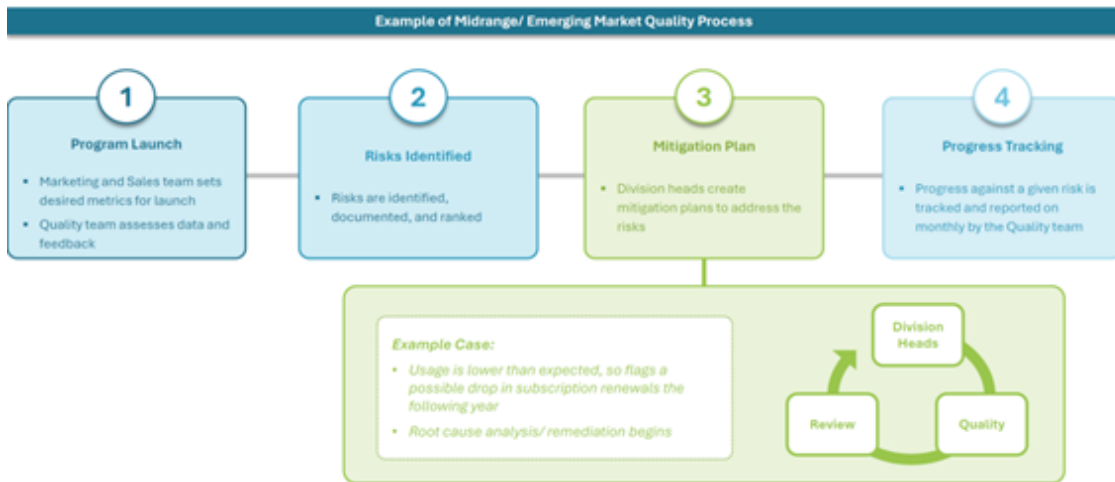
- The Finance Team manages the Group's financial resources and oversees financial planning and reporting.
- Responsibilities include budgeting, financial forecasting, accounting, taxation, and financial analysis.
- Ensures that the company operates within budgetary constraints, maximises profitability, and complies with financial regulations.

Human Resources Team

- The Human Resources Team maximises human capital value through strategic alignment, policies, systems, and schemes.
- Responsibilities include talent acquisition, training and development and talent retention.
- Offers development programs with opportunities to gain specialised certifications and new skills through ongoing training.
- Offers training and development plans to empower employees to enhance performance through courses on health, safety, cybersecurity and more.

Head of Quality

- The Head of Quality oversees the quality assurance processes across all aspects of the Group’s operations.
- Responsibilities include defining quality standards, implementing quality control measures, and conducting audits or inspections.
- Works closely with product development, technology, and other divisions to ensure that products and services meet quality benchmarks. Example of quality assurance process is set out below:



Each business team plays a crucial role in the Group’s overall performance and success. They collaborate to develop innovative products, deliver high-quality services, and effectively market and manage the business.

PROPERTIES AND REAL ESTATE

The Group operates its office premises on a leasehold basis only. The following table provides information regarding the premises leased or managed by the Group:

Facility	Ownership	Lessee
Office 2332, 23 rd Floor, Sky Tower, Al Reem Island, Abu Dhabi, United Arab Emirates	Leased	Alef Education Holding plc (formerly known as Alef Education Holding Limited)
Unit 101, 2-42, 301A, Building No. 2, Al Khaleej, Al Muntazah Zone1, Ministries Complex, Abu Dhabi	Leased	Alef Education Consultancy L.L.C
C-40-P2-0206, Yas Creative Park, Building 40, Block 40, South Yas, Abu Dhabi	Leased	Alef Education Consultancy L.L.C, Media Zone – Abu Dhabi Branch
Third Floor, Complex built on Plot No. 1066, Muraba’s Musa Zone No. 10, Wadi al-Seer Village, Western Amman, Jordan	Leased	Alef Education Consultancy L.L.C, Jordan Branch

Health and safety

The Group is committed to protecting the health, safety, and welfare of its employees, contractors, and visitors. It recognizes health and safety as an integral part of its business performance. The Group has devised an overarching Health and Safety (“H&S”) policy that prioritizes the following elements to establish positive health and safety practices:

1. promoting a culture of responsibility and accountability towards human health and safety;
2. pursuing best practices and allocating necessary resources to achieve, maintain, and develop H&S objectives;
3. appropriate provision and use of resources to minimize health and safety hazards and risks arising from the Group’s activities and operations;
4. preventing injury and ill health of employees, contractors, and visitors;
5. creating a positive H&S culture through effective communication and consultation with all stakeholders to promote awareness and encourage participation;
6. providing effective H&S training;
7. enhancing the health and well-being of staff;
8. complying with all H&S legal and regulatory requirements applicable to the Group’s operations;
9. striving for improvement of H&S performance in response to changing situations;
10. identifying workplace hazards and providing a system of H&S risk management;
11. carrying out regular audits basis at central office level to monitor compliance with the H&S policy;
12. engaging reputable service providers to support best practice in their specific field, such as security; and
13. maintaining a high level of cleanliness in all work premises.

In order to supplement its H&S policy, the Group’s business support division has developed a comprehensive emergency response plan.

Non-government partners

Apart from its strong relationships with various government departments and organizations in the UAE, the Group maintains strong relationships with non-government organizations and technical partners to support its business growth.

Environmental, Social and Governance (ESG)

The Group is committed to building a responsible and sustainable education ecosystem encompassing social inclusion and ethical governance. The Group is in the process of developing of its strategy, which has not yet been formalised, to advance its environmental, social, and governance (“ESG”) responsibility contributions in line with the UAE’s ESG goals:



	Initiatives	Targets
Environmental	1. Emissions, Climate and Energy	I. AED 0.5 MN ⁽¹⁾ investment for environment risks and opportunities II. Explore green cloud computing opportunities and optimize energy consumption in data center III. Explore carbon offset opportunities
	2. Environmental Stewardship	I. Develop and communicate Alef environment policy amongst employees by 2024 II. Recurring trainings for employees related to environment risk by 2024 III. Minimize e-waste footprint by 2030 IV. Maintain device donation programme - in place
Social	3. Education for All	I. Champion education for all into underserved communities totaling AED 1 MN ⁽¹⁾ II. Work with global NGOs and local partners III. Support access to education of underprivileged students
	4. Supporting Local Communities	I. Support education of employees' children by 2024 II. Support UAE national employment and development - in place III. Increase local suppliers within total procurement budget by 2024 IV. Support educators' professional development - in place
	5. Culture for Change	I. 3,000 people upskilled in sustainability each year ⁽¹⁾ II. 50% women representation across the organization
Governance	6. Ethical Standards and Integrity	I. Maintain the share of Independent Directors on the Board in line with SC4 requirements II. 100% signature rate of Code of Conduct and 100% participation to conflict-of-interest declaration III. 100% completion for trainings in Ethical Standards and Whistleblowing policies
	7. Champion Responsible Business	I. 100% completion rate of trainings related to information security by 2024 II. 90% supply chain spend to be allocated to suppliers who have signed the Supplier Code of Conduct by 2026
	8. ESG Strategy Delivery	I. ESG strategy to be embedded into Alef's core decision making processes II. ESG subcommittee to monitor ESG strategy implementation

Contribution to UAE MOE's initiatives in COP 28

The Group, through Alef Education, signed a memorandum of understanding with the UAE Ministry of Education in October 2023 to establish a framework for increased collaboration in environmental sustainability and climate education. The framework includes:

1. Carbon Literacy Course: EcoChamps Program

UAE MOE's crucial support has led to policy changes and the establishment of constructive Green Education standards.

The Group, a strategic partner, significantly contributed to the program's success by introducing a groundbreaking Carbon Literacy Course. This curriculum not only aligns with COP28's sustainability goals but also empowers students with the knowledge needed to be environmentally responsible global citizens.

2. Alef Metaverse Experience

This Alef Education interactive platform transforms the educational landscape, immersing students in a dynamic virtual environment and enhancing their understanding of complex subjects.

3. Educators' Voice Community

The collaboration between the UAE MOE and the Group is evident in the creation of the Educators' Voice platform.

This platform underscores the Group's commitment to empowering educators. It provides a space for sharing insights, best practices, and collaborative efforts to enhance the overall teaching and learning experience.

4. Data Showcase Project

With UAE MOE data-associated partner projects, the Group's technology support has been pivotal in developing and implementing the Data Showcase Project to show UAE's achievements in Green Learning and contribution to climate change. The analysed data and visualisations were showcased at the COP 28 event in the Education hub.

Employees

For the financial year ending December 2023, the Group employed a total of 400 staff members across its operations. The table below details the total number of the Group's employees by division for the financial year ended 31 December 2023:

Sector	As at December 31, 2023
Education	67
Growth	39
Operations	53
Product	40
Service Delivery	96
Technology	105
Total	400

As of December 31, 2023, the Group employed a total of 400 staff members across its operations. The table below details the total number of Alef Education's employees by countries for the financial year ended 31 December 2023:

Country	As at December 31, 2023
UAE	345
Jordan	31
Indonesia	14
Other Countries	10
Total	400

The Group's total headcount expanded from 97 employees in 2017 to 359 employees in 2020 and 400 employees in 2023, in line with the expansion of the Group's operations. The headcount includes certain employees who are legally contracted by third parties in different jurisdictions.

Alef Education's operations are subject to various federal and Emirate level laws in the UAE, which govern wages, hours, benefits and other terms relating to employment. The UAE Labor Law is the main regulation governing employment relations in the UAE and it governs except for certain specific groups, such as individuals employed by Government bodies and individuals employed by companies registered in the financial free zones, such as the DIFC. Under the UAE employment laws, all non-UAE national employees are required to have a valid residency visa and work permit with their registered employer in the UAE.

'NAFIS' (National Program for Emiratisation) is a federal program that increases the competitiveness of Emirati human resources and empowers them to occupy jobs in the private sector. Launched as part of 'Projects of the 50', the program aims to accelerate the UAE's development journey and boost the economy.











As part of the reforms, the Emiratisation Program, in line with the national strategies and directives of the UAE government, directs all employers under the purview of the Ministry of Human Resources and Emiratisation to increase the Emiratisation rate in private sector operations and retain a minimum percentage of nationals each year. Although most of the company's workplaces are in a free zone and are therefore exempt from this requirement, the company strives to comply with these rules voluntarily. Currently, it maintains a 6% Emirati nationality rate in the UAE. Alef Education continues to work towards increasing the proportion of Emirati nationals by 2% each year until at least 10% of its employees in the UAE are Emirati nationals.

Alef Education is also subject to various federal and local laws in Jordan, Indonesia and other countries where employees work and live. Although most of these countries do not focus on hiring nationals, the company strives to maintain diversity in accordance with, or at a higher level than, state requirements. Alef Education is committed to complying with the laws in these locations and monitors regional changes by working with outside consultants.

Intellectual property

Alef Education has registered the wordmark of “Alef”, “ARABITS” and “ABJADIYAT” in English and other languages in various countries.

Details of the registration are summarized below:

Country	Trademark/Wordmark		Application Date	Application Number	Classes	Registration Status
Canada	ALEF EDUCATION Logo		January 28, 2019	1942969	41,42	Application filed. Under examination
China	ALEF EDUCATION logo (English & Chinese)		October 22, 2018	34171265 34171266	41 42	Registered Published
Egypt	ALEF EDUCATION (English & Arabic)		January 11, 2018	379793 379794	41,42	Appealed, awaiting approval
India	Alef & logo		June 15, 2017	3571576	42	Appealed, awaiting approval
Oman	Alef logo		June 11, 2017		35	Registered
Pakistan	ALEF EDUCATION (English & Arabic)		October 29, 2018	512265 512264	41,42	Approved, pending publication
Singapore	ALEF EDUCATION logo (series of 2)		September 20, 2018	402018190 00U	41, 42	Registered
Syria	ALEF EDUCATION		November 6, 2018	148777	42	Registered
USA	ALEF	Wordmark	June 5, 2018	67948853	41	Registered
UAE	ALEF EDUCATION (series of 2)		October 17, 2018	300149, 300150	41,42	Registered
Yemen	ALEF EDUCATION (series of 2)		October 30, 2018	87172, 87174	41,42	Registered
Saudi Arabia	ARABITS	Wordmark	January 24, 2021	271986	41	Application filed, under examination
Oman	ARABITS	Wordmark	January 4, 2021	142178,142 179	9,41	Registered
Kuwait	ARABITS	Wordmark	January 4, 2021	2021/00000 4, 2021/00000 3	9,41	Published

Bahrain	ARABITS	Wordmark	January 14, 2021	130992, 130993	9,41	Application advertised. Opposition period closed on February 27, 2021
Indonesia	ARABITS	Wordmark	December 22, 2020	DID202008 3110, JID202008 3116	9,41	Registered
Canada	ARABITS	Wordmark	December 16, 2020	2071287	9,41	Application filed, under examination
USA	ARABITS	Wordmark	December 15, 2020	90383606	9,41	Application filed, under examination
Turkey	ARABITS	Wordmark	December 15, 2020	2020/15875 1	9,41	Application filed, under examination
Australia	ARABITS	Wordmark	December 16, 2020	2143483	9,41	Published
Algeria	ABJADIYAT	Wordmark	October 25, 2017	103412	9,35,41,42	Registered
Bahrain	ABJADIYAT	Wordmark	October 26, 2017	120743,120 745,120746 , 120748	9,35,41,42	Registered
Egypt	ABJADIYAT	Wordmark	October 23, 2017	358951,358 952,358953 , 358954	9,35,41,42	Registered
Kuwait	ABJADIYAT	Wordmark	October 24, 2017	167322,158 911,157390 , 157389	9,35,41,42	Registered
Libya	ABJADIYAT	Wordmark	December 4, 2017	34204,3420 5,34206,34 207	9,35,41,42	Registered
Oman	ABJADIYAT	Wordmark	October 25, 2017	113841, 113840	9,35	Registered

See “Risk Factors — Risks Relating to the Group and its business — The Group’s brand is dependent upon its intellectual property rights, and any failure or inability to protect those rights could reduce the value of Group’s services and brand.”

Information technology systems

Alef Education has an established comprehensive, unified, and modern information technology (“IT”) infrastructure that offers a credible IT delivery model to support the management and operation of its business.

The Group’s business and operations include computer systems and software design activities necessary to provide its customers with digital education solutions.

The Group owns no data centers but has a hosted scalable infrastructure primarily with AWS. In relation to its business applications, Alef Education’s products are cloud-based, with most of the information technology business-critical systems based on the “Software as a Service” model.

The Group’s information technology systems are essential to several critical areas of its business operations, including its digital platforms and product portfolio, billing, electronic document management systems, and learning management systems. Further, the Group’s information technology systems are predominantly

cloud-based, with local content servers operating in selected schools and institutions.

The Group relies mainly on the following:

- Microsoft Dynamics 365 (ERP) for accounting, reporting, and procurement.
- Salesforce CRM for customer information, sales pipeline, renewal, and contract management.
- DarwinBox HRIS for personal/employee data.
- ManageEngine ITSM for incidents, requests and change management.
- Other third-party software providers, such as Google Suite and Microsoft Office 365, for identity management, emails, collaboration, and conferencing.
- Tableau for data reporting and analytics.
- Jira for Agile project management and a few others to monitor its entire operations.

The Group relies on the IT and telecommunication infrastructure provided by the following third parties to support its operations.

Etisalat by e&

The Group has entered into an agreement with Etisalat by e&, a leading telecommunications and internet service provider company in the UAE, to ensure that the Group receives high-speed internet access. The agreement was entered into on December 26, 2023, and expires on December 25, 2026, but can be extended upon mutual agreement between the parties.

E& Enterprise Cloud – Sole Proprietorship L.L.C

The Group is supplied with various IT support resources by E& Enterprise Cloud – Sole Proprietorship L.L.C (“E&”) pursuant to a contract entered into by both parties on July 21, 2023. The contract is valid for two years and can be extended upon mutual agreement between the parties.

The services provided by E& under the contract include the supply and onsite management of IT support to different remote sites and schools to support the Group’s business.

See ‘Risk Factors — Risk Factors relating to the Group and its business — Significant disruptions of the Group’s information technology systems, breaches of the Group’s data security, unauthorised disclosures or manipulation of sensitive personal data, could expose Alef Education to litigation or could adversely affect its business or reputation.’

Proprietary education platform utilising advanced technology

With the support of its in-house research team and subject matter experts, the Group has developed its proprietary digital learning platforms which harness advanced technologies to create an engaging and effective learning environment. Some of the latest data science, key digital technology and learning science employed by the Group include:

1. **Artificial intelligence (AI):** The Group utilises AI to provide personalised learning experiences for students. AI algorithms may analyse student performance data and adapt the learning content and pace to suit individual needs, thus optimising the learning process.
2. **Data analytics:** The platform leverages data analytics to track student progress, identify learning gaps, and provide insights to educators. This data-driven approach allows for personalised interventions and targeted support for students based on their specific learning needs.
3. **Interactive multimedia content:** the Group’s platform includes interactive multimedia content such as videos, simulations, and interactive exercises to enhance student engagement and comprehension. These resources are designed to make learning more dynamic and interactive.
4. **Cloud computing:** The use of cloud computing technology allows for scalable and flexible access to educational resources and tools. It enables seamless delivery of content and services while also facilitating collaboration and communication within the platform.
5. **Mobile and web technologies:** The platform supports access from various devices, including

mobile phones, tablets, and desktop computers. The Group does not develop its own hardware devices for accessing its digital learning solutions. This flexibility enables students to engage with the learning materials across different environments and devices.

6. **Adaptive learning algorithms:** The Group employs adaptive learning algorithms to customise the learning experience for each student based on their strengths, weaknesses, and learning styles. These algorithms help tailor educational content and exercises to suit individual student needs.
7. **Learning Management System (LMS):** The platform may incorporate a robust learning management system to organise educational content, assessments, and student data, thereby providing educators with tools to monitor student progress and manage the learning process effectively.

By integrating these technologies, the Group pioneered in providing a comprehensive digital learning experience that is tailored to the needs of individual students, supported by data-driven insights and personalised educational content.

Insurance

The Group maintains insurance coverage for various insurable risks under a range of insurance policies, including in relation to fidelity guarantee insurance, money takaful insurance, property all risk insurance, public liability insurance, workmen's compensation and employer's liability insurance, cyber primary layer insurance, excess layer insurance and professional indemnity insurance. Alef Education also maintains group medical insurance coverage for its staff members.

Litigation

At the date of this Prospectus the Group is not involved in any threatened or pending litigation. However, in the ordinary course of the Group's business activities, the Group may, from time to time, have disputes with customers, contractors and suppliers. The Group has not been involved in any other governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Group's management is aware) during the 12 months preceding the date of this Prospectus that may have, or have had, a significant effect on the Group's financial position or profitability.

2. Statement of capital development

Company's current share capital structure before the commencement of the Offering

The capital of the Company has been fixed at AED 70,000,000, divided into 7,000,000,000 (seven billion) Shares with a nominal value of AED 0.01 (one Fil) each. All Shares are equal in respect of all rights.

The following table illustrates the Company's ownership structure before and after completion of the Offering:

As at the date of this Prospectus –

Before Offering

Name	Nationality / Country of Incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Tech Nova Investment – Sole Proprietorship L.L.C	UAE	ordinary	5,950,000,000	AED 59,500,000	85%
Kryptonite Investments L.L.C	UAE	ordinary	1,050,000,000	AED 10,500,000	15%

*Based on the nominal value.

After Offering

Name	Nationality / Country of Incorporation	Type of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Tech Nova Investment – Sole Proprietorship L.L.C	UAE	ordinary	4,760,000,000	AED 47,600,000	68%
Kryptonite Investments L.L.C	UAE	ordinary	840,000,000	AED 8,400,000	12%
Successful Subscribers at Listing	Various	ordinary	1,400,000,000	AED 14,000,000	20%

*Based on the nominal value.

Company's capital structure upon completion of the Offering

Upon the completion of the Offering and subject to no increase in the Offer Size, the Company's paid-up share capital shall be AED 70,000,000 (seventy million), divided into 7,000,000,000 (seven billion) Shares with a value of AED 0.01 per Share. Assuming all of the Offer Shares are allocated and the Offer size is not increased, the Selling Shareholders will hold in aggregate 80% (eighty per cent) of the total share capital of the Company, assuming that the Selling Shareholders sells all of the Shares being offered and the Offering size is not increased. The Company has presented its plan to SCA for the Selling Shareholders to offer 20% (twenty per cent) of the total share capital of the Company. The Selling Shareholders reserve the right to amend the size of the Offering and size of any Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the applicable laws of the UAE and the SCA's approval.

No. of Selling Shareholders' Shares:	5,600,000,000 (five billion six hundred million) Shares
No. of total Subscribers' Shares (assuming all Offer Shares are allocated including all Tranches mentioned under the Prospectus):	1,400,000,000 (one billion four hundred million) Shares
Total:	7,000,000,000 (seven billion) Shares

3. Statement of the status of litigation actions and disputes with the Company over the past three years

The Company has not been involved in any material, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) preceding the date of this Prospectus which may have, or have had, a significant effect on its financial position or profitability.

4. Statement of the number and type of employees of the Group and of its subsidiaries:

As at 31 December 2023, the Group employed 400 employees broken down by division as follows:

Sector	As at December 31, 2023
Education	67
Growth	39
Operations	53
Product	40
Service Delivery	96
Technology	105
Total	400

5. Accounting policies adopted at the Company:

The Company prepares its accounts in accordance with IFRS as issued by the International Accounting Standards Board.

6. Statement of Company's financings, credit facilities and indebtedness and the most significant conditions thereof:

None.

7. Statement of current pledges and encumbrances on the Company's assets:

None.

8. Investment Risks:

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Shares that should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, our business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Shares. Additional risks and uncertainties not currently known to the Company or which it currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, results of operations, financial condition, prospects or the price of the Shares.

RISK FACTORS

Risks Relating to the Group and its business

The Group's revenues and financial performance is currently highly dependent on a single client which means the Group faces a prolonged period of operational and economic reliance on this single contractual relationship for its revenue stream. Any violation of the terms of this agreement will have a detrimental effect on the Group.

Alef Education's agreement with ADEK for the "Implementation of Education System in Abu Dhabi Schools" ("ADEK Agreement") is a cornerstone of its business model, binding the Group's financial health to the successful execution and continuity of this agreement. Given ADEK Agreement's duration from January 1, 2019, until December 30, 2030, Alef Education faces a prolonged period of operational and financial reliance on this single contractual relationship for its revenue. For the financial year ended 31 December 2023, revenue generated from the ADEK Agreement represented 99% of the Group's revenue from contracts with customers. Please read the risk factor: "A significant portion of the Group's revenue is generated from a business relationship with Presidential Court (PC) without a formal written agreement. The reliance of the Group on informal agreements places the Group in a vulnerable financial situation." The nature of Alef Education's business and contractual arrangement with the Government of Abu Dhabi inherently subjects the Group to a higher degree of operational and financial risk. Should the Government of Abu Dhabi decide to alter its educational strategy, shift towards a different vendor, or if there is a significant change in policy affecting online education provision, the ADEK Agreement could be at risk of non-renewal or early termination. Additionally, failure on Alef Education's part to meet the performance standards or deliverables stipulated in the ADEK Agreement could also lead to its discontinuation.

The ADEK Agreement sets out certain requirements and guidelines for the provision of the services for a fixed term of 12 years, which can only be renewed by the decision of both parties, in good faith, and may be terminated by ADEK without cause, if termination is considered by ADEK in its interest. The ADEK Agreement may also be terminated by either party, if the other party fails to perform its obligations within the timelines of the ADEK Agreement which has not been cured, commits any material breach of the ADEK Agreement which has not been remedied, becomes bankrupt or insolvent, tries to deceive or defraud in its dealing with the other party, or assigns or subcontracts any part of ADEK Agreement without the consent of the first party. ADEK is also entitled to terminate the ADEK Agreement on the change of control of Alef Education. While the ADEK Agreement provides Alef Education with a stable revenue source, it also exposes the Group and Alef Education to a spectrum of operational, economic, and financial risks. These challenges include maintaining high operational standards, managing cost overruns, adapting to regulatory changes, and dealing with broader market and economic fluctuations, all of which could significantly impact the Group's financial health and success throughout the term of the agreement. Furthermore, the ADEK Agreement, which is set for a fixed duration and subject to renewal upon mutual agreement, contains specific requirements and guidelines for service provision. However, there is no guarantee that the Group will meet all obligations or maintain the requisite operational standards as outlined in the agreement. Failure to adhere to these obligations could lead to a breach of contract, potential damages, or reputational harm to the Group. Additionally, the possibility of non-renewal by ADEK or the decision to terminate the agreement without cause introduces further uncertainty. This uncertainty, coupled with the inability to ensure compliance with the agreement's terms or guarantee its renewal, underscores the risk of adverse effects on the Group's reputation, financial standing, and operational performance.

The potential non-renewal or termination of the ADEK Agreement would not only result in the loss of the Group's key source of revenue but could also impact the Group's share price and future financing capabilities. It would necessitate a rapid strategic realignment to identify and secure alternative revenue sources, which could involve significant investment and lead time to achieve. This arrangement subjects Alef Education and the Group to significant economic and financial risks, in particular:

Revenue Concentration Risk: The ADEK Agreement is the primary source of Alef Education's and the Group's revenue, introducing a high degree of concentration risk. This dependency means that any fluctuations in the agreement's stability, whether through renegotiations, scope adjustments, or premature termination, could directly impact the Group's financial performance. The reliance on a singular revenue source limits diversification and increases vulnerability to the ADEK Agreement's dynamics and the broader economic environment affecting the education sector and government funding priorities.

Operational Execution Risk: The comprehensive nature of services Alef Education commits to under the ADEK Agreement, including software development, content creation, hardware provision, and ongoing

technical support, requires significant operational resources and expertise. The Group and Alef Education's financial stability is contingent upon its ability to continually meet or exceed the contractual obligations and performance metrics. Failure to do so could result in financial penalties, reduced payments, or, in the worst case, contract termination, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. *Cost Overruns and Scalability Challenges:* The ADEK Agreement stipulates Alef Education's responsibility for developing and supplying educational software and content, along with hardware and technical support. This arrangement exposes the Group and Alef Education to risks of cost overruns, especially if the development or provision of these services encounters unexpected challenges or if ADEK requests changes exceeding the complementary rework threshold. Additionally, scalability challenges could arise if the number of students or schools expands beyond initial projections, requiring the Group and Alef Education to invest more resources without proportionate increases in revenue under the fixed fee structure.

Regulatory and Compliance Risk: Alef Education's operations under the ADEK Agreement must adhere to evolving educational regulations and standards within the UAE. Changes in regulatory requirements or educational policies could necessitate unforeseen adjustments in its online platforms, potentially incurring additional costs or requiring rapid operational pivots that could strain financial resources and impact profitability.

Market and Economic Conditions: The long-term nature of the ADEK Agreement also exposes Alef Education and the Group to broader market and economic conditions that could affect its financial stability. Economic downturns, shifts in government education funding, or changes in educational technology trends could alter the contract's value or feasibility. Furthermore, inflationary pressures could erode profitability if the costs associated with delivering the contractual obligations rise faster than the compensation received under the ADEK Agreement, especially given the fixed nature of the Education Solutions Fee (which is calculated as a fixed fee for education content per student per academic year and varies depending on the level of enrolment) ("**Education Solutions Fee**") and the IT Infrastructure Solution Fee.

The requirement within the ADEK Agreement to adapt and rework up to 15% of the educational content without additional compensation introduces a nuanced layer of financial and operational risk, namely: 2

Content Reworking Related Risks: The ADEK Agreement provides that up to 15% of the educational content may be reworked at no extra charge places a potential financial burden on Alef Education and the Group, as the Group would be required to incur and absorb significant operational costs that would not be recouped through additional fees, unless the volume of changes requested by ADEK surpasses the 15% mark, at which point standard consultancy charges apply. This arrangement potentially subjects Alef Education and the Group to unforeseen financial strain, especially if the need for content adaptation is consistently at or near this cap, thereby squeezing margins and impacting profitability. Additionally, content reworking exposes the Group to additional operational burden, especially if they are extensive or require specialized input, which can in turn divert resources away from other critical areas such as innovation, development of new content, or enhancement of the platform's features. This could consume significant operational bandwidth and limit the Group's and Alef Education's ability to invest in areas that are crucial for maintaining competitive edge and meeting evolving educational needs.

While the provision for standard consultancy charges beyond the 15% rework threshold offers a mechanism to recoup some costs, consistently exceeding this limit could signal deeper issues with the alignment of expectations between Alef Education and ADEK, including on content strategy, which could lead to potential contractual disputes, particularly on the parties' interpretation of what constitutes the threshold for additional charges. Any of these factors could strain the relationship with ADEK, disrupt the smooth execution of the ADEK Agreement or impact the financial outcomes of the ADEK Agreement, which would in turn adversely impact the Group's reputation, financial position and operational outcomes.

Market Competitiveness and Innovation Risks: The operational focus on adapting and reworking existing content to meet ADEK's requirements could inadvertently constrain Alef Education's capacity to innovate and respond to market trends. In a fast-evolving educational technology landscape, the necessity to allocate significant resources towards content adaptation may hinder the Group and Alef Education's ability to invest in new technologies, develop innovative teaching methodologies, or expand its service offerings, potentially affecting its competitive position in the market.

The ADEK Agreement sets forth strict performance timelines and deliverables, incorporating a framework for liquidated damages that enforces financial penalties for any delays in service provision. These penalties are stipulated to reach up to 10% of the annual Education Solutions Fee for the students affected by such

delays. This contractual provision introduces several risks to the Group and Alef Education, encompassing economic, legal, and financial matters, particularly:

Financial Risks from Liquidated Damages:

- *Profitability and Cash Flow Impact:* The imposition of liquidated damages for delays directly impacts the Group's and Alef Education's profitability. Given that these damages can amount up to a maximum of 10% of the annual Education Solutions Fee, recurring delays, or failure to meet specified timelines could significantly erode the Group and Alef Education's profitability and operational margins and also strain the Group and Alef Education's cash flows, especially if such payments become frequent or if multiple projects experience delays simultaneously. This is particularly consequential in a high-volume, low-margin environment where even minor reductions in revenue can have amplified effects on net income. Additionally, the requirement to pay liquidated damages can also strain the Group and Alef Education's cash flows, especially if such payments become frequent or if multiple projects experience delays simultaneously. This could necessitate the diversion of financial resources from critical areas such as research and development, marketing, or expansion initiatives to cover the penalties, which could have a negative effect on the Group's cash flow and the Group may require additional working capital or third-party funding.

Legal Risks from Indemnification Obligations:

- *Exposure to Liability:* Alef Education's obligation to indemnify ADEK against damages arising from negligence, wrongful acts, or infringement of third-party intellectual property rights introduces substantial legal risks. This indemnification can lead to significant financial liabilities, especially in cases involving substantial claims related to intellectual property rights violations, where the costs of litigation and potential damages awarded could be extensive.
- *Reputational Damage:* Legal disputes or findings of liability could also tarnish the Group's and Alef Education's reputation, potentially affecting its ability to secure future contracts or partnerships. The legal risks associated with indemnification obligations could deter prospective clients or collaborators, especially those for whom stringent compliance and risk management are priorities.

Operational and Strategic Risks:

- *Resource Diversion:* Meeting the stringent performance timelines and managing the indemnification obligations may require Alef Education to allocate substantial operational and managerial resources to compliance and risk mitigation efforts. This diversion of resources could detract from the Group and Alef Education's focus on strategic initiatives, innovation, and market expansion, limiting its ability to capitalize on new opportunities.
- *Contractual Rigidity:* The strict contractual requirements and the potential for financial penalties may also make the Group and Alef Education more risk-averse, potentially leading to conservative decision-making that prioritizes compliance over innovation. This could inhibit the Group's agility and responsiveness to market changes, impacting its competitive edge and long-term growth prospects.

The stringent performance timelines, liquidated damages provisions, and indemnification obligations within the ADEK Agreement introduces a complex web of economic, legal, and financial risks for Alef Education. These risks not only threaten Alef Education's financial health and operational efficiency but also pose broader strategic challenges that could affect its market position and long-term viability.

The governance structure and renewal provisions outlined in the ADEK Agreement, coupled with specific conditions for termination, including early termination provisions fee that could reach the value of the Education Solutions Fee due up to the end of the term of the ADEK Agreement, weave a complex tapestry of uncertainties and vulnerabilities for the Group and Alef Education, impacting its long-term revenue continuity and stability. These aspects of the ADEK Agreement introduce several economic, legal, and financial risks:

Economic Risks:

- *Uncertainty in Revenue Continuity:* The requirement for renewal discussions twelve months prior to the ADEK Agreement's expiry, which is due on December 31, 2030 injects a degree of uncertainty into Alef Education's long-term financial and strategic planning. The inability to secure a renewal well

in advance of the ADEK Agreement's termination could hinder the Group's and Alef Education's ability to make informed strategic decisions, allocate resources efficiently, and plan for sustained growth, affecting overall economic stability.

- *Vulnerability to Market Dynamics:* The stipulated conditions for termination, particularly in response to changes in the Alef Education's control, underscore a heightened sensitivity to external market conditions and shifts in the business environment. Change in Alef Education's control which could lead to termination of the ADEK Agreement, may be through acquisition, sale or purchase of either the voting rights attaching to 50% or more of the voting shares of Alef Education; or power to direct or cause direction and management of policies of Alef Education in accordance with the acquirer's wishes, whether as a result of ownership of shares, control of board of directors, contract or any powers conferred by articles of association of Alef Education. Such provisions expose Alef Education and the Group to economic risk if market-driven control changes, such as mergers, acquisitions, or significant shifts in share ownership, are perceived negatively by ADEK, potentially leading to premature contract termination.

Legal Risks:

- *Contractual Compliance:* The detailed governance structure and the prerequisites for contract renewal and termination necessitate meticulous legal compliance and strategic foresight. Failing to adhere to these stipulations or to effectively navigate the legal complexities of governance and control changes could lead to breaches of contract, invoking legal disputes or termination proceedings.
- *Exposure to Litigation:* Changes Alef Education control that trigger termination provisions could also expose Alef Education to litigation risks, not only with ADEK but also with third parties affected by the sudden halt in operations or service delivery. Such legal challenges could incur significant expenses, distract management, and further destabilize Alef Education's operational framework.

Financial Risks:

- The uncertainty surrounding the renewal of the ADEK Agreement, coupled with the possibility of its termination due to changes in the control of Alef Education, significantly impacts the Group's and Alef Education's financial position and their ability to secure financing. This perceived contract volatility may lead investors and creditors to consider it a risk factor, potentially resulting in a higher cost of capital or challenges in accessing financial markets for essential growth capital. Concurrently, the requirement to commence renewal discussions twelve months before the agreement's expiry places a substantial demand on the allocation of managerial and financial resources to ensure the contract's continuation. This allocation involves not just direct costs but also significant opportunity costs, as the resources committed to these negotiations could have been utilized for other strategic pursuits or operational enhancements, highlighting the intricate balance between managing contractual relationships and pursuing broader business objective.

The governance provisions, renewal requirements, and termination conditions within the ADEK Agreement present a multifaceted risk profile. These elements introduce economic uncertainty, legal compliance challenges, and financial vulnerabilities, particularly relating to long-term revenue continuity, market valuation, and Alef Education's ability to adapt to and mitigate the repercussions of external business environment changes and control shifts. These risks necessitate vigilant management and strategic agility to navigate potential disruptions and safeguard Alef Education's operational and financial integrity.

Alef Education is party to a number of supply agreements that subject the Group to various economic, legal, and financial risks that could materially impact the Group's operations and reputation.

Alef Education has entered into a private pricing addendum with Amazon Web Services EMEA SARL ("AWS"), effective from April 12, 2022, until April 30, 2026 (as extended), which is an addendum to AWS's standard customer agreement, as available on AWS' website. While this addendum provides financial benefits, including discounts and credits for Alef Education using AWS's webservices, it also subjects Alef Education and the Group to various economic, legal, and financial risks that could materially impact its operations and reputation.

Financial Risks:

- *Dependency on AWS Services:* The financial incentives provided under the addendum may lead to

increased reliance on AWS for critical services. This dependency could limit Alef Education's ability to switch to alternative providers or negotiate more favourable terms in the future, potentially affecting its operational costs and strategic agility. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Legal Risks:

- *Broad License to Use Alef Education's Name and Logos:* The addendum grants AWS and its affiliates a non-exclusive, worldwide, royalty-free license to use Alef Education's name and logos to identify Alef Education as an AWS customer. This broad license, especially the inclusion of an extensive range of affiliates, could result in the Group's brand being associated with entities and services beyond the Group's control or approval, potentially diluting its brand value or aligning it with services or standards not in line with Alef Education's ethos. This creates a reputational risk.

Financial Risks:

- *Termination and Revocation Rights:* Although the agreement includes provisions for terminating the use of Alef Education's name and logos by AWS with a 30-day written notice, any misuse or undesirable association prior to such termination could have lasting negative effects on Alef Education's brand reputation and shareholder value.
- *Operational Costs Related to Brand Management:* Managing and monitoring the use of Alef Education's name and logos by AWS and its wide network of affiliates may incur significant operational costs, including potential legal expenses to address any misuse or to dissociate Alef Education's brand from undesirable affiliations.

While the private pricing addendum with AWS offers certain immediate financial benefits, the broader implications of the licensing provisions introduce significant risks. These include potential challenges in maintaining brand integrity, negotiating future service agreements, and ensuring that Alef Education's brand associations align with its strategic goals and values, and the Group may become subject to negative publicity and lose users as a result of a loss of their confidence in the Group's brand, and may also become subject to litigation or other proceedings. Any such proceedings could divert management attention and Alef Education's and the Group's other resources from its business and cause the Group to incur significant unplanned losses and expenses. Clients' perception of the Group's brand could also be negatively affected by these events, which could further adversely affect the Group's business and results of operations of the Group.

Also, Alef Education has committed to a telecommunications and internet services agreement with Etisalat by e& ("Etisalat"), one of the foremost providers in the United Arab Emirates, to secure high-speed internet access at preferential rates. This agreement, which commenced on December 26, 2023, and is set to conclude on December 25, 2026, represents several economic, legal, and financial risks that could materially affect the Group's operations, financial condition, and prospects, in particular:

Economic Risks:

- *Operational Dependency:* The agreement underscores Alef Education's reliance on Etisalat for critical internet and telecommunications services essential for its daily operations. Any disruptions or deteriorations in service quality could adversely impact Alef Education's and the Group's operational efficiency and productivity.
- *Cost Implications of Early Termination:* Should the Group opt to terminate the agreement prematurely, Etisalat is entitled to impose financial penalties, including the revocation of discounts and potentially other penalties. Such costs could significantly affect Alef Education's and the Group's financial planning and economic standing.

Legal Risks:

- *Termination Rights and Penalties:* The condition that allows Etisalat to levy penalties for early termination by Alef Education introduces a legal obligation that could lead to substantial financial liabilities, particularly if the termination is necessitated by unforeseen business needs or strategic shifts.

- *Unilateral Termination by Etisalat:* Etisalat’s authority to terminate the agreement without notice on specific grounds, such as contract breach or operational concerns, and its right to end the agreement with thirty days’ notice for any reason, places Alef Education and the Group in a vulnerable position. This could lead to sudden loss of services and necessitate rapid sourcing of alternatives, potentially under less favourable terms.

Financial Risks:

- *Impact on Financial Planning:* The potential for financial penalties and the loss of discounted rates in the event of early termination by either party could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects. Moreover, the necessity to find alternative services could result in higher operational costs.
- *Liability for Breach of Contract:* The agreement’s terms regarding breach and termination expose Alef Education and the Group to potential liabilities and financial burdens. This includes not only penalties for early termination but also costs associated with any legal disputes or litigation arising from alleged breaches of contract terms.

The reliance on a single provider for telecommunications services, combined with the contractual terms governing termination and penalties, poses significant risks to the Group’s operational stability and financial health. These factors could constrain the Group’s operational flexibility, impact strategic decision-making, and impose unexpected financial burdens, all of which investors should carefully consider.

Alef Education is a party to a number of supply contractual arrangements and any breach of the terms of these agreements could cause financial and operational risks to the Group.

Alef Education is party to an agreement (“**MOD Agreement**”) with the Ministry of Defence (“**MOD**”) for the purposes of providing Alef Education’s online educational platform for teaching academic subjects to K7-12 students in military high schools of Al Ain, Al Dhafra and Al Dhaid City for a term of 4 years, beginning from 2021-22 school year, which includes provisions for a performance bond and stipulates specific damages and limitations of liability that introduce substantial financial and operational risks to *Alef Education*. These provisions could materially impact the Group’s financial condition and operational capabilities, in particular:

Performance Bond Risk: Alef Education has issued a performance bond equivalent to 10% of the contract value of the MOD Agreement. This bond is a guarantee of Alef Education’s performance under the MOD Agreement and must remain in effect for a minimum of 120 days beyond the agreement’s expiry. The requirement to maintain such a bond represents a significant financial commitment and could affect the Group’s liquidity by tying up capital that could otherwise be used for operational needs or growth initiatives. Furthermore, if the MOD claims the performance bond due to perceived non-performance or delays by Alef Education, this could lead to a substantial financial loss to the Group.

Damages and Liability Risks: The MOD Agreement holds Alef Education liable for compensating the MOD for any damages or liabilities incurred to their or any third-party’s property, or for death and/or injury, resulting from the misconduct, negligence, or failure of delivery of services by Alef Education. This encompasses damages arising from the misconduct of Alef Education’s employees and includes any failure, damage, or breakdown of devices, equipment, facilities, and buildings at MOD work sites. The broad scope of this liability, which extends to a vast array of potential incidents, poses a significant risk. While the MOD Agreement caps the total aggregate liability to the total student subscription fees paid by the MOD during the 6 months immediately preceding the date on which the claim arose, this limitation may not fully mitigate the financial impact of large claims or the potential for multiple claims within a short period. Additionally, reputational damage resulting from any such incidents could have long-lasting effects on Alef Education’s business prospects and relationships with other clients.

Operational Execution Risk: The comprehensive nature of services Alef Education commits to under the MOD Agreement, including software development, content creation, hardware provision, and ongoing technical support, requires significant operational resources and expertise. The Group and Alef Education’s economic stability is contingent upon its ability to continually meet or exceed the contractual obligations and performance metrics. Failure to do so could result in financial penalties, reduced payments, or, in the worst case, contract termination, thereby straining the Group and Alef Education’s financial position and operational capability.

Moreover, the process of addressing claims for damages or liabilities could divert management’s attention from its core operations and strategic objectives, leading to operational inefficiencies. It may also necessitate significant legal and financial resources to resolve disputes or claims, further impacting its financial condition and operational performance. Additionally, failure on Alef Education’s part to meet the performance standards or deliverables stipulated in the MOD Agreement could also lead to its discontinuation.

Risks relating to regulatory oversight and the licensing requirements in the UAE and the Group is subject to a wide variety of regulations and is required to obtain and maintain various licenses and permits, any failure of which may have a material adverse effect on us.

The Group’s business and operations are subject to various laws, rules, regulations, and licensing requirements in the United Arab Emirates (“UAE”). They are overseen by several regulatory bodies, specifically the Ministry of Education (“MOE”) established by virtue of Federal Law No. 1 of 1972 (as amended).

The MOE is the overarching federal authority governing education in the UAE, including all stages of education at the national level, including schools, colleges, universities, and post-graduation programs, as well as other educational service providers and platforms. The MOE plays a crucial role in regulating and overseeing education across the UAE, ensuring quality standards and safety for students in both private and public schools. While it does not directly control private school curricula (except for Arabic, social studies, and Islamic studies), it sets overall guidelines that private schools must adhere to its Quality Assurance and Inspection Division.

Emirates School Establishment (“ESE”), an independent federal entity established by virtue of Federal Decree-Law No. 15 of 2016, with the aim of enhancing the efficiency of public schools across the UAE. It focuses on creating a positive learning environment enriched with innovation, knowledge, and skills. ESE manages responsibilities related to teaching staff, student well-being, exam management, and operational matters.

In November 2017, the MOE and ADEK, aligned the Abu Dhabi education system to standardise policies and curriculum in public schools across the UAE to ensure proper and unified management that is in line with the Emirati School Model (“ESM”).

ADEK, the education sector regulator across the Emirate of Abu Dhabi is responsible for licensing all private educational bodies and monitoring their obligations to provide the highest quality of services as well as controlling and overseeing institutions with respect to, inter alia, budget disbursements, revenue and approving their strategic and operational plans.

Also, Alef Education’s operations under the ADEK Agreement must adhere to evolving educational regulations and standards within the UAE. Changes in regulatory requirements or educational policies could necessitate unforeseen adjustments in its online platforms, potentially incurring additional costs or requiring rapid operational pivots that could strain financial resources and impact profitability.

The Knowledge and Human Development Authority (“KHDA”) is the government authority responsible for the growth and quality of private education in Dubai. Similarly, the Sharjah Private Education Authority (“SPEA”) serves as the education sector regulator in the Emirate of Sharjah, regulating and supervising private educational institutions, including nurseries, schools, centres, and institutes. Also, The Federal Authority for Quality and Standards of Education, affiliated with the UAE Cabinet, is tasked with measuring educational outcomes, student performance, and the efficiency of the educational process. This authority was established in 2022 by virtue of Federal Decree-law No. 44 of 2022 on the Establishment of the National Centre for Education Quality.

Regulations constantly evolve and are subject to regular review and amendment by the regulatory authorities and the Group is unable to predict the future course of regulations. In case of failure to comply with existing laws and regulations, meet any licensing requirements or comply with the directives contained in the findings of any regulatory inspections, the authorities may suspend or revoke licenses, impose fines or other restrictions on online educational platforms and their operators.

Any termination or suspension of any license or permit or non-renewal of any of the Group’s licenses or permits for whatever reason could result in the cessation of the respective license, significantly curtailing the relevant the Group’s ability to enrol new students or offer educational services. Any such event may

cause the relevant online educational platforms and therefore the Group, to incur costs to fulfil their obligations to the enrolled students and may expose the online educational platforms and the Group to claims, which may have a material adverse effect upon the Group's reputation and its ability to attract or retain its existing business or the Group's ability to expand in the future. Also, the Group is required to comply with applicable education related regulations and a variety of other laws and regulations in relation to its operations process. Considering the complexity and magnitude of the laws and regulations, compliance with them may be burdensome or require a significant amount of labour, financial or other resources. These laws and regulations change from time to time and thus the relevant UAE government authorities might impose additional or more stringent laws or regulations that might lead to significantly increased compliance costs, which the Group may not be able to pass on to end users. Failure to comply with the licensing or other regulatory requirements may lead to withdrawal of business license(s), or potentially criminal liabilities, which will materially and adversely affect the Group's reputation, as well as its business, financial condition, results of operations and prospects.

The Group's financial performance depends on the level of student enrolment in the Group's online educational platforms.

Whilst the Education Solutions Fee under the ADEK Agreement has a minimum commitment clause with 80,000 students, the levels of student enrolment in the Group's online educational platforms are critical to the Group's financial performance. As per the ADEK Agreement, the Education Solutions Fees are calculated on the basis of the number of enrolled students using ADEK's official enrolment register in the respective grades at the schools. Additionally, the IT Capital Expenditure (CAPEX) per student, IT CAPEX, and IT maintenance fees, which are directly based on the actual number of enrolled students, also represent significant financial considerations that can fluctuate and potentially increase with varying enrolment numbers, adding another layer of financial risk. Furthermore, the termination clause within the ADEK Agreement introduces additional risks that could have potential impacts on future revenue streams and the strategic positioning of the Group's online educational platforms.

In addition, if the Group fails to maintain the quality of its educational products, parents may choose not to enrol or re-enrol their children or may remove their children from the Group's online educational platforms. If the Group is unable to attract or retain students in its online educational platforms, its business, results of operations, financial condition and prospects could be materially and adversely affected. Any reduction in the numbers of students, schools, or government programs enrolling in or attending the Group's online educational platforms could have an adverse effect on the Group's reputation, business, prospects, results of operations and financial performance.

Furthermore, Alef Education acknowledges that there is a risk associated with the transition of schools from being under the supervision of ADEK or the MOE to becoming charter schools during the term of ADEK Agreement. This transition introduces a degree of uncertainty regarding the continued implementation of the Alef Education System within these schools.

Upon a school's transition to charter status, the decision to continue the use of the Alef Education System will be solely with the charter school operator. Should a charter school operator decide against the implementation of the Alef Education System, ADEK is not obligated to cover any costs associated with the services for the affected schools, post-transition. This could result in a reduction in expected revenue for the Group, potentially impacting the Group's financial performance and projections. Also, the minimum number of students outlined in the roll-out plan will be adjusted downwards to account for the total number of students enrolled, or planned to be enrolled, in the Alef Education System at the schools undergoing transition. Any such downward adjustment would result in a corresponding reduction in Group's revenue receivable under the ADEK Agreement, which may affect the Group's ability to meet previously set targets, potentially impacting long-term planning and resource allocation. Any such event may have a material adverse impact on the Group's business, prospects, results of operations and financial condition.

The Group is providing services to Northern Emirates and Dubai Public schools without any revenue and incurring costs. The Group's inability to monetize these services could significantly impact its financial performance over the long term, potentially affecting its ability to sustain operations and achieve.

The Group is currently engaged in providing services to public schools within the Northern Emirates and Dubai without generating any revenue, while simultaneously incurring related costs. Although there are ongoing discussions aimed at formalizing these engagements through agreements or Memoranda of Understanding ("MOU"), no definitive arrangements have been finalized to date. Additionally, the Group

extends its services beyond the borders of the United Arab Emirates under similar non-revenue conditions to countries such as Indonesia and Morocco.

The continuation of providing services without revenue generation, both within the Northern Emirates and Dubai public schools and internationally, poses a substantial risk to Alef's financial sustainability. While efforts are being made to start monetizing some of these contracts, there is no guarantee that these efforts will result in successful revenue generation in the near future. The Group's inability to monetize these services could significantly impact its financial performance over the long term, potentially affecting its ability to sustain operations and achieve planned growth objectives. Investors should consider the potential for ongoing costs without offsetting revenue, which could adversely affect the Group's profitability and financial condition.

A significant portion of the Group's revenue is generated from a business relationship with Presidential Court (PC) without a formal written agreement. The reliance of the Group on informal agreements places the Group in a vulnerable financial situation.

Alef Education's revenue model is dependent on an informal financial arrangement with the Presidential Court (PC) ("PC Arrangement") for a significant portion of its revenues. While Alef Education has a formal agreement with ADEK that outlines the fee structure for its online educational platforms, PC, without a formal written agreement, contributes 40% of these fees. The ADEK Agreement provides for an Education Solutions Fee per student per academic year payable to Alef Education of AED 4,847.70 for more than 75,000 students. Further, the Group receives an additional amount of AED 3,232 per student through invoices paid by the PC under the PC Arrangement without a formal written agreement.

This arrangement requires Alef Education to divide its invoicing to reflect the 60%-40% payment distribution between ADEK and PC, yet all invoices are directed solely to ADEK. On 17 April 2024, PC issued a letter addressed to Alef Education confirming that PC undertakes to pay five invoices accrued until the date of this Prospectus as set out in the letter. This relates to the additional 40% payable to PC, on top of the fees payable by ADEK.

While the written commitment by PC to pay the accrued fees associated with the ADEK Agreement until the date of this Prospectus reduces the financial vulnerability of the payment of the associated fee as at the date of this Prospectus, the absence of a documented agreement with PC introduces a level of financial vulnerability and threatens the operational sustainability of Alef Education. With respect to the future payments, relying on informal agreements and the goodwill of PC for almost 40% of its revenue stream places the Group in a vulnerable financial situation. This reliance on unwritten understandings and historical precedents lacks the legal framework protection afforded by a legally binding agreement, making the Group's financial inflows from PC uncertain and potentially unreliable. Accordingly, the absence of a written contract in place with PC may impair the Group's ability to collect future fees from PC and enforce protections afforded under written contracts (including the right of recourse in case of PC's failure to make due payments).

This impacts the Group's ability to forecast and plan its financial operations with certainty. In the event of a dispute or change in the PC's commitment, the Group may find itself without recourse or a clear mechanism to ensure the continued flow of funds, thereby affecting its operational capacity and financial position.

The Group's financial performance depends in part on its ability to increase its fixed or capped fees and maintain the profitability of the Group's online educational platforms.

While the ADEK Agreement provides for a price escalation provision, the Group may need to raise the level of fixed or capped fees for its online educational platforms from time to time to keep pace with inflation and rising costs, and/or to maintain its profitability and carry out its strategy. There can be no assurance that the Group will be able to raise its fees on a timely basis or at all, or that it will be able to control costs to maintain the profitability of its online educational platforms.

Factors that could have an adverse impact on the Group's ability to maintain or increase its fees include (i) reductions or discounts to the applicable fees by other online educational platforms that seek to compete in the Group's markets and lower fees of new competitor online educational platforms; and (ii) negative perceptions by parents, and in turn the schools, of the quality of the educational offering or value for money.

Furthermore, adverse reactions from ADEK or schools to proposed increases may result in demands for

higher spending by the Group's online educational platforms on academic programmes or student services that could offset the increase in profitability sought by the enrolment fee increase. If the Group is unable to increase its fees or maintain the profitability of its online educational platforms, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

If the pattern of payment of fees in the Group's Online educational platforms materially changes, this may have a negative effect on the Group's cash flows and operations.

Pursuant to the ADEK Agreement, the Alef Education's fees are paid in arrears on a trimester basis in each academic year (beginning on 1 October), in the following manner:

- (a) For the first trimester – 30 December;
- (b) For the second trimester – 31 March; and
- (c) For the third trimester – 31 July.

Additionally, the Group's IT set-up fees are payable at the start of the academic year only and are accordingly subject to cyclical payments that are typically recorded in the third quarter of the financial year. Further, any change to the pattern of the collection of fees or delay in payments from the Group's customers, including ADEK or PC, may negatively impact the Group's cash flows and operations. For example, payments by ADEK under the ADEK Agreement are subject to 30 day payment terms, while PC, payments have typically been collected within 45 to 60 days, subject to certain delays in the past, including for services rendered in connection with the financial year ended 2023. If the payment terms are amended or adjusted under the ADEK Agreement or if the Group was required by the Government of Abu Dhabi or due to market conditions to collect education fees other than as described above, this could have a negative effect on the Group's cash flow and the Group may require additional working capital or third-party funding to finance its operations. Such financing may not be available upon request, at commercially reasonable rates, or at all. Any future increase in defaults and/or significant delays in the payment of the Group's fees may impact the Group's cash flows and its ability to meet its obligations, which may in turn have an adverse effect on its business, prospects, results of operations and financial condition.

The Group faces competition, which could divert schools and students to the Group's competitors, lead to pricing pressure and loss of market shares, and significantly reduce the Group's results of operations.

The smart learning device service market in UAE and across the Middle East is competitive, and the Group expects competition in this sector to persist and intensify. Some of the Group's current or future competitors may have longer operating histories, a larger group of educational resource development crew, greater brand recognition, or greater financial, technical or marketing resources than the Group does. The Group competes with these smart learning providers across a range of factors, including, among others, product quality, scope of digital educational resources, technology infrastructure and data analytics capabilities, students' learning experience, brand recognition and scope of the device offerings. Moreover, as the demand for smart learning device services increases, the Group expects more new market entrants will participate in the industry, resulting in more intense competition. These competitors may adopt similar product and marketing approaches, with different pricing and service packages that may have greater appeal than the Group's offerings. Management believes one of the Group's current competitive advantages is successful applications of advanced technologies and strong AI, big-data and cloud related capabilities in the Group's product research and development processes. However, such technologies are subject to rapid evolution and commoditization. The constant and rapid technological developments and advancements may render the Group's product models in the common forms and with the common functionalities that are generally available today outdated or obsolete, and merging products with new functions may substitute existing product models or products quickly. If the Group is not able to catch up with the latest and the most advanced technologies in a timely manner while maintaining sufficient and competent technical staff, the Group may lose its existing technological competitiveness to competitors and the attractiveness of the Group's products will be materially reduced. The Group cannot assure investors that the Group will maintain its competitive advantages in developing high quality smart learning devices with digital educational resources and compete effectively with new or existing market players. Lastly, some of the Group's competitors may have more resources than the Group does and may be able to devote greater resources than the Group can to the development and promotion of their services and respond more quickly than the Group can to the changes in student preferences, market needs or new technologies. If the Group reduce selling prices or increase spending in response to competition in order to retain or attract schools and students and high quality educational resource development staff, or pursue new market opportunities,

the Group's costs and expenses may increase as a result of such actions, and may lead to a decrease in net profit, which may adversely affect the Group financial position and results of operations. If the Group is unable to successfully compete for schools and students, maintain or increase the Group's selling prices, attract and retain competent educational resource development staff or other key research and technology personnel, maintain the Group's competitiveness in terms of the quality of the Group's smart learning devices in a cost-effective manner, the Group's results of operations may be materially and adversely affected.

The Group's business depends heavily on the strength of the Group's brand awareness and reputation, and end users' recognition and their trust in the Group's smart learning may be materially and adversely affected if the Group fails to maintain and enhance the Group's brand and reputation.

The Group considers the popularity and recognition of its brand, which is important to its marketing and promotional efforts, as well as its overall reputation linked to its product offerings, to be fundamental to its success. Known for its technology-driven educational solutions, the brand enjoys a strong standing within the UAE's education sector. The Alef Education's brands are recognized as a reputable technology-powered education brand in the UAE. Therefore, maintaining and enhancing the recognition and image of the Group's brands is critical to the Group's ability to differentiate its services and products to compete effectively. The Group's brands and reputation may be harmed by defects, ineffective customer services, product liability claims, consumer complaints, intellectual property infringement or negative publicity or media reports. Any negative claim against the Group, even if meritless or unsuccessful, may divert the Group's management's attention and other resources from day-to-day business operations, which may adversely affect the Group's business, results of operations and financial condition.

Negative media coverage regarding the safety, price-level or quality of Alef Education's products, and the resulting negative publicity, may materially and adversely affect the level of consumer recognition of, and trust in, Alef Education and its products. In addition, adverse publicity about any regulatory or legal action against the Group may damage the Group's reputation and brand image, undermine the end users' confidence in the Group and reduce long-term demand for the Group's services or products, even if the regulatory or legal action is unfounded or immaterial to its operations.

Furthermore, as the Group continues to grow, expand its product offerings, extend the geographic reach of the distribution network, maintaining product quality and consistency may be more difficult and the Group cannot guarantee that it can maintain the end users' confidence in its brand name. If end users perceive or experience a reduction in the quality of the Group's products, or consider in any way that the Group fails to deliver consistently high-quality products, its brand value could suffer, which could have a material and adverse effect on its business.

The Group has registered the logo of its "Alef" trademark under several classes in UAE, along with the "Alef Education" trademark. Additionally, the Group has also registered wordmarks for several of its product offerings in the UAE. These include "Arabits" and "Abjadiyat". However, the Group cannot guarantee that the Group may from time to time be involved in lawsuits brought against it by third parties for trademark infringement. The Group may have to incur significant expenses and divert substantial management time and resources to respond to those cases. Such legal proceedings may materially and adversely affect the Group's brand image and damage its brand value, regardless of their merits. The Group considers trademarks and brand name to be material to the Group's business. If the Group is unable to adequately protect these intellectual property rights, the Group may lose these rights, the brand image may be harmed, and the competitive position and business may suffer.

The Group depends on its dedicated and capable educational resource research and development crew and other research staff, and if the Group is not able to continue to hire, train and retain such qualified staff, it may not be able to maintain consistent quality of the courseware, pre-recorded video resources and other digital educational resources. As such, the Group's brand, business and operating results may be materially and adversely affected.

The Group's educational resource research and development crew and other research staff are critical to maintaining the quality of the courseware, pre-recorded video resources and other digital educational resources, which in turn, is essential for maintaining its brand and reputation.

It is critical for the Group to continue to attract and retain qualified educational resource research and development crew and other research staff who have a strong command of the subject areas and meet its qualifications. The number of such personnel in the UAE with the necessary experience and proficiency in

developing digital educational resources that meet the Group's needs and standards is limited and the Group must provide competitive compensation packages to attract and retain such qualified personnel. In addition, criteria such as commitment and dedication are difficult to ascertain during the recruitment process, in particular as the Group continues to expand and acquire educational resource research and development crew to further complete and upgrade its content offering. The Group must also provide continuous training to them so that they can stay up to date with changes in student demands, admissions and assessment tests, admissions standards, curriculum, and other key trends necessary to effectively proceed with the development of their respective courses. The Group may not be able to hire, train and retain enough qualified educational resource research and development crew to keep pace with its anticipated growth while maintaining consistent quality across its services in different geographic locations.

Introducing new products or developing new digital educational resources involve significant development and research costs on one hand, and inherent risks on the other, such as over-estimated market demand, unsatisfied product quality, unsuccessful pricing strategy. Failure to successfully diversify and expand the Group's product and brand portfolio to adapt to the constantly changing learning needs and preferences and market trends may cause the results of its operations to decrease as the Group will not be able to recoup the associated costs, may jeopardize the Groups competitive advantage and market share, and may result in continued reliance on the Group's existing products and brands. Any of these events could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

However, there is no assurance in the future that any of the Group's staff may be required to apply for and obtain permits or licenses due to the change of laws and regulations or other reasons beyond the Group's control. The failure of the Group and/or any of the relevant staff may subject the Group to administrative penalties, such as rectification of such non-compliance promptly. Shortages of qualified educational resource development crew or decreases in the quality of the Group's instruction, whether actual or perceived, in one or more of the Group's markets may have a material and adverse effect on the Group's business.

The Group's development strategies may not achieve the expected goals in the near term, or at all.

The Group focuses on the long-term development and interests of the Group and the participants in its product and service offerings. The Group from time to time develops and adjusts its business strategies in order to adapt to the competitive industry and maintain the Group's market position. However, the Group's strategies may not achieve the expected goals as planned.

In addition, the Group may consider exploring new business initiatives from time to time, the development of which may not always achieve its initial expectations. Even if the Group is able to launch a new business initiative in the future, there is no assurance that it will be accepted by the market and achieve the Group's initial expectations, such as driving additional revenue streams or attracting more end users. Moreover, to support the Group's future development, the Group may plan to recruit a significant number of IT, product and technical development staff and educational resource development staff in the near future, which may, in the short term, increase its operating costs and expenses significantly. As a result, its business, financial condition, results of operations and prospects may be materially and adversely affected.

Alef Education has entered into several related party agreements. These agreements carry specific legal, economic, and business risks that could materially impact the Group's operations, financial performance, and strategic objectives.

Alef Education has entered into several related party agreements, including an agreement with New Century Education – Sole Proprietorship LLC (“NCE”). These related party agreements introduce a complex web of economic, legal, and business risks stemming from operational dependencies, financial liabilities, investment performance, subcontractor reliability, and strategic alignment. The economic impact of indemnification obligations, potential legal disputes over contractual terms or intellectual property, and the business implications of subcontractor performance and strategic commitments could adversely affect the Group's operational efficiency, financial health, and market position. Also, these agreements include obligations to indemnify related parties against claims and liabilities, except in cases of breach or gross negligence, which may result in unforeseen financial burdens on the Group.

The Group is subject to risks associated with international market expansion and diversification.

As part of the Group's growth strategy, it is actively pursuing opportunities for international expansion to diversify revenue streams and capitalize on new market potential. While this strategy presents a significant opportunity for growth, it also introduces a variety of risks associated with entering and operating in unfamiliar markets. Any delay in executing the expansion plan in the international market will also have adverse impact on the Group. The Group's expansion efforts could encounter challenges related to regulatory compliance, cultural nuances, and geopolitical dynamics, among others. These factors may necessitate substantial investments and the allocation of considerable resources, which could impact its financial performance and operational efficiency. In particular:

Regulatory and Compliance Risks: Each new market that the Group enters will have its own set of regulatory frameworks governing the industry. These can vary significantly from the Group's home market, requiring it to navigate complex legal landscapes. Compliance with local laws and regulations, including those related to licensing, data protection, and labour, will be crucial. Failure to adhere to these regulations could result in fines, penalties, or restrictions on the Group's operations, adversely affecting its business and reputation.

Cultural and Consumer Behaviour Differences: Understanding and adapting to the cultural nuances and students' and parents' behaviours in new markets is critical for the Group's success. What works in one country may not necessarily resonate with students and parents in another due to differences in language, preferences, educational practices, and technological adoption. Tailoring the Group's offerings and products to meet the specific needs and expectations of each market requires significant market research and product development efforts, which entail both time and investment.

Geopolitical and Economic Stability: The geopolitical climate and economic stability of new markets can pose additional risks. Political unrest, economic downturns, or changes in government policies related to foreign businesses can adversely affect the Group's operations. Such environments may lead to unpredictable changes in market conditions, impacting the Group's ability to sustain and grow its business in these regions.

Operational and Strategic Risks: Expanding internationally involves complex operational challenges, including establishing local partnerships, setting up supply chains, and recruiting a local workforce. Each of these steps requires careful planning and execution to avoid missteps that could delay the Group's market entry or lead to increased operational costs. Moreover, the strategic focus on international expansion might divert attention and resources from the Group's core markets, potentially impacting its overall competitiveness and market position.

Any errors, inaccuracies, or outdated materials in the educational content could lead to customer dissatisfaction, regulatory penalties, or legal liabilities.

Any errors, inaccuracies, or outdated materials in the Group's educational content could lead to customer dissatisfaction, regulatory penalties, or legal liabilities, in particular:

The integrity, quality and accuracy of the educational product offerings provided by the Group is fundamental to the Group's value proposition and critical for maintaining its reputation and market position. Accordingly, risks of inaccuracies and outdated material in the highly competitive and rapidly evolving online educational sector is considered a significant risk to the Group's operations and reputation. Errors, inaccuracies, or the presence of outdated materials within the Group's platforms could significantly affect customer satisfaction, potentially leading to a decline in student engagement and enrolment renewals. Moreover, such content-related deficiencies may expose the Group to regulatory penalties and legal liabilities, especially given the stringent standards for educational content in many of the jurisdictions the Group operates in.

Failure to meet these expectations can lead to customer dissatisfaction, negatively impacting the Group's brand loyalty and user retention rates. In a digital environment where alternatives are readily accessible, maintaining content excellence is crucial for sustaining and growing the Group's user base.

Regulatory Compliance and Legal Exposure: The online educational industry is subject to comprehensive regulation, including standards for content accuracy and educational value. Non-compliance with these regulatory requirements could result in sanctions, fines, or other penalties, affecting the Group's financial condition and operating results. Additionally, inaccuracies or misleading content could lead to legal claims

from users or other stakeholders, further impacting the Group's financial stability and brand reputation.

The Group's future prospects are subject to the development of population structure in the UAE and its ability to penetrate the private school sector.

The Group's growth strategy and future prospects are significantly dependent on its ability to penetrate the private school sector among other factors, as well as the development of the population structure in the UAE. While the Group currently commands a 100% share in the public school market in Abu Dhabi, its expansion potential in the UAE is critically limited by its success in establishing a presence within private schools. The UAE's education industry's evolution is intricately linked to the primary and secondary (K-12) school population, which is influenced by both the overall population and its demographic composition. As of 2023, the total number of K-12 students in the UAE is approximately one million one hundred thousand, with projections suggesting an increase to one million two hundred thousand by 2026. This demographic trend initially suggests promising prospects for the Group's current operations. However, without successful penetration into the private school sector, the Group faces a ceiling on its growth potential within the UAE. Any failure to expand into the private schools, coupled with an unexpected downturn in the K-12 student population, could materially and adversely impact the Group's operations and future growth trajectory.

The Group's IT systems and infrastructure is reliant on third party vendors and as such could experience unexpected system failures, interruptions, inadequacies or security breaches, outside of its control.

The Group's business relies on the proper functioning of the Group's IT systems and network infrastructure to effectively manage its business processes. The Group's continuing growth is also dependent on its big-data capacities, which in turn, relies on its IT ability to collect and analyse a huge amount of industry insights and experience, student data, including complex students' learning behaviour and performance data, and extensive data on developing educational resources. As such, any damage to or failure of the Group's IT systems or network infrastructure that causes an interruption to the Group's operations could have a material and adverse effect on the business and results of its operations. The Group's IT systems may be vulnerable to damage or interruption from circumstances beyond its control, including power outages, fire, natural disasters, systems failures, security breaches and viruses. The Group also needs to constantly upgrade and improve the Group's IT systems to keep up with the continuous growth of the Group's operations and business. Although the Group has not experienced any material IT system breakdown, the Group cannot assure you that IT systems will always operate without interruption in the future. Moreover, the Group's end users rely on telecommunication operators to supply internet network service in their regions, the quality and supply of which is beyond the Group's control. If the internet network service experiences any interruption, the Group's end users may not be able to connect online to obtain cloud-based digital educational resources in a timely manner, which may significantly and adversely affect the user experience. In addition, the roll-out of the 5G infrastructure in the UAE is largely subject to the execution of the government, progress of which may vary significantly from place to place. As such, not all of the Group's end users are able to take advantage of its latest product models powered by 5G technologies in a timely manner. Lack of 5G network coverage does not compromise any material functionality of the Group's materials, but it may cause unsatisfying user experience, such as lower data speed and slower response time.

Furthermore, the Group faces a significant risk due to its dependency on other vendors for essential services and products that support its IT systems and network infrastructure. This dependency risks the continuity, quality, and cost of these essential services that are out of the Group's control. Disruptions in the services provided by these vendors, whether due to performance issues, financial instability, management changes, or geopolitical factors, could adversely affect the Group's operations and service delivery. Such disruptions could also lead to increased costs, delays, or the inability to provide services.

Moreover, the Group's business generates and processes a large quantity of user behavioural, transaction and demographic data. The Group faces risks inherent in handling and protecting large volumes of data. The Group cannot guarantee that the information security measures it currently maintains are adequate or that the Group's IT systems can withstand intrusions from or prevent improper usage by third parties. If the Group's network security is compromised and such information is stolen or obtained by unauthorized persons or used inappropriately, the Group may be subject to negative publicity and lose users as a result of a loss of their confidence in the Group and may also become subject to litigation or other proceedings brought by relevant consumers and financial institutions. Any such proceedings could divert management attention and the Group's other resources from its business and cause the Group to incur significant

unplanned losses and expenses. Clients' perception of the Group's brand could also be negatively affected by these events, which could further adversely affect the Group's business and results of operations. In addition, the UAE government has been implementing more stringent regulations and policies relating to data collection, storage, transfer, disclosure and privacy protection, which may subject the Group to additional potential risks and further increase the Group's compliance costs by enhancing the Group's IT systems or improving its information security measures.

The Group's business is subject to complex and evolving laws and regulation regarding data security and privacy.

UAE regulatory authorities have implemented and might consider implementing further legislative and regulatory proposals with more stringent requirements concerning data security and privacy. In addition, the interpretation and application of data security and privacy laws in the UAE may be uncertain and in flux. Existing or newly introduced laws and regulations, or their interpretation, application or enforcement, could require the Group to change its data security and privacy practices and other business activities, including but not limited to data collection, storage, transmission and exchange or other data usage activities.

Compliance with the data security and privacy related laws and regulations as well as additional or amended laws and regulations that UAE regulatory bodies may enact in the future, may result in additional expenses to the Group. Although the Group has not received any penalty due to breach of data privacy, failure to comply with any data security and privacy laws and regulations might lead to administrative penalties and negative publicity that could materially and adversely affect the Group's reputation and results of operations.

The Group's reliance on modern third party SAAS products in its day to day running of operations, its own Cloud Hosted products, and the general usage of internet connected work devices exposes it to cybersecurity risks such as data breaches, hacking, malware attacks, or system failures, which could compromise user data, disrupt operations, or damage its reputation.

In today's digital landscape, where businesses heavily rely on interconnected networks and data storage systems, cybersecurity threats pose a significant risk to companies across industries. As technology advances, so too do the capabilities and sophistication of cybercriminals, making it imperative for companies to continually assess and fortify their cybersecurity measures. This is particularly true for the Group, whose operations heavily depend on its digital infrastructure. One of the most prevalent and concerning cybersecurity threats faced by the Group is the risk of data breaches. These breaches can occur due to various vulnerabilities within the Group's network, software, or human error. Cybercriminals may exploit these vulnerabilities to gain unauthorized access to sensitive information, including customer data, intellectual property, or financial records. A data breach not only compromises the confidentiality and integrity of this information but also undermines customer trust and can lead to regulatory penalties and legal repercussions.

In the past, hackers have probed for weaknesses in the Group's digital defences to gain unauthorized access to its systems or manipulate data for malicious purposes. Advanced Persistent Threats (APTs) or sophisticated hacking techniques can bypass traditional security measures, posing a significant risk to the Group's sensitive data and critical infrastructure. These attacks can disrupt operations, steal valuable information, or even cause financial losses through extortion or ransom demands.

Malware, including viruses, ransomware, and trojans, presents another grave cybersecurity risk for the Group. Cybercriminals deploy malware through various vectors such as phishing emails, malicious downloads, or compromised websites, targeting vulnerabilities in the Group's systems. Once inside the network, malware can spread rapidly, encrypting files, disrupting operations, or even rendering systems unusable until a ransom is paid. Additionally, malware-infected devices within the Group's network can serve as launch pads for further attacks, exacerbating the risk and potential damage.

Despite robust cybersecurity measures, the Group remains vulnerable to system failures, whether due to technical glitches, hardware malfunctions, or human error. These failures can result in service interruptions, data loss, or operational downtime, impacting the Group's productivity, revenue streams, and customer satisfaction. Furthermore, prolonged system failures may erode investor confidence, tarnish the Group's reputation, and incur substantial financial losses, especially if critical systems are affected.

The Group's failure to detect or prevent fraudulent or illegal activities or other misconduct by its employees, distributors, suppliers or other third parties may have a material adverse effect on its business.

If the Group is exposed to fraudulent or illegal activities or other misconduct by its employees, suppliers or other third parties, that could subject the Group to liabilities, fines and other penalties imposed by government authorities and negative publicity. If the Group fails to identify the third-party content to be illegal or restrictive as stipulated by applicable laws and regulations, the Group may be required to rectify or be imposed administrative penalty, and its reputation may be adversely affected.

Also, there can be no assurance that the Group's controls and policies will prevent any fraud or illegal activity by such persons or that similar incidents will not occur in the future. Any illegal, fraudulent, corrupt or collusive activity by the Group's employees, suppliers or other third parties, including, but not limited to, those in violation of anti-corruption or anti-bribery laws, could subject the Group to negative publicity that could severely damage the Group's brand and reputation and, if conducted by the Group's employees, could further subject the Group to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Accordingly, the failure of the Group to detect and prevent fraudulent or illegal activities or other misconduct by the Group's employees, suppliers or other third parties could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's revenues are concentrated in the UAE and are affected by the economic and political conditions in the markets in which it operates.

99% of the Group's revenue from contracts with customers for the year ended 31 December 2023 were derived from the ADEK Agreement and the PC Arrangement. Therefore, the revenues of the Group are, and will continue to be, affected by economic and political developments in or affecting the UAE and the Middle East and North Africa ("MENA") region, and more generally the global economy. Almost all of the Group's current operations and interests are in the UAE, with a particular focus on Abu Dhabi. As the vast majority of the Group's revenues are derived from operations in the UAE, any changes in the political, social, economic or other conditions in the UAE, including events that impact the UAE's attractiveness as a business or living destination, as well as any factors that result in a decline in the population of the UAE, may lead to a fall in demand for the Group's online educational platforms and services, result in a decrease in the number of student enrolments at existing Group online educational platforms, and/or a freeze of education fees, which may have an adverse effect on the Group's business, prospects, results of operations and financial condition.

There can be no assurance that either the economic performance of, or political stability in, the UAE can or will be sustained. To the extent that economic growth or performance in the UAE or the MENA region slows or begins to decline, or political conditions become sufficiently unstable, the Group's operations in the UAE may be adversely affected. This could cause the Group to suspend its expansion plans in the UAE and the Group's business, prospects, results of operations and financial condition may be adversely affected.

Any damage to the reputation of any of the Group's online educational platforms may adversely affect the Group's business.

The Group's reputation could be adversely affected under many circumstances, including the following:

- inappropriate or illegal behaviour conducted by staff or students, or perceptions of such;
- failure to obtain, or the loss of, a license, permit, or other authorisation required to operate an online educational platform;
- the use by lower-quality operators of brands or names that create confusion with the Group's online educational platforms, or the fraudulent use by third parties of the Group's brands or the names of its online educational platforms;
- failure by the Group to maintain consistent educational content quality or deliver strong academic results or outcomes;
- perception of the curricula in the online educational platforms as not being sufficiently high quality;
- failure of the Group's online educational platform to meet the standards expected by parents and students of premium online educational platforms including regulatory inspection outcomes and

ratings;

- significant disruptions to the Group's information technology systems or breaches of the Group's data security;
- closure of one or more of the Group's online educational platform; or
- negative press coverage or legal proceedings involving the Group, whether or not founded, relating to any of the above or other matters.

The likelihood that any of the preceding occurs increases as the Group expands its network of online educational platforms. These events could influence the way the online educational platforms are viewed not only by the Group's customers, but also by the regulators, other constituencies in the education sector and the general public. If the reputation of the Group's brands and online educational platforms declines, the overall business, financial condition, results of its operations and prospects could be harmed.

The consistency and quality of the Group's educational programmes and services are critical to its brand and reputation. As the Group continues to grow and expand its presence and geographical reach, it may be more challenging to maintain the quality and consistency of its services. Any negative publicity about the Group's programmes, services, and online educational platforms, regardless of its validity, could harm the Group's brand image. In addition, the Group's ability to attract and retain students depends on the Group's ability to make significant expenditure maintaining and enhancing its positive brand image and brand loyalty. The Group may not be able to maintain current levels of marketing expenditure or successfully execute its brand promotion plan and, as a result, the Group's reputation and business may be materially and adversely affected.

If the Group fails to help its students achieve their academic goals, student and parents' satisfaction with the Group's services and online educational platforms may decline.

The success of the Group's business depends on its ability to deliver quality educational experiences and outcomes to help its students achieve their academic goals. The Group's online educational platforms may not always be able to meet the expectations of its students and their parents in terms of student performance and outcomes. A particular cohort of students may not be able to attain the level of academic improvement that they sought, or their performance may otherwise not progress or decline due to reasons beyond the Group's control. The Group may not be able to provide educational outcomes that are satisfactory to all of its students and their parents, which may result in a decline in student and parent satisfaction with its services. In addition, the Group cannot guarantee that its students will be admitted to higher levels of education or institutions of their choice. Any of the preceding could result in a student's withdrawal from the Group's online educational platforms, and dissatisfied students or their parents may attempt to persuade other students or prospective students not to attend the Group's online educational platforms. If the Group's ability to retain students decreases significantly or if the Group otherwise fails to continue to enrol and retain new students, its business, financial condition, results of operations and prospects may be materially and adversely affected.

If the Group's online educational platforms lose or fail any of the regulatory inspections, or if there be a change in regulatory approach leading to the implementation of performance and quality evaluations and the Group experiences a downgrade in ratings or fail to obtain international curriculum accreditations required to provide any of its international programs and curricula, the attractiveness of the online educational platforms may decline.

The Group is subject to annual inspections by the MOE, as mandated by the Department of Economic Development. These inspections are a requirement for maintaining the Group's MOE license, which is necessary for several of the Group's registered activities, including Education Consultancy. Unlike the comprehensive inspections conducted for private schools in Abu Dhabi, which assess various aspects of school performance and quality, the Group's inspections by the MOE are focused on compliance with specific regulations pertinent to its licensed activities. Currently, online educational platforms do not undergo the same type of performance evaluations or rating systems as physical schools. However, should there be a change in regulatory approach leading to the implementation of performance and quality evaluations similar to those for schools, it could introduce a new dimension of oversight to the Group's operations. If this happens and the Group does not meet the required standards in such evaluations, there could be negative implications for the Group's reputation and the perceived quality of the Group's products. This change could potentially impact student enrolment and the Group's ability to attract qualified professionals, and thus affect the Group's business and operational outcomes.

Moreover, there is no requirement for the Group to obtain or maintain international curriculum accreditations from specific accrediting bodies that cater to various educational curricula to offer its educational programs or operate its online educational platforms, whether British, International Baccalaureate (IB), or American curricula. These accreditations, traditionally associated with ensuring the quality and credibility of educational offerings, are not currently mandatory for the Group's operations. If in the future the Group is required to apply for accreditation from these educational organizations, bodies or associations and fails to meet any criteria set by the relevant accreditation body or any of the relevant inspections the attractiveness of these online educational platforms would be harmed, and student enrolments could decline. To obtain and maintain these accreditations and permits in the future, the Group will be required to meet standards related to, among other things, academic performance, governance, institutional integrity, education quality, staff qualifications, administrative capability, resources and financial stability on an ongoing basis. Furthermore, these standards are subject to change, and complying with them may require additional and unplanned investments by the Group that may be significant. In the future, if the Group fails to meet these standards, it could fail to obtain accreditations or permits, and the Group may be unable to provide or expand offerings and curricula that are popular among students and their parents, which could materially and adversely affect the Group's business, financial performance, results of operations and prospects.

The Group may fail to successfully develop and introduce new education technology services and programmes or launch and diversify new products and educational resources to adapt to changing customer demands in a timely manner.

One of the Group's growth strategies is to continue to maintain and introduce diversified and innovative educational programmes and pursue strategic initiatives in the education technology sector. The Group may also need, from time to time, to introduce additional educational technology services and programmes to meet market demand. The future success of the Group's business depends partly on its ability to develop new education technology services and programmes and deliver high pedagogical and curriculum standards.

In addition, significant investment of human capital, financial resources and management time and attention may be needed if the curriculum of the Group's online educational platforms need to change. The planned timing or introduction of new education technology services is subject to risks and uncertainties. Actual timing may differ materially from any originally proposed timeframes. Unexpected operational, technical or other issues could delay or prevent the introduction of one or more of the Group's education technology services and programmes.

Also, the Group has consistently devoted its efforts to developing new products in order to not only adapt to evolving learning needs and preferences, but also to influence market trends with innovation. The Group may develop new brands to explore more market opportunities. In light of the highly competitive and volatile environment, the Group's future growth depends on the ability to continue to introduce a product and brand portfolio that are welcomed by the market.

If the Group fails to quickly adapt to changing market or regulatory demands or developments in education technology services or fails to manage the expansion of its portfolio of education technology programmes and services efficiently and cost-effectively, the Group's business could be negatively affected. Moreover, the Group cannot guarantee that any of its new services and programmes will achieve market acceptance or generate incremental revenue or that its operation of such new services or programmes will comply with applicable licensing requirements. If the Group's efforts to develop, market and sell its new education technology services and programmes to the market are not successful, the Group's business, financial position and results of operations could be materially and adversely affected.

The Group's success depends on its ability to recruit, train, retain and motivate qualified and dedicated professional educational staff.

The Group's success depends, in large part, on its ability to attract well-trained and sufficiently qualified staff and other qualified employees to work on and with the Group's online educational platforms, train, retain and motivate them and compensate them competitively. Well-trained and sufficiently qualified personnel are critical to maintaining the quality of the academic programmes offered by the Group's online educational platforms. The Group's ability to deliver high-quality education across a range of curricula is directly related to, and dependent on, the availability of qualified teachers and the Group's ability to continue to recruit, employ, train and retain such calibres.

The Group's competitors, both within and outside the UAE, may have stronger financial resources than the Group that would allow them to offer more financially attractive salary and compensation packages to the Group's staff, which may lead to a loss of qualified cadres and may have a negative impact on the Group's quality of education offered. A loss of the Group's core leaders to competitors could lead to reputational damage to the Group's brand and negative inspection or academic outcomes in the Group's individual online educational platforms.

In addition, onboarding and retaining many of the Group's teachers and key and ancillary supporting staff poses a significant risk due to geopolitical tensions and political unrest, individuals from certain countries, such as Syrians, Lebanese, and others, have experienced difficulties in obtaining the necessary security clearances and thus residencies. This could severely impact the Group's operations by limiting its ability to deploy the most qualified individuals. The rejection of security clearances and inability to issue residencies based on nationality not only hampers the recruitment process but also affects the Group's ability to retain a diverse and highly skilled personnel.

A shortage of quality personnel and/or a high turnover rate of staff could lead to ineffective delivery of the curricula offered to students, impacting their academic performance and the reputation and brand of the Group's online educational platforms. If the Group is unable to, or is perceived to be unable to, attract and retain qualified cadres, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

The Group may not be able to retain key personnel or hire and retain additional personnel needed to sustain and grow its business as planned.

The Group's current operations and expansion strategy depends on its ability to attract and retain experienced, competent, motivated and efficient senior executives and qualified staff, particularly the 'C-Suite', directors of education and curriculum and key heads of department. Due to the competitiveness of the education sector in the UAE from local and international competitors, the Group may have difficulty hiring or retaining such personnel once hired, who may also leave the Group and subsequently join a competitor. Also, the Group cannot guarantee that the Group will always be able to identify and hire the desired competent IT staff and/or educational resource development crew on commercially reasonable terms. If the Group cannot execute its recruitment plans, the Group may fail to launch new and upgraded smart learning products with high quality digital educational resources, and may lose attractiveness to end users, experience operating inefficiency and incur high operating costs and expenses.

Therefore, the loss of service of any of its key personnel and a failure to attract and retain other qualified and experienced personnel on acceptable terms could impair the Group's ability to successfully sustain and grow its business, which could have an adverse effect on the Group's business, results of operations and prospects.

The Group may be liable for adverse events that occur on the Group's online educational platforms or from the provision of certain related services and the Group's insurance may be inadequate or premiums may increase substantially due to the occurrence of such events.

The Group's business involves an inherent risk of liability. The activities in which the Group engages include a series of risks related to beneficiaries of the services that it provides. Such risks include, among other things, liability for the actions of the Group's staff and trainers.

The Group's insurance policies may not adequately protect the Group or provide sufficient insurance coverage against all risks associated with its business. The Group maintains various types of insurance policies in connection with its operations, including cyber liability insurance, general insurances, covering property (all risk) and money (in transit), as well as public liability insurance, workmen's compensation and employer's liability insurance, and professional liability insurance. It is possible, however, that such insurance coverage may be inadequate for all risks and/or eventualities and that claims may be rejected by the relevant insurers. Irrespective of the availability of insurance, a successful claim against the Group could adversely affect its reputation and have a significant impact on its financial results. Even if unsuccessful, such a claim could cause unfavourable publicity, require substantial costs to defend and divert management time and attention and claims in excess of the Group's insurance coverage or claims not covered by its insurance could arise.

Furthermore, there can be no assurance that the Group will be able to obtain liability insurance coverage in the future on acceptable terms or at all. Claims against the Group, regardless of their merit or eventual

outcome, may increase the premiums payable by it for the insurance coverage and have a material adverse effect upon its reputation and its ability to attract or retain students. A successful claim against the Group, which is not covered by or exceeds its insurance coverage could have a material adverse effect on its business, prospects, results of operations and financial condition.

The Group has limited insurance to cover its potential losses and claims.

The Group maintains limited statutory insurance, which it believes is customary for businesses of its size and type and in line with the standard commercial practice in its industry. If the Group were held liable for uninsured losses, its business and results of operations may be materially and adversely affected.

In addition, the Group is not insured against business interruptions resulting from natural disasters such as droughts, floods, earthquakes or severe weather conditions. Any liability claims for damages relating to the Group's products, interruption to its operations, and the resulting losses or damages, could materially and adversely affect its business, results of operations and financial condition.

The Group's historical results, growth rates and profitability may not be indicative of its future performance, including if user and subscriber acquisition does not continue to increase at the same rate.

The Group has experienced significant growth in revenue and profitability in recent years. The Group's historical growth was driven by the opening of new online educational platforms, student outcomes and building successful brands, developing online educational platforms across a number of curricula and successful marketing strategies to increase student enrolment.

The Group's financial position and results of operations may fluctuate due to several factors, such as the rate of expansion and related costs in a given period, the Group's ability to maintain and increase its profitability and enhance its operational efficiency, increased competition, market perception and acceptance of any newly introduced educational programmes in any given year.

Furthermore, the Group may not be successful in continuing to increase the number of students admitted to the online educational platforms it operates, and it may not be as successful as it expects in opening, or identifying additional online educational platforms or educational programmes.

The Group may not sustain its past growth rates in future periods, and it may not sustain profitability on a quarterly or annual basis in the future. The Group's historical results, growth rates and profitability may not be indicative of its future performance. Shares could be subject to significant price volatility should its earnings fail to meet the expectations of the investment community. Any of these events could cause the price of Shares to materially decrease.

If the Group is unable to maintain or upgrade or keep pace with changes in technology or the education technology market, its technology and other offerings may be less attractive to students, which may materially and adversely affect its business.

To remain competitive, the Group must ensure that its technology and other offerings are regularly maintained, upgraded and adapted to meet the evolving needs and expectations of students and their families. If the Group's technology or other offerings are perceived as low quality, obsolete or outdated, or if the Group fails to successfully respond to new trends in the education technology market, students and their families may opt to use alternative digital education solutions that are perceived as superior resources and the Group's business could decline.

The Group's inability or failure to upgrade and adapt its technology could prevent the Group from successfully implementing the Group's growth strategy and may materially and adversely affect its business, financial condition, results of operations and prospects.

Significant disruptions to the Group's information technology systems, breaches of the Group's data security, unauthorised disclosures or manipulation of sensitive personal data could expose the Group to litigation or could adversely affect its business or reputation.

The business and operations of the Group includes the activities of computer systems and software design that are necessary for it to provide its customers with its digital education solutions. These information technology activities are regulated by the Ministry of Culture and Youth ("MCY"), as well as the Media Regulatory Office ("MRO"). The MRO's Chairman Resolution No.26 of 2017 regarding media content and Resolution No. 3 of 2018 organizing e-media activities, and the services guide issued by the MCY set out the legal framework for these information technology activities that are carried out by the Group in

order to create, market, provide and maintain its AI-powered educational platform and other educational software solutions.

The MRO - Media Regulation Department, is responsible for preparing research and foresight studies related to the media, formulating legislation, regulations, standards, and foundations for organizing and licensing media and media activities. Whereas the MRO - Department of Media Licenses and Media Content, is responsible for issuing licenses and monitoring media content and generally implements legislations, regulations, and standards related to media services and media content.

In case of failure to comply with existing laws and regulations, meet any licensing requirements or comply with the directives contained in the findings of any regulatory inspections, the authorities may suspend or revoke licenses, impose fines or other restrictions on online educational platforms and their operators.

Any termination or suspension of any license or permit or non-renewal of any of the Group's licenses or permits for whatever reason could result in the cessation of the respective license, significantly curtailing the relevant the Group's ability to enrol new students or offer educational services. Any such event may cause the relevant online educational platforms and therefore the Group, to incur costs to fulfil their obligations to the enrolled students and may expose the online educational platforms and the Group to claims, which may have a material adverse effect upon the Group's reputation and its ability to attract or retain its existing business or the Group's ability to expand in the future.

The Group's information technology systems are essential to several critical areas of the Group's business operations, including for its digital platforms and product portfolio, billing, electronic document management systems and learning management systems. Further, the Group's information technology systems are predominantly cloud-based, with local content servers operating in the relevant schools. The Group mainly relies on Microsoft Dynamics 365 (ERP) for accounting, reporting and procurement, Darwinbox for personal/ employee data, and other third-party software providers such as primarily Google Workspace for identity management, emails, collaboration and conferencing, to deliver, manage and automatically upgrade its operations under a centralised and unified information technology system.

Any system failure that causes an interruption in service or availability of the Group's systems could materially adversely affect the Group's business, financial condition, results of operations and prospects. Further, a significant invasion, interruption, destruction, or breakdown of the Group's information technology systems and/or infrastructure by persons with authorised or unauthorised access could negatively impact its business and operations. The Group could also experience business interruption, information theft, legal claims and liability, regulatory penalties and/or reputational damage from cyber attacks, which may compromise the Group's systems and lead to data leakage. The Group's systems could be the target of malware and other cyber attacks that could cause an interruption in service or availability of the Group's information technology systems. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data or the unavailability of systems, as well as the theft or exposure of potentially sensitive information about the Group's services and operations.

Maintaining the Group's information security and internal controls over access rights is of critical importance due to the proprietary and confidential nature of student, teacher and employee information, such as names, addresses, and other personal information. If the Group's security measures are breached as a result of actions by third parties, employee error, malfeasance or otherwise, third parties may receive or be able to access student records, which could subject the Group to liabilities, interrupt the Group's business and adversely impact the Group's reputation. Additionally, the Group runs the risk that its employees or third parties could misappropriate or illegally disclose confidential educational information in their possession. As a result, the Group may be required to direct significant resources to provide additional protection from the threat of these security breaches or to mitigate issues caused by these breaches.

Additionally, the back-up policies and procedures the Group has in place to support its disaster recovery processes are currently limited to the controls and protection of the cloud-based systems and services, which may expose the Group to unauthorised breaches or impact its operations in case of loss of telecommunication services. The Group and the third-party software providers that host the Group's cloud-stored data have implemented network security measures, including security monitoring safeguards, antivirus and vulnerability scan, firewalls, encryption and access controls. However, there can be no assurance that these measures will be successful in preventing any compromise and/or disruption of its information technology systems and related data and its information technology, and servers are potentially vulnerable to interruptions, including damage and interruption from power loss or natural disasters,

computer system and network failures, loss of telecommunications services, interruption of service from the service providers, including the provider of cloud-based services, compromised hardware or software, physical and electronic loss of data, security breaches, computer viruses, cyberattacks, hackers, unauthorised access attempts, and other security issues or causes beyond the Group's control. The occurrence of any of these events could result in interruptions, delays, loss or corruption of data, the unavailability of systems, as well as the theft or exposure of potentially sensitive information about the Group's students or their families. Any of these events could have a materially adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

The Group's internal controls, procedures and policies may fail to ensure adherence to applicable regulations and the Group's risk management and internal control systems may not be adequate or effective.

The Group's internal controls, disclosure controls and procedures and corporate governance policies and procedures are periodically reviewed and updated. Any system of controls, however, is based in part on certain assumptions and can provide only reasonable, rather than absolute, assurances that the objectives of the system are met.

Prior to the Offering, the Company has not operated as a public company and in preparation for the Offering, the Company has implemented a number of corporate governance and other policies, processes, systems and controls to comply with the requirements for a publicly listed company on the ADX. The Company does not have a track record on which it can assess the performance of these policies, processes, systems and controls or an analysis of their outputs. Accordingly, the Group's internal controls and procedures may be insufficient in light of the more stringent regulations and investor expectations applicable to a public joint stock company. Any failure or circumvention of the Company's or the Group's controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Also, the Group has adopted a three lines of defence model and designed and implemented risk management and internal control systems comprising organizational framework policies and procedures, financial reporting processes, compliance rules, and risk management measures that the Group believes are appropriate for its business operations. While the Group seeks to improve risk management and internal control systems on a continuous basis, the Group cannot assure that these systems are sufficiently effective in ensuring, among other things, accurate reporting of financial results and the prevention of fraud. Since the Group's risk management and internal control systems depend on implementation by the Group's employees, and even though the Group provide relevant internal trainings in this regard, the Group cannot assure that employees of the Group or other related third parties, are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If the Group fails to timely update, implement, and modify, or fails to deploy sufficient human resources to maintain the risk management policies and procedures of the Group, business, financial condition, results of operations and prospects of the Group could be materially and adversely affected.

The Group's brand is dependent upon its intellectual property rights, and any failure or inability to protect those rights could reduce the value of the Group's services and brand.

The Group's brands, trademarks and other intellectual property rights distinguish the Group's online educational platforms and the services provided from those of its competitors and are critical to the Group's ability to continue to develop and enhance its reputation.

The Group has registered the trademarks for Alef Education as follows: "Alef", "Alef Education" trademarks, and wordmarks of its product offerings under "Arabits" and "Abjadiyat" in English in the UAE. Several of these trademarks are also registered in other jurisdictions including European Union, United Kingdom, Bahrain, Indonesia, China, Kingdom of Saudi Arabia, India, Pakistan, Canada, Syria, Kuwait, Algeria, Egypt, Oman, Qatar, Singapore, Yemen, Libya, Tunisia, Botswana, Liberia, Lesotho, Namibia, Kingdom of eSwatini, Tanzania, Uganda, and Zimbabwe. However, the Group has not registered its logo for Arabits and Abjadiyat. The Group's unregistered trademarks may be challenged, infringed, circumvented or determined to be infringing on other trademarks. The Group may not be able to protect its rights to these trademarks. At times, competitors may adopt trademarks similar to the Group's, thereby impeding its ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of the Group's online educational platforms and unregistered trademarks.

While the Group has established a comprehensive trademark registration strategy across numerous jurisdictions worldwide as described above, the Group has not registered its trademarks within the United States. Despite Alef Education's operational presence in the U.S., the Group has not secured trademark registration in this jurisdiction. The absence of trademark registration imposes a significant risk to the Group brand identity and intellectual property in one of the world's largest markets. The absence of trademark protection in the U.S. leaves Group vulnerable to potential trademark infringement, which could lead to brand dilution or legal disputes. Furthermore, without registered trademarks in the US, the Group may face challenges in asserting its rights against infringers or competitors, potentially impacting its market position.

Further, there can be no assurance that the efforts to protect the Group's intellectual property rights will be effective or that any third party will not infringe or misappropriate these rights whether in the jurisdictions where the Group currently operates or elsewhere. Additionally, the Group cannot guarantee that the Group's competitors will not independently develop similar intellectual property. Any infringement or misappropriation of the Group's intellectual property rights or the development by its competitors of similar intellectual property may have an adverse effect on the Group's business, prospects, results of operations and financial condition. Policing the unauthorised use of the Group's brands and trademarks can be difficult and expensive and litigation may be necessary to enforce or protect the Group's brands or determine the validity and scope of the proprietary rights of others. The outcome of such potential litigation may not be in the Group's favour and any success in litigation may not be able to adequately protect the Group's rights. Such litigation may also be costly and divert management's attention away from the Group's business.

Risk relating to the Group's inability to execute its growth strategy.

The Group may not be able to maintain or accelerate its current growth rate, effectively manage the expansion of its operations or achieve its planned growth on a timely or profitable basis.

As part of the Group's expansion strategy, the Group expects to develop new online educational platforms. The development of new online educational platforms is subject to various financing and operating risks, including:

- delays in obtaining necessary regulatory approvals and licenses, and other required governmental permits, licences, approvals and authorisations;
- lack or undue cost of necessary financial resources; or
- change of the Group's strategy.

The Group's strategic approach to growth is intricately linked to its ability to successfully execute acquisitions, specifically targeting existing private platforms within the UAE and on a global scale. This method of expansion is central to the Group's ambitions to broaden its operational footprint and enhance its service offerings. By integrating these acquired platforms into its existing infrastructure, the Group aims to leverage synergies and drive efficiencies across its educational services. This poses significant risks and uncertainties, including, but not limited to:

- availability of suitable targets for acquisition;
- availability of sufficient financial or operational resources to fund such acquisitions;
- ability to obtain required licences, authorisations and permits to acquire and/or operate new educational platforms;
- ability of the Group to implement and maintain standard controls, policies and procedures across all of its educational platforms;
- distraction of management's attention from the normal business of running the day-to-day operations of the Group during the integration process;
- the ability of the Group to integrate and appropriately motivate key personnel at the acquired online educational platforms; and
- unforeseen expenses associated with the integration efforts.

Additionally, the acquisition process may divert management's focus from the Group's core operations,

necessitate the integration and motivation of key personnel from the acquired entities, and incur unexpected costs, all of which could impact the Group's overall performance and growth prospect.

Future financing and the associated covenant restrictions and compliance Implications, non-compliance with which could result in acceleration of payment of financed amounts or termination of such agreements.

As of the date of this Prospectus, the Group operates without the burden of debt, maintaining a solid financial structure that supports its growth and operational flexibility. However, as the Group looks towards expanding the Group's services, products, and pursuing strategic opportunities, it may become necessary to raise financing to support these initiatives. Engaging in financing will subject the Group to various restrictions and covenants typically included in facility agreements.

These may include limitations on further indebtedness, requirements to maintain specified financial ratios, restrictions on change of control, restrictions on dividends, or mandates regarding asset disposals and acquisitions. Compliance with these covenants is crucial, and failure to do so could lead to detrimental consequences, including the acceleration of payment obligations or the termination of facility agreements by lenders.

An acceleration clause would require the Group to repay borrowed amounts immediately, rather than over the initially agreed period. This could significantly impact its liquidity and operational capacity, diverting resources from critical growth initiatives to debt repayment. Similarly, the termination of a facility agreement could restrict the Group's access to necessary financial resources, hindering its ability to execute its business strategy effectively.

The Group may also require additional capital in the future to maintain existing online educational platforms and develop new online educational platforms or acquire existing operational companies. If adequate funding is not available or not available on acceptable terms, including in the event of the occurrence of any unforeseen event that requires immediate funding, the Group may be unable to fund in a timely manner its operating activities, capital expenditures, expansion plans or financial obligations. The Group cannot guarantee that it will be able to secure or obtain from financial institutions such financing necessary to finance its capital expenditures and growth expansion with commercially suitable terms and conditions and in a timely manner or at all, which may have a material adverse impact on the Group business, prospects, results of operations and financial condition.

The Group may be involved in claims, disputes and legal proceedings in its ordinary course of business.

From time to time, the Group may be involved in claims, disputes, and legal proceedings in the ordinary course of its business operations. These issues may span a range of concerns, including breach of contract, employment or labour disputes, antitrust matters, and infringement of intellectual property rights. Given the Group's non-manufacturing nature, its risks primarily revolve around service delivery, data management, and intellectual property rights rather than product liability. However, the Group could still face liability if its services fail to comply with applicable laws and regulations or if issues arise that are related to the provision of its services, such as data breaches or failure to protect the intellectual property rights of others.

If the Group is unable to successfully defend against claims or other legal actions, it may be subject to substantial damages that could compel significant operational changes. Moreover, any legal actions initiated by or against the Group, irrespective of their merit, could lead to substantial costs and the diversion of management's attention and resources from its core business activities, potentially negatively affecting the Group's reputation and operational performance. Regardless of the outcome, legal proceedings can entail significant financial and resource expenditures and may negatively impact the Group's reputation.

Risks Relating to Abu Dhabi, the UAE and the MENA Region

General economic, financial and political conditions in the UAE, where the Group conducts the majority of its operations, may materially adversely affect the Group's business, financial position and results of operations.

General economic, financial, and political conditions, in Abu Dhabi and elsewhere in the UAE where the Group conducts the majority of its operations, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

An adverse change in the credit rating of the UAE, declines in consumer confidence and/or consumer spending, an increase in unemployment, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events could contribute to increased volatility and diminished expectations for the economy and markets, including the education sector in the UAE, and may lead to demand or cost pressures that could negatively and adversely impact the Group's business, results of operations, financial condition and prospects. The UAE's economy may be adversely affected by worsening global economic conditions and external disruptions, including financial market volatility, trade disruptions and protectionist trade policies or threats thereof. A global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in Abu Dhabi and elsewhere in the UAE. These conditions could affect the Group's business and lead to a drop in student numbers. Examples of such conditions could include:

- a general or prolonged decline in, or declines in, regional or broader macro-economies;
- regulatory changes that could impact on the markets in which the Group operates; and
- deflationary economic pressures, which could hinder the Group's ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to its cost structure.

The nature of these types of risks makes them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the Group's business, financial condition and results of operations. Further, there can be no assurances that any escalation of geopolitical tension in the future will not create instability in macroeconomic and social conditions, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The UAE's economy is significantly affected by volatility in international crude oil prices and its economy has in the past been, and is likely in the future to continue to be, materially adversely affected by lengthy periods of low crude oil prices.

The UAE's economy is significantly impacted by international crude oil prices and is highly dependent upon its hydrocarbon-related revenue. Crude oil prices have historically fluctuated in response to a variety of factors beyond the Group's control, including (without limitation):

- economic and political developments both in oil-producing regions, particularly in the MENA region, and globally (see “—General economic, financial and political conditions, especially in Abu Dhabi and elsewhere in the UAE, where the Group conducts all of its operations, may materially adversely affect the Group's business, financial condition and results of operations”);
- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions, and global weather and environmental conditions; and
- prices, availability and trends relating to the use of alternative fuels and technologies.

Many economic sectors within the UAE remain in part dependent, directly or indirectly, on crude oil prices, so extended periods of low crude oil prices may have a negative impact across the economic landscape of Abu Dhabi and other Emirates. For example, the Dubai, Abu Dhabi or other Emirati governments may decide to reduce government expenditures in light of the budgetary pressures caused by lower crude oil prices, which may, in turn, reduce fiscal spending on infrastructure and other projects that create revenue streams for both public and private entities. Local financial institutions may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher loan losses or impairments. Furthermore, businesses that are dependent on household consumption, including consumer products, education, healthcare and housing, may be adversely affected by lower levels of economic activity created by extended periods of low crude oil prices.

Any of the factors described above, including further developments with respect to the Covid-19 pandemic (and the possibility of additional waves or resurgences thereof) and OPEC or OPEC+ agreements, could have a material adverse effect on the economic, political and fiscal position of Abu Dhabi and the UAE

generally, and may consequently have a material adverse effect on the Group's business, financial condition and results of operations.

Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect the Group's business, financial condition and results of operations.

Although Abu Dhabi and the wider UAE enjoy domestic political stability and generally healthy international relations, since 2011 there has been political unrest in several countries in the MENA region, including Bahrain, Egypt, Iran, Iraq, Lebanon, Libya, Syria, Tunisia and Yemen. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war and has given rise to several regime changes and increased political uncertainty across the region. It is not possible to predict the occurrence of events or circumstances such as civil unrest, war or other hostilities, or the impact that such events or occurrences might have on Abu Dhabi, Dubai and the UAE. The MENA region is currently subject to several armed conflicts including those in Yemen, Syria (in which multiple state and non-state actors are involved, such as the USA, Russia, Turkey and Iran), Iraq and Palestine, as well as conflicts with militants associated with the Islamic State.

The economies of Abu Dhabi and the UAE, like those of many emerging markets, have been characterised by significant government involvement through direct ownership of enterprises and extensive regulation of market conditions, including foreign investment, foreign trade and financial services. Whilst Abu Dhabi and the UAE have enjoyed significant economic growth and relative political stability in recent years, there can be no assurance that such growth or stability will continue. Moreover, while the UAE government's policies have generally resulted in improved economic performance, there can be no assurance that such a level of performance can be sustained. A general downturn or instability in certain sectors of the UAE or the regional economy could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, Abu Dhabi and the other Emirates are, and will continue to be, affected by political developments in or affecting the UAE and the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including the UAE. On 14 September 2019, the Abqaiq processing facility and the Khurais oil field in Saudi Arabia were significantly damaged in attacks by unmanned aerial vehicles and missiles, which caused an immediate significant reduction in the oil output of Saudi Aramco, Saudi Arabia's national oil company. In January 2020, direct confrontation occurred between the USA and Iran when a targeted drone strike killed a senior Iranian military commander in Iraq which was followed by an Iranian attack using ballistic missiles on a USA military base in Iraq. During this confrontation, the government of Iran confirmed that it would no longer adhere to the terms of the Joint Comprehensive Action Plan in respect of Iran's nuclear power programme. On 11 April 2021, a major power failure occurred at the Natanz complex south of Tehran, Iran, because of an explosion which has been reported to be caused by an attack on the Natanz complex. On 18 January 2022, Abu Dhabi experienced a drone attack launched by Houthi rebels near the Abu Dhabi airport that killed at least three people.

Although the UAE has otherwise generally not experienced terrorist attacks or armed conflict such as those experienced by several other countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate terrorist or other violent activity in the UAE, or that the UAE will not be impacted by any escalation of regional armed conflict. Any terrorist incidents in or affecting Abu Dhabi or the UAE and increased regional geopolitical instability (whether or not directly involving Abu Dhabi, Dubai or the UAE), or any heightened levels of military conflict in the region or globally, including the current Russia-Ukraine and Israeli-Palestinian conflicts, may have a material adverse effect on Abu Dhabi, Dubai and the UAE's attractiveness for foreign investment and capital, their ability to engage in international trade, their tourist industry, and, consequently, their economic, external and fiscal positions, and therefore could adversely impact the Group's business, financial condition and results of operations.

Furthermore, the UAE, in general, and the Group, in part, are dependent on expatriate labour, including unskilled workers as well as highly skilled professionals in a range of industry sectors, and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the country. These steps make the UAE potentially more vulnerable should regional instability increase, foreign militants commence operations in the Emirate, or extremist or terrorist groups engage in activities in the country. In addition, as the government endeavours to further diversify the UAE's economy into other sectors, including tourism, the exposure to broader regional and global economic trends and geopolitical developments will likely increase.

Governments in the MENA region have exercised and continue to exercise significant influence over their respective economies, and legal and regulatory systems in the MENA region, which may create an uncertain environment for investment and business activities.

The governments in the MENA region, including the UAE, have frequently intervened in the economic policy of their respective countries. This intervention has included, but not been limited to, regulation of market conditions, including foreign investment, foreign trade, financial services and oil and gas services. Any unexpected changes in the political, social, economic or other conditions in the MENA region or neighbouring countries could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. These changes include:

- an increase in inflation and government measures to curb such inflation, including through policies such as price controls;
- governments' actions or interventions, including tariffs, protectionism, foreign exchange and currency controls and subsidies;
- regulatory and legal structure changes, including foreign ownership restrictions, cancellation of contractual rights, expropriation of assets and potential lack of certainty as to title to real estate property in certain jurisdictions where the Group operates;
- changes to the availability of, requirements for, and cost to secure, employment and residence visas for expatriate staff and their dependents;
- income and other taxation reforms;
- policies of nationalisation of assets and requirements to employ local national employees;
- difficulties and delays in obtaining new permits and consents for new operations or renewing existing permits; and
- an inability to repatriate profits and/or dividends.

Unexpected changes in these policies or regulations could lead to increased operating or compliance expenses and could have the effect of decreasing the Group's enrolment numbers and competitiveness. Any such changes could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Abu Dhabi and the UAE may decide to introduce new laws and regulations, and have recently introduced corporate income tax, which could adversely affect the way in which the Group is able to conduct its businesses and its results of operations and financial condition.

Emerging market economies generally and the UAE are characterised by less comprehensive legal and regulatory environments than are found in more developed regions. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, including in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and the Group expects will continue, to implement new laws and regulations which could impact the way the Group conducts its business and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Changes in investment policies or in the prevailing political climate in the UAE could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- corporate income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

Tax controls and changes in tax laws or regulations (including retrospective changes) or the interpretation given to them may also expose the Group to negative tax consequences, including interest / profit payments and potential penalties, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. For example, from 1 June 2023 the Group became subject to the corporate income tax in the UAE pursuant to the Federal Tax Law, and it is unclear what federal corporate tax rate will apply to the Group. The Group may be subject to a 9% federal corporate income tax rate on adjusted accounting net profits above a threshold of AED 375,000 or a 15% federal corporate income tax rate, depending on how the UAE implements Pillar 2 of the OECD BEPS 2.0 framework. The UAE Federal Tax Authority will be responsible for administering, collecting and enforcing corporate tax in line with rules and regulations to be issued by the Ministry of Finance. There can be no assurances that the compliance with the Federal Tax Law or other applicable tax regimes in other jurisdictions in which the Group operates will not increase its costs or otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The UAE's Emiratisation initiative may increase the Group's costs and may reduce its ability to rationalise its workforce.

Emiratisation is an initiative by the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors and to reduce its reliance on foreign workers. Under the initiative, companies are encouraged to employ Emiratis in management, education, administrative and technical positions. However, the cost of employing UAE nationals typically is significantly higher than the cost of employing foreign workers. From January 2023, the Group will need to comply with Abu Dhabi's Emiratisation agenda which means that 5% of Abu Dhabi Charter online educational platforms staff will need to be Emirati starting in January 2023. Meeting and maintaining the Group's Emiratisation targets reduces its flexibility to rationalise its workforce, which limits its ability to reduce costs in many areas of its operations and may be made difficult due to the Covid-19 pandemic (particularly if additional waves or resurgences thereof occur). Accordingly, 5% of the Group's staff need to be Emirati to meet the key performance indicator. As a result, there can be no assurance that meeting and maintaining the Group's Emiratisation targets will not have a material adverse effect on its business, financial condition and results of operations.

The Group's financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.

The Group maintains its accounts, and reports its results, in UAE Dirhams, which is the functional currency of the Group. Although the UAE dirham has been pegged to the US dollar at a rate of AED 3.6725 to USD 1.00 since 1997, there can be no assurance that the UAE Central Bank will continue to maintain this fixed rate in the future, particularly if there continues to be increased demand for the US. Any de-pegging or change to the USD/AED exchange rate could increase the costs that the Group pays for certain goods and services procured from outside of the UAE, including consultant or international accreditation body services, if required in the future, or to make end of service payments to employees who have left the Group's employment, or could cause its results of operations and financial condition to fluctuate due to currency translation effects, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to the Offering and to the Shares

The Company is a holding company and substantially all of its operations are conducted through its subsidiaries.

As a holding company, the Company does not have significant operations of its own. The Company currently conducts all of its operations through its subsidiaries, primarily through Alef Education, which generates substantially all of its income and cash flow. Since the Company has no direct operations or significant assets other than the capital stock of these subsidiaries, the Company relies on those subsidiaries for cash dividends, income, and other cash flows and, in the long term, to pay other obligations at the holding company level that may arise. The ability of such entities to make payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company's subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance funds to the Company and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or applicable laws and regulations. Similarly, because of the Company's holding company structure, claims of the financiers of its subsidiaries, including trade creditors, banks and other financiers, effectively have priority over any

claims that the Company may have with respect to the assets of these entities. Further, there can be no assurance that, in the long term, the Company's subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing, or able, to pay dividends or lend or advance sufficient funds to the Company to enable it to meet its obligations and pay interest/finance costs, expenses and dividends, if any, on the Shares.

Substantial sales of Shares by the Shareholders or future issuances of Shares by the Company could depress the price of the Shares.

The Company may decide to issue and offer additional Shares in the future or securities convertible into Shares, including in the form of stock-based compensation. As a result, shareholders may suffer dilution to their holding and voting rights. In addition, if the Company carries out a further issuance of Shares, shareholders may suffer a dilution in percentage ownership if they did not participate or were not eligible to participate in such further issuances.

Sales, or the perception that such sales may occur, of a substantial number of Shares by the Selling Shareholders following the completion of the Offering or any future issuances of Shares by the Company may significantly reduce the Company's share price. The Company and the Selling Shareholders agreed in the Underwriting Agreement, to certain restrictions on their ability to sell, transfer and otherwise deal in their Shares for a period of 180 calendar days from the Closing Date, except in certain limited circumstances, unless otherwise consented to by the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed). Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offering) will be sold in the open market following the completion of the Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

The Selling Shareholders will retain significant interest in, and exercise significant control over, the Group and their interests may differ from those of the other.

As at the date of this Prospectus, the Selling Shareholders hold 100% of the Shares and voting rights in the Company and, immediately following the Offering, the Selling Shareholders will continue to hold a significant majority of the Shares and voting rights in the Company. As a result, the Selling Shareholders possesses and shall continue to possess sufficient voting power to exercise control over all matters requiring shareholder approval, including the election or removal of directors, the declaration of dividends and other matters to be determined by the shareholders. In exercising their voting rights, the Selling Shareholders may be motivated by interests that are different from those of other shareholders.

The ownership level of the Selling Shareholders may have the effect of delaying, deferring or preventing a change of control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have a material adverse effect on the trading price of the Shares.

The Shares have never been publicly traded and the Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.

Prior to the Offering, there has been no public trading market for the Shares. The Group cannot guarantee that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the offer price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Group's actual performance or conditions in the UAE.

The Company has applied for the Shares to be listed on the ADX. The ADX is substantially smaller in size and trading volume than other established securities markets, such as those in the United States and the UK. As of 31 December 2023, there were 95 companies with securities traded on the ADX with a total market capitalisation of approximately AED 2,999 billion. The ADX had a total regular trading value of AED 314 billion since the start of 2023. Brokerage commissions and other transaction costs on the ADX are generally higher than those in Western European countries. These factors could generally decrease the liquidity and increase the volatility of share prices on the ADX, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the ADX for the desired amount and at the price and time achievable in more liquid markets.

The market price of the Shares may rise or fall rapidly, the Shares may trade at a discount to the Offer Price and Shareholders may be unable to realise their investments through the secondary market at the Offer Price.

General movement in local and international stock markets, prevailing and anticipated economic conditions and profit rates, financing costs, investor sentiment and general economic conditions may all negatively affect the market price of the Shares. The market for the Shares may fluctuate and a lack of liquidity can have an adverse effect on the market value for the Shares. Accordingly, the purchase of such Shares is only suitable for investors who can bear the risks associated with such investments.

Further, the Shares may trade at a discount to the Offer Price for a variety of reasons, including adverse market conditions, deterioration in investors' perceptions of the merits of the Company's strategy and investment policy, an excess of supply over demand in the Shares.

The Company may not pay dividends on the Shares and consequently, investors may not receive any return on their investment unless they sell their Shares for a price greater than that which was paid for them.

The distribution of dividends by the Company will be dependent upon several factors, including the future profit, financial position, capital requirements, statutory reserve requirements, the amount of distributable reserves, available credit of the Company and general economic conditions and other factors that the Board of Directors deem significant from time to time. Also, the Company's ability to declare and pay cash dividends on the Shares may be restricted by, among other things, covenants in any credit facilities that the Company may enter into in the future, the recovery of any incurred losses in the future and provisions of UAE law. While the Company has historically been able to pay regular dividends and intends to pay dividends in respect of the Shares there can be no assurance that any dividend will ever be paid, nor can there be an assurance as to the amount, if any, which will be paid in any given year.

In addition, any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, among other things, applicable law and regulations, the Group's results of operations, financial condition, cash requirements, contractual restrictions, future projects and plans and other factors that Board of Directors may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them. See "Dividend Policy".

It may be difficult for shareholders to enforce judgments against the Group in the UAE, or against the Company's directors and senior management.

The Company is a public limited company established in the ADGM in the Emirate of Abu Dhabi, United Arab Emirates. All of its directors and all of its officers reside outside the UK and the EEA. In addition, the Group's material assets and the majority of the assets of its directors and senior management are located outside the UK and the EEA. As a result, it may not be possible for investors to effect service of process outside the UAE upon the Group or its directors and senior management or to enforce judgments obtained against them in courts outside the UAE, including judgments predicated upon the civil liability provisions of the securities laws of the UK or the EEA.

Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital.

Under the Articles of Association to be adopted in connection with the Offering, holders of the Shares generally have the right to subscribe and pay for a sufficient number of ordinary shares to maintain their relative ownership percentages prior to the issuance of any new ordinary shares in exchange for cash consideration. Holders of the Shares outside of the UAE may not be able to exercise their pre-emptive rights unless certain registrations are effective with respect to such rights and the related ordinary shares or an exemption from their respective registration requirements. The Company currently does not intend to register the Shares under the Securities Act or the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable holders of the Shares outside of the UAE to exercise their pre-emptive rights or, if available, that the Company will utilise such exemption. Furthermore, provided that the Company obtains all the required approvals from the SCA and its General Assembly, the Company may increase its capital without applying the pre-emption rights of the existing Shareholders, such as (i) for the purpose of the entry of a strategic partner, (ii) for the purpose of capitalising the Company's debts, (iii) for the purpose of converting bonds or sukuk issued by the Company into shares, and/or (iv) acquiring an existing company and issuing new shares in the Company to

the partners or shareholders of that acquired company. To the extent that holders of the Shares outside of the UAE are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such holders outside of the UAE would be reduced.

UAE TAXATION

The following comments are general in character and are based on the current and proposed tax regimes applicable in the UAE and the current practice of the UAE authorities as at the date of this Prospectus. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.

UAE Emirate-level Corporate Taxation

Historically, most of the individual Emirates have enacted their own corporate tax decrees. Whilst in theory these decrees could potentially levy corporate tax on all companies in the relevant Emirate, in practice, corporate tax was only applied to certain companies operating in the upstream oil and gas industry and to mainland branches of foreign banks in the UAE on their net income. Therefore, the Company should in principle continue to be subject to the Emirate-level corporate tax regime. In practice, however, the Company is not currently paying any corporate tax and not required to make any Emirate level corporate tax filings.

UAE Federal-level Corporate Taxation

Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (the “**Corporate Tax Law**”) introduced corporate tax on juridical persons with a permanent establishment or nexus in the UAE or deriving UAE sourced income, including corporations, partnerships, foundations, non-resident entities and natural persons engaged in a business or business activity from 25 October 2022; effective for businesses for tax periods commencing on or after 1 June 2023.

This Corporate Tax Law is as yet untested, and guidance published by the Ministry of Finance (the “**MoF**”) and the Federal Tax Authority (the “**FTA**”) have not resolved all points of uncertainty. Consequently, how the Corporate Tax Law will be applied to the Company remains unclear.

Corporate Tax Rates

The corporate tax rate is set at 0% for taxable income up to AED 375,000, and 9% for taxable income that exceeds AED 375,000.

The MoF has announced that, as a member of the OECD Base Erosion and Profit Shifting (“**BEPS**”) Inclusive Framework, it is committed to addressing the challenges faced by tax jurisdictions internationally. On the announcement of the UAE corporate tax, the MoF stated that UAE entities within a large multinational group that fall under the scope of Pillar 2 of the OECD BEPS 2.0 framework, being those with consolidated global annual revenue of more than EUR 750 million, equivalent to approximately AED 3 billion, will be subject to a different higher rate, which is still yet to be announced. The global minimum effective tax rate proposed by the OECD is 15%.

It is not currently clear how the UAE will embed the Pillar 2 rules into domestic legislation and how the Pillar 2 regime will interact with the new corporate tax regime, but it should be noted that this may impact the application of the zero rate for Qualifying Free Zone entities that fall within the Pillar 2 rules. The UAE is expected to enact Pillar 2 from 2025.

Taxable profit

UAE corporate tax will be payable on taxable income, being the net profit reported in the financial statements of the business, subject to certain adjustments.

No deductions are available when calculating taxable income for the following items, among others:

- expenditure not incurred for the purpose of the taxable person’s business;
- losses not connected with, or arising out of, the taxable person’s business;
- net interest / finance expense which exceeds the higher of: (i) 30% of tax adjusted EBITDA, or (ii) AED 12,000,000 (subject to certain additional requirements);
- penalties, bribes or other illicit payments;

- dividends or other profit distributions;
- corporate tax imposed under the Corporate Tax Law, tax imposed on the taxable person outside the UAE and recoverable VAT;
- donations paid to organisations that are not a Qualifying Public Benefit Entity (as defined under Article 9 of the Corporate Tax Law);
- 50% of expenditure incurred by the taxable person on the entertainment of customers, shareholders, suppliers or other business partners;
- adjustment for transactions with related parties that are not on arm's length;
- such other expenditure as may be specified in a decision issued by the cabinet; and
- **“Exempt Income”** and expenditure incurred in deriving Exempt Income, defined as: (i) dividends paid by UAE resident juridical person; (ii) dividends and other profit distributions received from a foreign participation that is not a resident person and local/foreign capital gains or losses on the transfer, sale or other disposition of participating interest (or part thereof) subject to complying with the participation exemption rules; (iii) income of a foreign permanent establishment where an election under Article 24 of the Corporate Tax Law has been made; and (iv) income derived by a non-resident person from operating aircraft or ships in international transportation that meets certain conditions.

Free Zone Persons

The Corporate Tax Law provides for a specific regime for **“Qualifying Free Zone Persons”**, being persons incorporated, established or otherwise registered in one of the UAE’s free zones, including a branch of a non-resident person registered in a free zone, (**“Free Zone Persons”**) meeting all of the following criteria:

- it maintains adequate substance in the free zone;
- its income is derived from transactions with other Free Zone Persons, except for income derived from **“Excluded Activities”** (as defined in Ministerial Decision No. 139 of 2023 Regarding Qualifying Activities in Excluded Activities). The other Free Zone Persons must be the beneficial recipients of a transaction where that other Free Zone Person has the right to use and enjoy the supply by the Qualifying free Zone Person without being under a legal or contractual obligation to pass on the services or goods supplied to another person; or income derived from transactions with a non-Free Zone Person, but only in respect of qualifying activities that are not Excluded Activities; or any other income provided that the Qualifying Free Zone Person satisfies the “de minimis” requirements of the Corporate Tax Law (**“Qualifying Income”**). Qualifying Income cannot include income attributable to a foreign permanent establishment or a domestic permanent establishment or income attributable to the ownership or exploitation of immovable property (except in the case of transactions with Free Zone Persons involving commercial property located in a free zone).
- it has not elected to be subject to corporate tax;
- it has complied with the arms-length principle and transfer pricing documentation requirements of the Corporate Tax Law;
- it does not fail the “de minimis test” defined in the Cabinet Decision No. 55 of 2023;
- it prepares audited financial statements in accordance with Ministerial Decision No.82 of 2023; and
- it has complied with any other conditions set by the MoF.

A Free Zone Person who fails to satisfy any of the above criteria will be subject to a corporate tax rate of 9% for each year in which it fails to meet the above criteria and for a further four years following a year that it fails to qualify. A Free Zone Person subject to a corporate tax rate of 9% does not benefit from the AED 375,000 zero tax band. The corporate tax FAQs published by the MoF and FTA specify that Qualifying Free Zone entities that are part of a large multinational group are expected to be subject to the Pillar 2 global minimum tax, once implemented.

Withholding tax

The UAE applies withholding tax at a rate of 0% to certain domestic and cross-border payments made by UAE businesses. Consequently, UAE businesses will not be required to make any deductions from payments made to resident or non-resident recipients, nor will there be an obligation to file withholding tax returns.

The Corporate Tax Law includes provisions which specifically allow the UAE Cabinet of Ministers to change the withholding tax rate. The Corporate Tax Law also specifies that a Cabinet decision will be issued which will detail the categories of income which will be subject to withholding taxes. The UAE Cabinet of Ministers decisions have not yet been issued.

Transfer Pricing

Under the Corporate Tax Law, transactions carried out between related parties and connected parties should be priced in line with the arm's length principle. The arm's length principle is met where the transaction or agreement is consistent with the results that would have been realised where unrelated parties had engaged in a similar transaction or agreement under similar circumstances.

The arm's length principle should be supported by a functional, assets and risk analysis which is intended to be aligned with the OECD TP Guidelines as clarified by the explanatory guide issued by the MoF.

Value Added Tax

VAT was introduced in the UAE on 1 January 2018, pursuant to Federal Decree Law No. (8) of 2017 on VAT and its Executive Regulations. The standard VAT rate is 5% and applies to most goods and services, with some goods and services subject to a 0% rate or an exemption from VAT (subject to specific conditions being met).

The 0% VAT rate applies to goods and services exported outside the UAE, international transportation, the supply of crude oil and natural gas, the first supply of residential real estate, and some specific areas, such as health care and education.

A VAT exemption applies to certain financial services, as well as to the subsequent supply of residential real estate. In addition, transactions related to bare land, residential buildings (other than the first supply) and domestic passenger transport are also exempt from VAT. Further, certain transactions in goods between companies established in UAE Designated Free Zones (as notified specifically for VAT purposes) (“DZs”) may not be subject to VAT. The supply of goods and services within DZs is, however, subject to VAT in accordance with the general application of the UAE VAT legislation. The purchase of Shares is considered an exempt supply for the purposes of VAT (unless a zero-rating provision applies) pursuant to Article 42 of the UAE VAT Executive Regulations. Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5%.

Businesses are entitled to claim a credit for VAT paid on their purchases (subject to maintaining the relevant supporting documents especially a tax invoice) if they relate to a supply that is standard rated or zero-rated (taxable supplies). However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed. Where VAT incurred cannot be attributed specifically to a taxable or an exempt supply, it is possible to recover a portion of this (for example, overhead costs for the business). This recovery can be made in line with an apportionment calculation and subsequent annual washup exercise.

Excess input VAT can, in principle, be claimed back from the FTA, subject to a specific procedure. Alternatively, VAT credits may be carried forward and offset against the net VAT payable in the next taxable period(s). The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

Businesses that do not comply with their VAT obligations can be subject to fines and penalties. There are both fixed and percentage-based penalties. The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of Shares would be subject to VAT at the standard rate of 5%. Certain fees may be subject to VAT at 0% where the buyer is non-resident,

and the sale meets the conditions for zero-rated export of services.

For completeness, dividend income received by merely holding shares in a company does not constitute consideration for a supply. Therefore, passively earned dividend income would not amount to a consideration for a taxable supply and should be outside the scope of UAE VAT.

A sale of assets would be subject to VAT at the standard rate of 5%, unless it qualifies as a transfer of a business as a going concern (in which case a transaction should be outside the scope of UAE VAT). Capital gains realised from the sale of assets would not constitute a consideration for a taxable supply and should be outside the scope of UAE VAT.

UAE Taxation Considerations for Prospective Investors

As of the date of this Prospectus, there is currently no federal-level or Emirate-level personal income tax levied on individuals in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offering based on local tax regulations in their respective jurisdictions.

Individuals who conduct a business or business activity in the UAE will be subject to corporate tax. Businesses or business activities conducted by a resident person or non-resident person shall be subject to corporate tax only where the total turnover derived from such businesses or business activities exceeds AED 1 million within a calendar year.

Taxation on purchase of shares

Completion of the Offering is likely to be characterised for UAE tax purposes as a purchase of shares by the investor. If an investor is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Offering may be characterised differently and may be subject to tax in that other tax jurisdiction.

There are no transfer taxes in the UAE on the purchase of shares. Accordingly, a purchase of Shares should not result in any UAE tax liabilities for investors who are individuals or corporations that are tax resident in the UAE. Non-UAE tax residents, or dual tax resident individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

From a VAT perspective, the purchase of shares is considered an exempt supply for the purposes of VAT unless a zero-rate provision applies pursuant to Article 42 of the UAE VAT Executive Regulations. Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5% (see “—*Value Added Tax*”).

Investors should seek advice in relation to the impact of VAT in relation to their acquisition of Shares.

Taxation of dividends and capital gains on sale of shares

UAE tax resident individual shareholders

Pursuant to the Corporate Tax Law, a purchase of shares and any related dividend income, or gains on sale of shares, should not result in any UAE tax liabilities for UAE tax resident or non-resident natural persons so long as it qualifies as a “personal investment”. Under UAE Cabinet decision No 49 for 2023 a “personal investment” is defined as investment activity that a natural person conducts for their personal account that is neither conducted through a licence or requiring a licence from a licensing authority in the UAE, nor considered as a commercial business in accordance with the UAE Federal Decree-Law No 50 of 2022, Commercial Transactions Law.

Non-UAE tax resident individual shareholders

Non-UAE tax residents, or dual tax residents, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with the Shares based on local tax regulations in their respective jurisdictions.

UAE tax resident corporate shareholders

Under the Corporate Tax Law, the purchase of Shares should not result in any UAE tax liabilities for corporations which are tax resident in the UAE. Similarly, dividends received from UAE resident juridical persons are exempt from tax.

Gains realised by UAE resident corporate investors in relation to the disposal of their investment will be subject to corporate tax at a rate of 9%. The participation exemption may exempt any gain arising where all of the following conditions are met:

- the ownership interest held by the investor represents at least 5% or the minimum historical acquisition costs of AED 4,000,000 is met;
- the investor holds the investment for a 12 month uninterrupted period (or has the intention to hold the investment for a 12 month period);
- the investment is subject to tax in its country or territory of residence at a rate that is not lower than 9% (this condition is assumed to be met where the investment is either a Qualifying Free Zone Person or an Exempt Person);
- not more than 50% of the direct and indirect assets held by the underlying foreign subsidiaries / investments consist of ownership interests that would not have qualified for a participation exemption if held directly by the investment;
- the investor has a right to receive at least 5% of the profits and liquidation proceeds of the subsidiary; and
- any other conditions as may be prescribed by the MoF.

Where the participation exemption applies on the disposal of the investment, any expenditure incurred in relation to the acquisition, transfer or sale of the investment, will not be deductible.

Non-UAE tax resident corporate shareholders

Non-UAE tax resident companies or dual tax resident corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

Under the Corporate Tax Law, dividends from resident juridical persons are exempt from tax. Where dividends from resident juridical persons are classed as state sourced income, the dividend income would be subject to withholding tax which is currently charged at 0%. Gains realized by non-UAE tax resident corporate investors or a non-UAE permanent establishment in relation to the disposal of their investment would represent UAE sourced income and therefore would be subject to tax under the Corporate Tax Law. This gain would be subject to withholding tax which is currently charged at 0% (see “—Withholding Tax”).

THE ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

THIRD SECTION: FINANCIAL DISCLOSURES

Summary of the Company's Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the three months periods ended 31 March 2024 and 2023 and the three years ended 31 December 2021, 2022 and 2023

1. SPECIAL PURPOSE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME DATA

	3 months ended 31 March		Year ended 31 December		
	2024	2023	2023 (AED)	2022	2021
INCOME					
Education solution fees	164,078,655	163,730,173	656,945,193	654,596,955	585,660,789
IT set-up fees.....	-	-	43,084,230	69,377,251	37,450,483
IT maintenance fees	12,572,171	12,144,052	49,496,003	48,719,133	44,248,071
Revenue from contracts with customers.....	176,650,826	175,874,225	749,525,426	772,693,339	667,359,343
EXPENSES					
Salaries and other benefits.....	(27,103,018)	(30,189,215)	(127,643,829)	(136,889,693)	(120,517,009)
Technology expenses	(8,508,908)	(6,867,232)	(63,061,653)	(83,033,402)	(80,527,815)
Software licenses.....	(6,413,550)	(5,298,317)	(24,111,194)	(23,076,971)	(20,712,747)
Amortisation for intangible assets	(8,409,112)	(7,778,730)	(30,732,894)	(30,238,093)	(26,512,823)
Legal and professional fees	(2,049,630)	(5,787,666)	(30,788,935)	(41,657,037)	(36,729,513)
Depreciation on property and equipment	(396,671)	(1,420,165)	(3,271,862)	(8,563,942)	(9,748,633)
Lease expenses.....	(941,780)	(885,116)	(3,530,964)	(4,120,597)	(4,022,688)
Marketing expenses.....	(1,123,847)	(2,648,537)	(7,845,303)	(4,488,845)	(5,598,668)
Others.....	(753,421)	(840,610)	(3,624,960)	(3,648,022)	(3,732,334)
Total expenses.....	(55,699,937)	(61,715,588)	(294,611,594)	(335,716,602)	(308,102,230)
OPERATING PROFIT FOR THE PERIOD / YEAR	120,950,889	114,158,637	454,913,832	436,976,737	359,257,113
Income from financial assets carried at fair value through profit or loss.....	-	91,362,983	122,795,687	237,947,155	67,893,713
Interest income.....	3,218,014	534,845	8,698,380	171,505	-
PROFIT FOR THE PERIOD / YEAR BEFORE TAX	124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Income tax expense	(11,141,451)	-	-	-	-
PROFIT FOR THE PERIOD / YEAR	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Other comprehensive income	-	-	-	-	-
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Earnings per share attributable to the Equity holders of the Parent:					
- basic and diluted earnings per share (AED)	0.49	-	-	-	-

2. SPECIAL PURPOSE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

	As at 31 March		As at 31 December		
	2024	2023	2023 (AED)	2022	2021
ASSETS					
Non-current assets					
Property and equipment.....	2,279,278	3,350,011	2,540,005	4,649,091	10,518,818
Intangible assets	127,985,269	76,432,728	79,898,352	74,785,546	75,101,023
Right of use assets	422,875	653,526	480,533	-	-
Trade and other receivables.....	4,984,419	9,367,250	12,425,319	10,562,585	10,364,798
Total non-current assets	135,671,841	89,803,515	95,344,209	89,997,222	95,984,639
Current assets					
Investments carried at fair value through profit or loss.....	-	936,223,905	-	869,032,026	269,863,572
Trade and other receivables.....	382,663,056	128,152,118	154,947,624	137,305,049	154,605,809
Amounts due from related parties.....	76,227,021	558,932,491	109,755,488	387,010,412	249,833,130
Cash and cash equivalents	168,891,054	202,785,106	261,773,715	171,437,937	205,585,278
Total current assets	627,781,131	1,826,093,620	526,476,827	1,564,785,424	879,887,789
TOTAL ASSETS	763,452,972	1,915,897,135	621,821,036	1,654,782,646	975,872,428
EQUITY AND LIABILITIES					
Equity					
Share capital.....	70,000,000	-	-	-	-
Shareholders' contribution	167,559,022	167,559,022	167,559,022	167,559,022	167,559,022
Other reserve	75,000	75,000	75,000	75,000	75,000
Retained earnings	389,813,735	1,598,530,227	346,786,283	1,392,473,762	717,378,365
Total equity	627,447,757	1,766,164,249	514,420,305	1,560,107,784	885,012,387
Non-current liabilities					
Provision for employees' end of service benefits.....	13,720,285	11,587,687	12,921,328	11,216,918	6,018,357
Lease liability.....	12,210	219,591	241,965	-	-
Total non-current liabilities	13,732,495	11,807,278	13,163,293	11,216,918	6,018,357
Current liabilities					
Amount due to a related party	-	-	-	-	37,826
Trade and other payables.....	122,064,583	137,705,314	94,008,382	83,457,944	84,803,858
Lease liability.....	208,137	220,294	229,056	-	-
Total current liabilities	122,272,720	137,925,608	94,237,438	83,457,944	84,841,684
Total liabilities	136,005,215	149,732,886	107,400,731	94,674,862	90,860,041
TOTAL EQUITY AND LIABILITIES	763,452,972	1,915,897,135	621,821,036	1,654,782,646	975,872,428

3. SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY DATA

	Share capital	Shareholder s' contribution	Statutory Reserve	Retained earnings	Total
Balance at 1 January 2021	-	167,559,022	75,000 <i>(AED)</i>	290,227,539	457,861,561
Total comprehensive income for the year.....	-	-	-	427,150,826	427,150,826
Balance at 31 December 2021	-	167,559,022	75,000	717,378,365	885,012,387
Total comprehensive income for the year.....	-	-	-	675,095,397	675,095,397
Balance at 31 December 2022	-	167,559,022	75,000	1,392,473,762	1,560,107,784
Total comprehensive income for the three- month period.....	-	-	-	206,056,465	206,056,465
Balance at 31 March 2023.....	-	167,559,022	75,000	1,598,530,227	1,766,164,249
Total comprehensive income for the nine- month period.....	-	-	-	380,351,434	380,351,434
Dividend	-	-	-	(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.....	70,000,000	-	-	(70,000,000)	-
Total comprehensive income for the three- month period.....	-	-	-	113,027,452	113,027,452
Balance at 31 March 2024.....	70,000,000	167,559,022	75,000	389,813,735	627,447,757

4. SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CASH FLOWS DATA

	3 months ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
			(AED)		
Operating activities					
Profit for the period / year before tax....	124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Adjustments for:					
Depreciation on property and equipment	396,671	1,420,165	3,271,862	8,563,942	9,748,633
Depreciation on right of use asset	57,658	38,371	211,364	-	967,582
Amortisation of intangible assets.....	8,409,112	7,778,730	30,732,894	30,238,093	26,512,823
Income from financial assets carried at fair value through profit or loss.....	-	(91,362,983)	(122,795,687)	(237,947,155)	(67,893,713)
Interest expense on lease liability	8,208	6,919	38,055	-	-
Write-off of intangible asset	-	-	-	-	741,266
Write-off of property and equipment....	-	-	-	17,571	-
Provision for employees' end of service benefits	1,195,000	969,199	4,286,824	7,480,607	6,322,132
Gain on disposal of property and equipment	-	-	(6,538)	-	-
Interest income	(3,218,014)	(534,845)	(8,698,380)	(171,505)	-
	<u>131,017,538</u>	<u>124,372,021</u>	<u>493,448,293</u>	<u>483,276,950</u>	<u>403,549,549</u>
Working capital changes:					
Amounts due from related parties.....	55,454	3,982	(289,966)	1,739,801	(1,525,274)
Trade and other receivables	(219,693,338)	10,348,266	(19,505,309)	17,102,973	(144,919,777)
Trade and other payables	15,665,359	54,247,370	6,444,006	(3,798,857)	(1,829,806)
Amount due to a related party.....	-	-	-	(37,826)	37,826
Cash (used in) generated from operating activities	(72,954,987)	188,971,639	480,097,024	498,283,041	255,312,518
Employees' end of service benefits paid	(396,043)	(598,430)	(2,582,414)	(2,282,046)	(4,517,158)
Net cash (used in) generated from operating activities	(73,351,030)	188,373,209	477,514,610	496,000,995	250,795,360
Investing activities					
Purchase of property and equipment....	(135,944)	(121,085)	(1,162,776)	(2,711,786)	(1,182,247)
Purchase of financial assets carried at fair value through profit or loss.....	-	(30,432,952)	(61,464,112)	(757,637,124)	(374,248,455)
Proceeds from disposal of financial assets carried at fair value through profit or loss.....	-	48,287,331	418,270,957	386,820,214	169,410,489
Dividend income from financial assets at fair value through profit or loss....	-	6,316,725	20,414,682	9,595,611	2,868,107
Amounts due from related parties.....	33,473,013	(171,926,061)	280,856,346	(138,917,083)	(248,030,141)
Purchase of intangible assets	(55,246,638)	(9,425,912)	(31,739,268)	(27,469,673)	(16,852,819)
Term deposit.....	(140,000,000)	-	-	-	-
Proceeds from disposal of property and equipment	-	-	6,538	-	-
Net cash (used in) generated from investing activities	(161,909,569)	(157,301,954)	625,182,367	(530,319,841)	(468,035,066)
Financing activities					
Interest income	2,636,820	534,845	5,386,924	171,505	-
Dividend paid through a related party...	-	-	(1,017,489,192)	-	-
Payment of principal portion of lease liability.....	(258,882)	(258,931)	(258,931)	-	(1,151,111)
Net cash generated from (used in) financing activities	2,377,938	275,914	(1,012,361,199)	171,505	(1,151,111)
Net (decrease) / increase in cash and cash equivalents	(232,882,661)	31,347,169	90,335,778	(34,147,341)	(218,390,817)
Cash and cash equivalents at the beginning of the period / year	261,773,715	171,437,937	171,437,937	205,585,278	423,976,095
Cash and cash equivalents at the end of the period / year	28,891,054	202,785,106	261,773,715	171,437,937	205,585,278
Significant non-cash transactions:					
Issuance of share capital	70,000,000	-	-	-	-
Addition to intangible assets.....	1,249,391	-	4,106,432	2,452,943	-
Dividend paid through a related party...	-	-	614,606,186	-	-

DIVIDEND POLICY

The Board has adopted a dividend policy for the Group which will look to maximise shareholder value and reflect its strong earnings potential and cash flow generation, while allowing it to retain sufficient capital to invest in our long-term growth (including opportunistic B2B and B2G acquisitions). The Company's ability to pay dividends is dependent on a number of factors, including:

- the availability of distributable reserves, the Company's growth plans, the Company's financial framework and other cash requirements in support of achieving our strategy in future periods,
- future financing capacity, covenants, and other factors impacting continuing availability of credit and compliance with anticipated financing terms,
- market conditions, the then-current operating environment in our markets and the outlook for our business,
- levels of expected future profits and our business plan (including our ability to perform in accordance with the expectations in our business plan),
- the discretion of our Board, based on the outlook for our business, and
- approval of any dividend payment at a general meeting of our shareholders.

Subject to the foregoing, the Company intends to pay dividends twice each financial year, with an initial payment of the first-half results being paid in the fourth quarter of that year, and a second payment following second-half results being paid in the second quarter of the following calendar year. Dividends to be paid in cash.

Subject to the foregoing, the Company intends to distribute 90% of its Net Profit for the financial years ending 31 December 2024 and 2025.

For the financial years ending 31 December 2024 and 2025, the Company intends to pay a target minimum dividend amount to investors equivalent to annualized dividend of AED 135 million relating to the performance for the financial year ending 31 December 2024 and AED 135 million relating to the performance for the financial year ending 31 December 2025 (the targeted minimum dividend amount for the financial years ended 31 December 2024 and 2025, (the "**Minimum Dividend Guaranteed Period**") (the "**Target Minimum Dividend Amount**").

If, during the Minimum Dividend Guaranteed Period, the portion of the declared dividend to all shareholders (other than the Selling Shareholders) falls below the intended Target Minimum Dividend Amount, then the Selling Shareholders may, subject to not breaching AAOIFI Shariah standards, forgo their right to receive dividends to the extent necessary to pay the intended Target Minimum Dividend Amount to all other shareholders (other than the Selling Shareholders).

MATERIAL EVENTS AND CONTRACTS CONCLUDED BY THE COMPANY (INCLUDING RELATED PARTY AGREEMENTS)

ADEK Agreement

Alef Education Consultancy LLC (“**Alef Education**”) entered into an agreement for “Implementation of Education System in Abu Dhabi Schools” with the Abu Dhabi Department of Education and Knowledge (“**ADEK**”) dated 26 March 2019 (“**ADEK Agreement**”) (as amended from time to time).

Under the ADEK Agreement, Alef Education provides comprehensive digital education solutions through its platform (“**Education System**”) in government funded schools for students in G5 to G-12 in Abu Dhabi (“**ADEK Schools**”).

The ADEK Agreement was rolled out in three phases. The three phases commenced on the following dates: phase 1 in January 2019, phase 2 in September 2019 and phase 3 in September 2020.

As part of its offering under the ADEK Agreement, Alef Education supplies the following in order to provide the Education System to ADEK:

- education software (including updates and new versions of the same) created by Alef Education;
- educational content developed by Alef Education
(collectively the “**Software Materials**”); and
- supplementary hardware and other equipment.

Alef Education’s education software program is stored in two parts: (a) cloud hosted microservices architecture; and (b) local content servers in each ADEK school. The equipment supplied by Alef Education includes laptops and related accessories, charging carts, network IT infrastructure, local content server, amongst others. Alef Education also supplies third-party software required to operate such hardware, equipment and networking in order to integrate the Software Materials.

The educational content developed by Alef Education is subject to changes that may be requested by ADEK. Up to 15% of the rework (which will be determined based on the time and effort involved in making changes vis-à-vis the time and effort involved in developing the original education content) undertaken is complementary for ADEK. Any additional requirements in excess of 15% of the rework are subject to an agreed standard consultancy charge.

Alef Education is also providing training to teachers who form part of the ADEK Schools, through Alef Education’s “teacher development coaches” who support ADEK Schools with ongoing professional development. These coaches are certified teachers, bilingual (where possible) who specialise in one or more subjects.

Under the ADEK Agreement, Alef Education is also providing technical support services during the duration of the ADEK Agreement. These services include technical support for the equipment and the software (including the required maintenance), as well as providing on-site specialists and help-desk support.

Any out-of-scope services (including problems in the software or equipment caused by ADEK, its employees, students or representatives through improper use, misuse or unauthorised alteration, amongst others) provided by Alef Education under the ADEK Agreement are charged separately.

Term

The ADEK Agreement commenced on 1 January 2019 and was valid for an initial term of 10 years. Pursuant to an amendment in the ADEK Agreement in 2021, the term of the ADEK Agreement is now valid for a 12-year period, to end by the end of the first trimester of the academic year of 2030/2031, unless it is terminated in accordance with its terms (as explained below under “Termination”) or extended.

The ADEK Agreement provides for renewal/extension of the contract, where the parties are required to meet twelve months prior to the expiry of the term to discuss and agree, in good faith, renewal of the ADEK Agreement.

Payment and Payment Terms

In connection with the services provided by Alef Education, ADEK is required to pay an education solutions fee (“**Education Solutions Fee**”) to Alef Education, which is calculated based on the number of students enrolled in an academic year, using ADEK’s official enrolment register in the respective grades in ADEK Schools. The Education Solutions Fee per student per academic year payable to Alef Education is as follows:

- (a) AED 5,288.40 for < 50,000 students;
- (b) AED 5,089.80 for > 50,000 students to < 75,000 students; and
- (c) AED 4,847.70 for >75K students.

For each academic year, the number of students is calculated based on the figures at the start of the academic year (i.e., as at 1 October of such year). At the end of each academic year, the parties will review the additional student enrolments from the date of calculation above and Alef Education invoices ADEK for such an increase in student enrolment numbers over the course of the academic year. The amounts due to Alef Education under each invoice are subject to 5% retention to be released by ADEK and paid to Alef Education at the end of each academic year (which may be subject to performance related deductions in accordance with the ADEK Agreement).

The Education Solutions Fee is calculated based on the assumption of an agreed number of minimum students and in the event that the actual enrolment numbers are below the agreed minimum numbers, Alef Education charges the Education Solutions Fee based on such minimum numbers, irrespective of actual enrolment. Under the ADEK Agreement, the cumulative minimum guaranteed number of students (after rolling out G-12) is 80,000 students. In accordance with the ADEK Agreement, some schools under the roll-out plan may be transferred to become “charter schools” and such charter schools have the discretion to implement the Education System in their schools. The minimum number of students as set out above may be reduced by a number equal to the total number of students enrolled (or planned to be enrolled) on the Education System in such transferred schools, if such charter schools decides not to implement the Education System.

The Education Solutions Fee is payable to Alef Education in arrears on a trimester basis in an academic year (beginning on 1 October), in the following manner:

- (a) For first trimester – 30 December;
- (b) For second trimester – 31 March; and
- (c) For third trimester – 31 July.

In addition to the Education Solutions Fee, Alef Education also receives a fee for procuring certain equipment/related services to ADEK. The fee for such equipment/related services are divided as follows (collectively, the “**IT Infrastructure Solution Fee**”):

- (a) IT start-up costs per ADEK School (including servers, network equipment, network passive components and accessories)
- (b) IT start-up costs per student (charging cart, wireless access point, student and teachers’ laptop and accessories); and
- (c) IT maintenance cost.

The IT Infrastructure Solution Fee was paid on the commencement date of the ADEK Agreement. Post this payment, the fee is payable either on an annual basis, or after the lapse of 3 years, 4 years or 5 years (as the case may be), depending upon the type of equipment or services being provided (i.e., servers, network equipment or network passive components and accessories).

This fee may be subject to an annual increase by Alef Education by a percentage which is not greater than the UAE consumer price index (or other index as may be published in substitution of this index from time to time) in the preceding 12-month period.

Liquidated Damages

Under the ADEK Agreement, if the services are not delivered by Alef Education within the timelines set

out in the agreement, Alef Education is liable to pay ADEK as liquidated damages for such delay, a sum equivalent to 3% of the annual Education Solutions Fee applicable to affected students for each 7 calendar days of delay, up to a maximum of 10% of the total annual Education Solutions Fee.

Indemnities and Limitation of Liability

The ADEK Agreement also contains standard indemnity provisions in favour of ADEK against all actions, suits, claims, demands, losses, charges, costs and expenses which ADEK may suffer in connection with property damage, death or personal injury to any person resulting from negligent or wrongful act or omission of Alef Education. Alef Education is also required to indemnify ADEK against third party claims resulting directly from breach of agreement by Alef Education. The liability of Alef Education for loss or damage arising out of breach of obligations under the ADEK Agreement is limited to an amount which will not exceed, in one academic year, 10% of the annual Education Solutions Fee paid for such academic year. Under the ADEK Agreement, ADEK has a duty to mitigate its losses.

Alef Education is also required to indemnify and keep ADEK indemnified from and against any and all losses, liabilities, costs, claims, damages and expenses, fees paid by ADEK, arising out of or in connection with any claim made against ADEK for actual or alleged infringement of a third party's intellectual property rights in relation to the use of the Software Materials.

License to Use

Under the ADEK Agreement, Alef Education has granted ADEK a personal, non-transferable and non-exclusive license to use the Software Materials in consideration of payment of a license fee. However, title to the Software Materials and all related intellectual property rights, including any software programs developed by Alef Education (and which is made available to ADEK) remains vested in Alef Education, from the date of creation.

Additionally, where ADEK has directed Alef Education to incorporate its textbooks, materials and other content into the educational content, Alef Education has been granted a royalty free, non-exclusive license to use and copy such content to the extent necessary, including for Alef Education's use in solutions that are developed for other customers.

Data Protection

Under the ADEK Agreement, both parties are required to comply with the relevant data protection principles and take reasonable precautions to preserve and protect the integrity of the other party's data.

Termination of the Agreement

The ADEK Agreement may be terminated by ADEK without cause, if termination of the agreement is considered by ADEK in its interest, in which case Alef Education is paid an early termination fee. The ADEK Agreement may also be terminated by either party, if the other party fails to perform its obligations within the timelines of the ADEK Agreement which has not been cured, commits any material breach of the ADEK Agreement which has not been remedied, becomes bankrupt or insolvent, tries to deceive or defraud in its dealing with the other party, or assigns or subcontracts any part of ADEK Agreement without the consent of the first party. ADEK is also entitled to terminate the ADEK Agreement if there is a change of control in Alef Education, provided ADEK serves a written notice to Alef Education within 90 business days of the date on which ADEK was informed regarding the change of control.

The ADEK Agreement defines change of control as a change in the following, through acquisition, sale of purchase:

- (a) voting rights attaching to 50% or more of voting shares of Alef Education; or
- (b) power to direct or cause direction and management of policies of Alef Education in accordance with the acquirer's wishes, whether as a result of ownership of shares, control of board of directors, contract or any powers conferred by articles of association of Alef Education.

The ADEK Agreement also provides for a suspension clause. ADEK may suspend services delivery at some or all school locations at any time during the performance of services for a period of up to 6 months at a time, provided that during the period of the agreement, any suspension shall not amount to an aggregate period of more than 12 months. The ADEK Agreement further clarifies that provided the suspension has not occurred because of default of Alef Education, ADEK will continue to pay Alef Education any costs

incurred by Alef Education during the suspension period which had been allocated towards delivery of the suspended services, including costs incurred as a result of such suspension (like IT and connectivity costs). The ADEK Agreement further clarifies that the total contract duration shall be extended by an amount equal to such suspensions.

Governance, Obligations and Warranties

Alef Education and ADEK have agreed on a governance arrangement for carrying out under the obligations under the ADEK Agreement, and key stakeholders and their roles and responsibilities have been defined under it.

The ADEK Agreement also contains general responsibilities of both parties to effectively implement the ADEK Agreement. These responsibilities include an obligation on Alef Education to collaborate with ADEK to ensure the sustainable implementation of the Education System in ADEK Schools, amongst others. ADEK's obligations under the ADEK Agreement include, amongst others, operating the equipment in a safe manner, properly maintaining the Education System, and providing an on-site support team to enable Alef Education to implement the Education System in the ADEK School.

There are also warranties provided by Alef Education in relation to the materials and equipment supplied by it under the ADEK Agreement.

Governing Law and Jurisdiction

The Agreement is governed by the laws of the UAE (as applied by the courts of Abu Dhabi). Disputes arising out of or in connection with the ADEK Agreement, which cannot be resolved amicably by way of direct negotiation within 15 days of the dispute, shall be referred to the sole jurisdiction of the courts of Abu Dhabi.

Ministry of Defence Agreement

Overview and Scope

Alef Education entered into an agreement with the MOD for "providing a digital platform for teaching academic subjects in military high schools" on 2 September 2021 ("**MOD Agreement**"). Pursuant to the MOD Agreement, Alef Education is required to implement the Alef platform in the military high schools from the beginning of the semester of 2021-2022. These include the military high schools in Al Ain, Al Dhafra and Al Dhaid City and any other schools that may be added by MOD.

The services offered by Alef Education were subject to a trial period of three semesters in the academic year of 2021-2022 for MOD's evaluation (through a committee formed by the commanders of the military high schools, and specialists from Alef Education) to determine the success of the project. In the event MOD deems that desired benefit from the project has not been achieved, MOD is entitled to terminate the MOD Agreement from the end of the academic year 2021-2022.

As part of its service offering under the MOD Agreement, Alef Education shall provide and maintain the content of Alef platform in line with the curriculum set out by the MOE:

- (a) for three Arabic subjects in the three semesters of academic year 2021-2022 and the academic year 2022-2023 for G7-G11; and
- (b) for English, Math and Sciences for subsequent periods, for G7-G12 based on the requirements of MOD.

Under the MOD Agreement, Alef Education is required to appoint:

- (a) three academic trainers and assign to each school a trainer to hold workshops and provide training courses for students, teachers, and coordinators from the military schools. Such trainers will also make classroom visits to provide best practices in classroom management. Alef Education is also required to train any new student, teacher or any other person assigned by the commanders of the military high school to work on the Alef platform during the term of this MOD Agreement; and
- (b) three engineers for technical and technological support.

Under the MOD Agreement, based on the request of the MOD, Alef Education may be required to transfer the Alef platform to the electronic cloud infrastructure of military high schools.

The MOD imposes comprehensive supervision by MOD on the services offered by Alef Education, including forming a joint committee to review functioning of the Alef platform, holding weekly periodic meetings, and reviewing weekly reports prepared by Alef Education, amongst others.

Payment and Payment Terms

The MOD Agreement provides that the annual fees for the subscription to the Alef Platform (for the subjects being subscribed to) is paid in instalments in arrears at the end of each semester, with each academic year consisting of three semesters. The fee is calculated for the student annual subscription fee for each semester for which the instalment is paid, based on the actual number of subscribed students in the relevant semester under an agreed formula.

Term and Termination of the Agreement

The term of the MOD Agreement is for a period of 4 years, beginning from the 2021-2022 school year. However, MOD has the right to terminate the MOD Agreement at any time during the term without preserving any rights for Alef Education if it becomes evident to MOD that the performance no longer meets the requirements of MOD, provided a 30-day prior written notice is provided.

The MOD Agreement also permits MOD to penalize Alef Education and terminate the MOD Agreement if Alef Education: (a) is unable to implement the terms; (b) violates the terms; or (c) fails to meet an obligation; (d) fails to correct a default within 30 days. MOD also has the right to confiscate the performance bond and terminate the MOD Agreement in case of fraud, proven bribery, insolvency or bankruptcy of Alef Education, or assignment of MOD Agreement without the consent of MOD. There are also clauses on termination due to force majeure.

Performance Bond

Alef Education has issued a performance bond under the MOD Agreement equivalent to 10% of the contract value of the MOD Agreement. This performance bond shall remain in effect for a period of not less than 120 days from the expiry of the MOD Agreement.

Damages and Limitation of Liability

Under the MOD Agreement, Alef Education shall compensate the MOD for any damages or liabilities incurred to their property, fixed or movable assets, or to any third-party property or for death and/or injury as a result of misconduct, negligence, and failure of delivery by Alef Education while carrying out the MOD Agreement. Alef Education is also responsible for any failure, damage or breakdown of devices, equipment, facilities and buildings in the work sites of MOD as a result of Alef Education's employees' misconduct.

The total aggregate liability in contract, negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance of the MOD Agreement will be limited to the total student subscription fees paid by MOD during the 6 months immediately preceding the date on which the claim arose.

Penalties

If Alef Education delays in fulfilling its services, there are penalties in place, which range from 1% of the contract value in the second week, and 2% following the first week, capped at 10% of the total contract value. Additionally, if Alef Education fails to fulfil its contractual obligations, MOD is entitled to (a) assign the rights and obligations of Alef Education to a third party, with all costs to be incurred by Alef Education and payment of 5% of the contract value as administrative fee to MOD; or (b) terminate the agreement or confiscate 10% of the value of services delayed, amongst others.

Tawazun Agreement

The MOD Agreement also provides that if the total value of any contract or purchase orders concluded between the parties exceeds the amount of AED 36,730,000 equivalent to USD 10 million, such contract will be subject to the program of the Tawazun Economic Council of the UAE government. In this case, Alef Education is required to sign a Tawazun agreement or any other complementary agreement with the Tawazun Economic Council.

Governing Law and Dispute Resolution

The governing law of the MOD Agreement is UAE, and UAE competent courts have the jurisdiction to settle all disputes if not settled amicably. Arabic language will prevail.

AWS Addendum

Alef Education is party to a private pricing addendum which is to supplement the agreement between Amazon Web Services EMEA SARL (“**AWS**”) and Alef Education, effective from 12 April 2022 and valid until 30 April 2026 (as extended from time to time). The addendum confers a discount of 8% and credits of USD 100,000 on Alef Education’s use of AWS’s webservices. The main agreement is the agreement, as available on the website of AWS.

As part of the addendum, AWS and its affiliates is granted a non-exclusive, worldwide, royalty-free right license to use Alef Education’s name and logos to identify Alef Education as an AWS customer during the addendum’s effective period and even after the expiration of the addendum, which can be terminated by Alef Education by way of a written notice of thirty (30) days revoking the use of Alef Education’s name and logos by AWS.

Identity Management Platform Subscription Agreement- Auth0, Inc/ Amazon Web Services

Alef Education is party to an agreement with Auth0 Inc, (“**Auth0**”), which allows Alef Education to subscribe to Auth0’s identity platform and avail of the service and related solutions offered on the platform (through a purchase order, as renewed from time to time). The license to use the Auth0 platform is provided by Okta, Inc via data centers operated by AWS.

While the agreement was entered into on 27 March 2019, and may be terminated either upon breach of either party or for convenience, however the subscription term for subscribing to Auth0’s platform was due to expire on 27 March 2024, which has been extended to 27 March 2026 based on a renewed purchase order. The agreement can only be renewed upon consent by both parties, and is not automatically renewable. The agreement can be terminated by either party upon a material breach of agreement, provided that the party guilty of the breach has not rectified or cured such breach within a thirty (30) day period after being served a notice of termination of the agreement in connection with the material breach.

The total value of this agreement is USD 336,840, and payment is to be made to AWS.

Under this agreement, Auth0 grants Alef Education a non-exclusive, non-transferable, royalty-free and worldwide license to access and use, and to permit its users to access and use the services subscribed to by Alef Education. In turn, Alef Education also grants a non-exclusive, non-transferable, royalty free license, which can be sublet to sub-processors to use the data and information provided to Auth0 to perform its obligations under the agreement.

The agreement obliges Alef Education to defend and indemnify Auth0 of all penalties, damages and fines in the event that any third party makes a claim that the required approvals and consents for the processing of personal data by Auth0 in the course of the services provided by Auth0 was not obtained by Alef Education or the users of the Auth0 platform in accordance with the EU Data Protection’s Laws.

This agreement is governed by the laws of England and Wales, any dispute arising out of it shall be referred to the courts of England and Wales.

Cloud Subscription Agreement- Mongo DB

Alef Education has entered into an agreement with Mongo DB, Inc. (“**Mongo**”) to use Mongo’s source-available, cross-platform, document-oriented database programs, made available through a subscription to Mongo’s cloud services. The agreement was entered into on 1 March 2024, and is valid until 28 February 2025.

The total value of this agreement is USD 569,490, payable monthly.

Under this agreement, Mongo grants Alef Education a non-exclusive, non-transferable, royalty-free and perpetual license to use and reproduce any work provided by Mongo in relation to the services performed under the agreement.

The agreement obliges Alef Education to defend and indemnify Mongo of all penalties, damages and fines

in the event that any third party makes a claim against Mongo on the grounds that their data protection rights and intellectual property rights have been infringed as a result of the data held by Alef Education as part of this agreement, or in conjunction with other applications used by Alef Education.

This agreement is governed by the laws of England and Wales, any dispute arising out of it shall be referred to the courts of London, England.

Distribution Agreement – USA

On 7 March 2022, Alef Education entered into a distribution agreement (as amended from time to time) (“**Distribution Agreement**”) with the Framework Development Group LLC (“**Framework Group**”), a company established in the USA, under which Alef Education has appointed the Framework Group as its non-exclusive distributor for distribution of the Alef platform (including Alef *Pathways*) in certain South-Eastern States in the USA. In accordance with the Distribution Agreement, prior approval of Alef Education is required if the Distributor wishes to distribute in other states of the USA and Canada.

Under the Distribution Agreement, the Framework Group is entitled to appoint resellers to distribute the Alef platform on its behalf, subject to Alef Education’s prior approval. The Framework Group is restricted from distributing or creating any software that directly or indirectly competes with the Alef platform or any other product of Alef Education. No right, title or interest in the Alef platform has been transferred to the Framework Group or its customers under this Distribution Agreement.

The Distribution Agreement provides for Framework Group and the end-users (who are business clients which have acquired the right to use the Alef platform without the right to resell, market or distribute) to enter into end-user license agreements, and Alef Education may be obligated (Subject to the end-user license agreement) to provide support for the Alef platform to such end-users. The Framework Group has the right to the Alef platform for marketing and sales purposes.

Under the Distribution Agreement, Alef Education is required to provide help desk support to end-users, and training and consultancy for the Framework Group’s employees. Alef Education has also provided a Framework Group with a discretionary market development fund monthly (capped at USD 477,000 for the year) for effective promotion and sale of Alef Education’s products.

In accordance with the Distribution Agreement, Alef Education is entitled to a percentage of the suggested retail price (which will be provided by Alef Education) for the Alef platform based on the subscription sales to new end users. These percentage range from 70% (for the first 52,000 end users or less), to 60% (for remaining end-users), and 80% (for renewing customers). These amounts would be invoiced on a quarterly basis by Alef Education, and the Framework Group is required to pay the full amount to Alef Education within 15 days of the date of receipt of payment from the end user. Interest of 6% per annum may be charged on overdue payments, which will accrue on a daily basis.

During the term of the Distribution Agreement, Alef Education has granted a non-exclusive, non-transferable right to the Framework Group to purchase the Alef platform solely for resale to end-users, however, Alef Education retains all rights, title and interest in the Alef platform and the related intellectual property. Alef Education has also granted the Framework Group a non-exclusive, non-transferable right and license to use and display the trademarks of Alef Education for marketing and distribution purposes, during the term of this agreement. There are also data protection and confidentiality obligations on both parties.

The total aggregate liability of Alef Education under the Distribution Agreement is limited to the Framework Group’s direct damages, and in any event, will not exceed the amount actually paid by Framework Group to Alef Education in the six months preceding the date on which the claim arose.

The term of the Distribution Agreement is till 31 December 2024. The Distribution Agreement is governed by the laws of the State of New York, and the federal courts of the State of New York have jurisdiction.

Reseller Agreements – Indonesia and Qatar

Alef Education entered into a reseller agreement with PT Berkas Utama Sejati (“**Indonesia Reseller**”) for the purpose of appointing the Indonesia Reseller as the non-exclusive reseller to resell Alef Education platform in Indonesia during the term of the agreement. The agreement has a term of an initial period of 12 months from the first sales generated by the Indonesia Reseller. This agreement is governed by the laws of England and Wales, any dispute arising out of it shall be referred to arbitration in Singapore.

Alef Education entered into a reseller agreement with Techno Lab WLL (“**Qatar Reseller**”). This agreement is dated 6 November 2023 is for the purpose of appointing the Qatar Reseller as the non-exclusive reseller to resell Alef Education platform in Qatar during the term of the agreement. This agreement shall continue for an initial period of 12 months. This agreement is governed by the laws of England and Wales, any dispute arising out of it shall be referred to the courts of DIFC.

Agreements with Etisalat

(i) **Etisalat by e& (“Etisalat”)**

Alef Education has entered into an agreement with Etisalat, a leading telecommunications and internet service provider company in the UAE to ensure high-speed internet access is provided to Alef Education at a discounted price. This agreement was entered into on 26 December 2023 and expires on 25 December 2026, and can be terminated by Alef Education by providing Etisalat with at least a fifteen (15) day prior-written notice. However, in the event that the contract has been terminated prior to the expiry date, Etisalat can levy financial penalties on Alef Education for early termination of the contract, which can be in the form of the discounts provided, amongst other penalties. The terms and conditions of this agreement are governed by standard terms and conditions on Etisalat’s website.

Etisalat can terminate the agreement without the provision of a notice on certain grounds, namely breach of any provisions of the agreement, failure to make the necessary payments, liquidation, administration, or over concerns regarding the operations, security and efficiency of the services by way of Alef Education’s use of those services. Etisalat is also allowed to terminate the agreement at any time by way of a thirty (30) day prior written notice to Alef Education.

(ii) **E& Enterprise Cloud- Sole Proprietorship L.L.C (“E&”)**

Alef Education is supplied with various IT support resources by E& pursuant to a contract entered into between Alef Education and E& on 19 September 2023, effective from 21 July 2023. The contract is valid for two years and can be extended for a further period of two years upon mutual agreement between the parties- provided they have met ninety (90) days prior to expiry of the contract to discuss renewal.

The services provided by E& under the contract include the supply and onsite management of IT support to different remote sites and schools to support Alef Education’s business. The services can be sub-contracted to any companies affiliated with E&, provided Alef Education’s written consent is obtained.

The value of the contract is AED 26,212,408.69. The contract can be terminated by either party immediately on certain grounds, namely breach of any provisions of the contract, liquidation, administration, or in the event that either party suspends, ceases, or threatens to suspend or cease to carry on all or a substantial part of its business, or in the event of an unauthorised change of control of either party or its appointed subcontractors.

Any dispute in relation to the contract will be governed by the laws of the UAE, and under the exclusive jurisdiction of the courts in the Emirate of Dubai, UAE.

Memoranda of Understanding (“MOU”)

(i) **MOU with the Ministry of Education (“MOE”) – 11 October 2023**

On 11 October 2023, Alef Education entered into an MOU with the MoE in relation to environmental sustainability and climate education. The general objective of this MOU is to enhance the cooperation between the MoE and Alef Education to integrate environmentally sustainability issues into the education system. As part of this MOU, Alef Education is required to deliver educational courses on environmental issues via its Alef platform, as well as “establish an educator’s platform for Cop28”. The MOU is valid for a period of 3 years and will be renewed automatically for similar periods. Alef Education and the MoE have the right to terminate this MOU at any time by issuing a prior written notice of two months. Any disputes in relation to this MOU would be resolved through discussions between the two parties.

(ii) **Collaboration Agreement with MOE – 19 January 2024**

On 19 January 2024, Alef Education entered into a collaboration agreement with MOE in relation to the MoE’s initiative to educate 1,000 refugee students. Pursuant to this collaboration agreement, Alef Education has, amongst others, donated devices, and provided access to the Alef platform (including

educational content for K-5 to K-12, additional product offerings of *Abjadiyat* and *Math Pathways*, and an AI tutoring system), and support in implementation of the platform for 1,000 students on a pro-bono basis. Alef Education is permitted to obtain aggregated technical and other data through the usage of the Alef platform, and such aggregated data is the property of Alef Education. There are standard data protection obligations for both parties. The agreement is valid for a period of one year, unless it is continued by agreement of both the parties. However, either party has the right to terminate this agreement on giving 30 days' prior written notice. The agreement is governed by the laws of UAE (as applied by the courts of Abu Dhabi), and the courts of Abu Dhabi have exclusive jurisdiction to resolve disputes.

(iii) *MOU with MOE – 21 February 2024*

On 21 February 2024, Alef Education also entered into an MOU with MOE in relation to improving Mathematics learning outcomes for K5 to K-8 in targeted schools through the development and implementation of Alef Education AI tutor system, through a phased approach. The term of this MOU will expire in June 2025 (which is the last phase of the MOU), unless terminated by either party subject to a 30-day notice period.

Under this MOU, Alef Education is required to design and develop the AI tutor system based on the feedback provided by the stakeholders, such as teachers, learners and MOE leadership, conduct training sessions, offer technical support, amongst others, with costs of the design, development and implementation of the AI tutor system to be borne by Alef Education.

The MOU is governed by the laws of the UAE, and any disputes arising under this MOU are to be settled amicably.

(iv) *MOU with Ministry of Preschool and School Education of Republic of Uzbekistan (“MOE – Uzbekistan”)*

Alef Education entered into an MOU with MOE – Uzbekistan on 17 March 2023 in relation to the collaboration between the parties to support MOE – Uzbekistan's digital transformation journey. This includes localization and distribution of Alef platform and courses and solution across MOE – Uzbekistan's schools, with a phased approach to implementation.

Contracts with Jumbo Electronics Co Ltd (LLC) (“Jumbo”)

Alef Education has entered into two (2) IT supply and services agreements with Jumbo for the provision of various electronic devices and maintenance services to Alef Education. These contracts were entered into between August 2022 and July 2023, and will expire after the services specified in the agreement have been provided to Alef Education. These agreements do not stipulate any conditions for renewal and can be terminated by either party immediately on certain grounds, namely breach of any provisions of the agreement, liquidation, administration, or in the event that either party suspends, ceases, or threatens to suspend or cease to carry on all or a substantial part of its business.

Under the IT supply agreements, the risk of the equipment passes to Alef Education upon successful delivery of the equipment to Alef Education at its warehouse. Alef Education is not deemed to have accepted the equipment until it has had 90 days to inspect the equipment after delivery and installation. Alef Education is also entitled to reject the equipment within 12 months of delivery and installation if there are any latent defects in the equipment.

The title to the equipment passes to Alef Education only after Jumbo receives the payment in full.

Any dispute in relation to these agreements will be governed by the laws of England and Wales, and under the exclusive jurisdiction of the Abu Dhabi Global Market.

Alef Education has also entered into a SaaS agreement with Jumbo for the supply of a significant number of Fortinet licenses to Alef Education. We understand that Jumbo is an authorised re-seller and distributor of Fortinet licenses, and that Alef Education's network firewalls are being provided by Fortinet. The contract was entered into on 24 June 2023, and will expire on 23 June 2024. Fortinet may immediately terminate the contract without notice upon breach of any provisions of the license agreement governing the use of Fortinet's services.

Any dispute in relation to the agreement will be governed by the laws of the State of California, and under the exclusive jurisdiction of the Santa Clara County, California.

MITR learning and media Private Limited (“MITR”)

This Master Services Agreement between Alef Education and MITR dated 9 December 2019 whereby MITR is to provide design and development of educational content, facilitated by separate purchase orders and statement of works entered into separately by both parties in accordance with the Master Services Agreement. The agreement commenced on 5 August 2019 for 2 years and has been extended to 31 July 2024 through various addendums.

Alef Education has granted a fully paid up, non-exclusive, non-transferable, royalty-free license to MITR to copy and modify all the materials provided by Alef Education for the purposes of providing the services to Alef Education under this agreement. MITR has also assigned all of the existing and any future intellectual property rights in connection with the services provided by MITR to Alef Education.

Either party can terminate the agreement immediately upon the provision of a written notice on certain grounds, namely breach of any provisions of the contract, failure to make the necessary payments, and liquidation or administration by any party.

This agreement and any dispute arising out of it shall be governed by the law of England and Wales, with the courts of the DIFC having non-exclusive jurisdiction to settle any dispute.

GAC Shipping and Logistics (“GAC”)

Alef Education has entered into an agreement with GAC, for the purpose of GAC providing Alef Education with warehousing, transportation and logistics management services. The parties entered into this agreement on 1 September 2021, which was initially valid for a period of twelve (12) months. It has been extended multiple times based on addendums and is now set to expire on 1 September 2024.

Under this agreement, GAC is providing its warehouse facility in Kizad, Abu Dhabi for Alef Education to store all electronic (including computers, servers, printers, computer hardware, wired or mobile telephones, etc.) and non-electronic equipment (tables, chairs, headsets and mice). The agreement stipulates different daily rates for storage of different items, payable by way of monthly invoices issued by GAC. GAC is required to take care of Alef Education’s equipment and hold it in safe custody at its own risk.

GAC is also responsible for inventory management, providing security services over the equipment, and transporting the equipment to schools and other facilities throughout the UAE. GAC is allowed to employ a sub-contract for its transportation services offered under this agreement.

GAC is required to maintain certain insurance policies during the term of this Agreement, including employers’ liability insurance, third party insurance for UAE territory, all property risks insurance, general commercial insurance, and professional indemnity insurance, amongst others.

Loss or damage to Alef Education’s equipment in GAC’s warehouse or by negligence of GAC, its employees or suppliers will be covered by the insurance policies taken out by GAC in accordance with the agreement. The total amount of liability of GAC under this agreement is limited to the maximum recoverable amount set out in the insurance policies that GAC has taken out, and for all other losses or damages which don’t fall under any insurance, the total liability of GAC would not exceed AED 500,000. Any loss or damage that exceeds the maximum recoverable amount under the policies maintained by GAC in accordance with this agreement must be covered by Alef Education, and not GAC. However, the limitation of liability set out above does not apply to GAC’s breach of confidentiality obligations, and/or any liability caused by GAC’s fraud, wilful default or gross negligence.

Under this agreement, while GAC is required to indemnify, defend and hold harmless Alef Education (and its offices, agents, employees), from and against any and all expenses, damages, claims, suits, losses, actions, judgments, liabilities and costs, arising from GAC’s negligence, misrepresentation or breach of the warranties or obligations of GAC, Alef Education is also required to indemnify GAC against all liabilities which arise directly out of any breach by Alef Education of its obligations under the agreement.

The agreement (or any services under the agreement) can be terminated by Alef Education any time, without the provision of a notice generally or on certain specific grounds, including GAC’s material breach of terms of this agreement (and failure to remedy such breach), unauthorised change of control of GAC or its subcontractors, any steps taken by GAC in relation to its liquidation, administration or arrangement with its creditors. However, for warehousing services used by Alef Education can be only terminated by Alef Education by giving GAC a prior written notice of ninety (90) days, during which Alef Education is entitled

to retrieve its equipment from the warehouse.

This agreement and any dispute arising out of it shall be governed by the law of England and Wales, with the courts of Abu Dhabi Global Market having non-exclusive jurisdiction to settle any dispute.

Upwork Global Inc. (“Upwork”)

This master service agreement governs each order form entered into between Upwork and Alef Education. The initial order form was dated 1 March 2021 and ended on 28 February 2022. By virtue of this agreement, Upwork shall make its platform available to Alef Education to find and engage freelancers through the platform.

The agreement obliges Alef Education to defend and indemnify Upwork, its officers, and affiliates of all penalties, damages and fines arising out of a claim made by a third party in relation to any provisions of the agreement, Alef Education’s use of UpWork’s platform, or Alef Education’s interactions with the freelancers it employs through Upwork’s platform, provided that Upwork informs Alef Education in writing of any claim under which indemnification can be sought under the agreement.

This agreement is governed by the laws of California and all disputes arising out of it will be subject to the non-exclusive jurisdiction of and a venue located in the federal or state courts of Santa Clara County, California. The term of this agreement has been extended up to 28 February 2025 through two amendments.

MBZU Agreement

Alef Education entered into an agreement with Mohamed Bin Zayed University for Humanities (“MBZU”) in relation to “building and authoring the education curriculum document and curricular tools for subjects of Islamic education” for public and private schools from kindergarten to twelfth grade, in May 2024.

The agreement provides for a detailed framework for building the curriculum for Islamic education, for all subjects, at each educational stage. Under this agreement, the curriculum is delivered in both English and Arabic.

In accordance with this agreement, Alef Education is required to declare, amongst others, that (i) the services are characterized by originality and innovation and not copying or imitation, (ii) they have not been previously published and have not submitted to any other party for the purpose of printing or publishing, (iii) Alef Education owns all legally established copyrights on them, and they do not contain anything contrary to morals and public order, or what is prohibited by law, with Alef Education being civilly and criminally liable if it appears otherwise, and MBZU entitled to terminate the contract on such event.

Payment Terms

In accordance with this agreement, MBZU is obligated to pay the contract value to Alef Education, in instalment according to the services performed and their prices, in accordance with the implementation phase, and subject to MBZU’s acceptance and satisfaction with their completion. The prices are fixed and are not subject to any increase. MBZU is required to pay Alef Education within 30 days of the date of receipt of an invoice (accompanied by supporting documentation). MBZU has the right to reject any invoice that has not been delivered by Alef Education within 6 months from the performance date.

Under the agreement, MBZU is not required to pay any increase in the prices agreed for any reason whatsoever.

Term

The term of this agreement is from 1 May 2024 to 30 June 2026, and the parties are entitled to renew or extend this agreement on mutually agreed terms.

Intellectual Property Rights

Alef Education has granted MBZU (and other entities benefiting from the services), a perpetual, non-exclusive, transferable, and assignable license to use the intellectual property in the existing services. Additionally, all intellectual property rights which are provided under this agreement (subject to any such rights which were created prior to entering into this agreement), will vest in and become the exclusive property of the MOE, and Alef Education has, under this agreement, exclusively and irrevocably assigned

such rights to the MOE. Alef Education is not permitted to use, reuse, copy, or distribute the same without prior approval of MOE, with MOE reserving the right to reject such request by giving a reasonable explanation.

Insurance and Indemnification

The services being provided by Alef Education under this agreement are at Alef Education's risk. In the event there is any incident which is likely to give rise to an insurance claim by MBZU, Alef Education is required to notify MBZU as soon as possible (latest within two (2) working days) and submit the insurance claim papers to MBZU within fifteen (15) days from the date of the incident. While the claim will be settled by MBZU's insurers directly, Alef Education will be compensated for the amount of claim due to it only after MBZU has received the amount of insurance claim from the insurance companies.

Under the Agreement, Alef Education is also required to protect, defend and indemnify MBZU (including its affiliates, officers, employees, subcontractors and agents) against all claims, liabilities, damages and expenses, including attorney fees and other defence expenses resulting from: (a) this agreement, or (b) expenses incidental to: (i) any and all injuries, death or illness of employees, officers, agents or subcontractors of Alef Education, or (ii) any damage or loss to property of Alef Education, employees, officers, agents, subcontractors or any third party, unless caused, in whole or in part, by the gross negligence or wilful misconduct of MBZU (and its affiliates, officers, employees, subcontractors and agents).

Alef Education is required to maintain, during the term of this Agreement, at its own expense, insurance for any liability for bodily injury resulting from accident or disease sustained by Alef Education's employees, subcontractors arising out of or during the performance of the work, and for all plant and equipment brought to work site, for its full value against any loss or damage from any cause whatsoever. Alef Education is also fully liable under the agreement for any damage, breakage or loss of any kind that may result from the execution of services, unless such damage, breakage, or loss is caused by MBZU.

Services Guarantee

Under the agreement, Alef Education has guaranteed the services being provided under the agreement for a period of one calendar year starting from the date of expiration of the agreement and until the receipt by MOE of the completed services in accordance with the terms and specifications of the agreement.

Penalties

Under the agreement, Alef Education is also liable for financial penalties in case of failure to perform the services the agreement, which are generally capped at 10% of the contract value or if the completion is divided into stages, the cap would apply to the relevant contract value of that stage.

Performance Bond

The agreement also requires Alef Education to deliver a performance bond of 10% of the contract value, as a guarantee for Alef Education's performance of its obligations under the agreement, to MBZU. The guarantee is required to be valid for the entirety of the duration of the agreement, and period of service guarantee (as set out above), plus a period of 90 calendar days.

Termination & Suspension

Under the agreement, there are unilateral termination rights in favour of MBZU, pursuant to which, MBZU can terminate the agreement by giving one month's notice and making payment of the pro-rata contract value commensurate with the services provided (and accepted by MBZU). MBZU also has the right to terminate the agreement without any court order: (a) if Alef Education breaches any terms and conditions of the agreement, which remains uncured for a period of three (3) working days, (b) in case of fraud, manipulation, bribery, insolvency, bankruptcy of Alef Education, and (c) in case of any act taken by Alef Education which in the opinion of MBZU is detrimental to its reputation. MBZU can also terminate the agreement if termination of the agreement is in public interest.

MBZU also has the right to request Alef Education to stop providing its services under the agreement, provided MBZU pays the actual value of services provided till date.

Governing Law & Dispute Resolution

The agreement is governed by the procurement provisions and legislation applicable to MBZU, and other legislation in force in Abu Dhabi, and UAE. Disputes arising out of or in connection with this agreement, which cannot be resolved amicably, shall be referred to the sole jurisdiction of the courts of Abu Dhabi.

FOURTH SECTION: OTHER DETAILS

1. Mechanism for adopting a governance system in the Company

The Board of Directors (the “**Board**”) is committed to standards of corporate governance that are in line with international best practice. As at the date of this Prospectus, the Company complies, and intends to comply, with the corporate governance requirements of the ADX listing and disclosure rules.

In this respect, the ADX listing and disclosure rules provide that the ADX may apply the Corporate Governance Guide for Joint Stock Companies issued by the SCA pursuant to Decision No. 3/RM of 2020 (as amended) (the “**Governance Rules**”) on all entities listed on the ADX.

2. The Company’s proposed management structure

Company’s Board structure

The Board consists of seven (7) Directors all of whom are Non-Executive Directors, 6 of whom are independent Directors as set out below:

Name	Year of birth	Position	Year of appointment
H.E Abdulhamid Mohammed Saeed Alahmadi*	1957	Chairman– Non-Executive Director	2024
H.E Ahmed Ali Al Sayegh*	1962	Vice-chairman – Non-Executive Director	2024
H.E Noura bint Mohammed Al Kaabi*	1978	Non-executive Director	2024
H.E Jameela Al Muhairi*	1968	Non-executive Director	2024
Omar Abdulla Al Hashmi*	1979	Non-executive Director	2024
Rima Al Mokarrab*	1978	Non-executive Director	2024
Dr. Saeed Alghfeli	1970	Non-executive Director	2024

*Denotes that the Director is considered independent under the Governance Rules.

The business address of each of the Directors is: Office 2332, 23rd Floor, Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates.

The management expertise and experience of each of the Directors is set out below:

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.

H.E Ahmed Ali Al Sayegh – Vice-chairman and Non-Executive Director

His Excellency Ahmed Ali Al Sayegh was appointed as Minister of State to the UAE Cabinet in September 2018. As Minister of State, H.E. is responsible for the economic and trade affairs within the Ministry of Foreign Affairs.

H.E. supports the UAE government actively in its initiatives and efforts that drive the nation’s economic diversification plans and the sustainable future of the UAE.

H.E. holds a number of positions including, Managing Director of Dolphin Energy, a member of the Board of Directors and Executive Committee of Abu Dhabi National Oil Company (ADNOC), Board Member of Emirates Foundation, Board Member of Abu Dhabi Development Fund, Deputy Chairman of Emirates Nature – WWF, and serves as the co-Chair of the UAE-UK Business Council.

He has formerly served in several key capacities such as the Founding Chairman of Abu Dhabi Global Market (ADGM), Founding Chairman of Aldar properties, Founding Chairman of Abu Dhabi Future Energy Company (Masdar), Founding Board Member of Etihad Aviation Group, Founding Board Member of Mubadala Development Company, Deputy Chairman of First Gulf Bank, and held senior positions in Abu Dhabi National Oil Company (ADNOC) and Abu Dhabi Investment Company (Invest AD).

H.E. holds a Bachelor’s degree in Economics from Lewis & Clark College, USA.

H.E Noura bint Mohammed Al Kaabi – Non-Executive Director

Her Excellency Noura bint Mohammed Al Kaabi is a Minister of State at the Ministry of Foreign Affairs. She previously served as Minister of Culture and Youth, as well as Minister of State for Federal National Council Affairs.

In addition to her ministerial responsibilities, H.E. formerly served as the President of Zayed University, Commissioner-General of the UAE Pavilion at Expo 2020 Dubai, and chaired the National Commission for Education, Culture and Science, and the Board of Directors of the Abu Dhabi National Exhibition Centre.

She also held other positions including CEO and Chairperson of the Board of Directors of Abu Dhabi Media, in addition to chairing the Media Zone Authority in Abu Dhabi (twofour54), where she played a vital role in the founding process aiming to enable the creative community in the UAE.

H.E. has contributed to enhancing the educational environment and promoted innovative courses at Zayed University, through new programmes in the College of Interdisciplinary Studies, which ensures that students are equipped with all the skills and knowledge required to enter a dynamic labour market and provide them with the necessary expertise to compete in the sector.

In addition to this, H.E. led the efforts for the UAE to become a member of the Executive Board of the United Nations Educational, Scientific and Cultural Organisation (UNESCO). She was also instrumental in the UAE’s cooperation with UNESCO for the restoration of heritage and cultural sites in the Iraqi city of Mosul as part of the “Revive the Spirit of Mosul” initiative.

H.E. is a Chevalier of the French Order of Merit in recognition of her efforts in developing relations between the UAE and France encouraging cultural and creative exchange.

Throughout the years, H.E. has contributed to the launch of several initiatives and projects for the development of the cultural and creative sectors in the UAE and enhancing relations with various countries. The most prominent of these initiatives include the launch of the National Creative Relief Program for creatives affected by the Covid-19, and the National Strategy for Cultural and Creative Industries, to grow the sector to be among the ten most important economic sectors in the country.

She is also a recipient of the Diplomatic Service Medal – Gwanghwa Medal from the then President of the Republic of South Korea, Moon Jae-in, in recognition of her efforts in supporting UAE-Korea relations.

H.E. holds a Bachelor of Arts in Management Information Systems from the United Arab Emirates University, and she has completed the Executive Leadership Programme from the London Business School.

H.E Jameela Al Muhairi – *Non-Executive Director*

Her Excellency Jameela Al Muhairi was appointed as Minister of State for Public Education in February 2016 until 2022. H.E. has more than 20 years' experience in education and has worked in key roles ranging from administrative to leadership positions.

Before becoming a Minister of State, H.E. served as a member of the Knowledge and Human Development Authority's Board of Directors in Dubai and simultaneously worked on developing a comprehensive school inspection system for Dubai schools, following a resolution by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council of Dubai, to establish the School Inspection Department at the Knowledge and Human Development Authority in Dubai. H.E. was appointed as the Head of the Department in 2007.

From 1995 to 2004, H.E. held key positions at the UAE Ministry of Education and later served as the Executive Director of Dubai Knowledge Village from 2004 to 2007. She has also been involved in improving private education as the Executive Director of Dubai Education Council.

She is also a board member of Dubai Cares Foundation.

H.E. graduated from the United Arab Emirates University where she studied Management.

Omar Abdulla Al Hashmi – *Non-Executive Director*

Omar Abdulla Al Hashmi serves as the Chief Executive Officer of TAQA's Transmission and Distribution business, a position he has held since January 2024. In this role, he oversees the company's diverse portfolio of transmission and distribution assets. Prior to this, Omar was Executive Director for Transmission and Distribution at TAQA, contributing nearly four years of strategic leadership to the organization. Before his tenure at TAQA, he was Executive Director of Asset Management at Abu Dhabi Power Corporation (AD Power), where he played a key role in shaping the company's transformation plan, structure, and governance. Omar previously served as the head of strategy development at Etihad Airways and Vice President of the Industry platform at Mubadala Investment Company (Mubadala).

Al Hashmi holds a Master of Business Administration from the London Business School and a Master of Science in Mechanical Engineering from George Washington University.

Rima Al Mokarrab - *Non-Executive Director*

Rima Al Mokarrab is the Executive Director of Strategic Affairs at the Executive Affairs Authority, a government agency mandated to provide strategic policy advice to His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the UAE. She also chairs the Board of Tamkeen LLC, a company that delivers projects enriching Abu Dhabi's social, cultural, and educational landscape.

Al Mokarrab co-founded and currently co-chairs Ideas Abu Dhabi in partnership with the Aspen Institute. She also sits on the Board of Trustees of New York University, is a Board member of the Emirates Centre for Strategic Studies and Research, and previously served on the Board of the UAE Space Agency.

Dr. Saeed Alghfeli - *Non-Executive Director*

Dr. Saeed Alghfeli is the Head of Technology Portfolio for Abu Dhabi Capital Group (ADCG), and is responsible for the leadership, guidance, and oversight of all ADCG's technology operating companies and investment.

Dr. Saeed brings 25 years of experience in the areas of digital transformation and technology adoption, crisis management and contingency planning, process improvement and innovation.

Prior to ADCG, Dr. Saeed held several senior roles in the UAE, most notably as DG at Emirates Identity Authority, and served as board member of various government and non-government agencies like the Telecommunications Regulatory Authority, Daman, Abu Dhabi Statistics Center, Al Etihad Credit Bureau, Monitoring & Control Center, In Health Information Technology and 500 Global.

Dr. Saeed holds a Bachelor in MIS and International Business from the University of Colorado, a Masters in CIS from the University of Denver, and a Doctorate in Management from the Colorado Technical University.

Senior Management

In addition to the members of the Board, the day-to-day management of our operations is conducted by our senior management team. The management expertise and experience of each of the senior management team is set out below.

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 organization 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 organization. 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.

Dr. Aishah Al Yammahi

Strategic Advisor

Dr. Aishah Al Yammahi acts as a Strategic Advisor for Alef Education. A thought leader with over 27 years of experience in the education sector, Dr. Aishah has been recognized among the 51 Emirati Women Achievers for her contributions to innovation in the UAE and for paving the way for future generations of inspiring women.

Dr. Aishah has held many roles in education in the public and private sectors, including the UAE Ministry of Education, where she oversaw the rollout of the Alef Education learning platform across public schools in Abu Dhabi.

Dr. Aishah also worked as the Director of the UAE National Commission for Education, Culture and Science at UNESCO, where she was introduced to many worldwide education systems. As part of the social role that Dr. Aishah deems a responsibility, she launched a successful social media campaign to cover topics related to education, AI and technology, and leadership. Her insightful contributions have been widely acknowledged, and she continues to be a leading voice in the field.

Dr. Aishah earned her doctorate in philosophy of education from The British University in Dubai (BUiD) after conducting in-depth research, which culminated in a published paper titled “Investigating the Impact of AI-Powered Digital Educational Platforms on Students’ Learning and Teachers’ Practice in Abu Dhabi Schools.” Preceding this, Dr. Aishah published additional research conducted at BUiD in the Journal for Researching Education Practice and Theory titled “The impact of Alef Platform on students’ performance at Al Asayel School in Abu Dhabi, UAE.”

Dr. Aishah earned a Master of Business Administration and Management from Massey University in New Zealand.

Joe El Sebaaly

Chief Product Officer

Joe El Sebaaly has over 20 years of experience working with technology and EdTech companies focusing on digital transformation.

Before joining Alef Education, he led education services initiatives at Pearson and McGraw-Hill in higher education, K-12, and vocational education. He focused primarily on leveraging global expertise and capabilities to develop innovative products.

As Chief Product Officer at Alef Education, Joe leads the product and AI strategy. He focuses on crystallizing the product vision and creating value for end users.

Joe earned a Bachelor of Computer Science and Master of Computer Science from the American University of Beirut and an MBA from London Business School.

Amjad Khan

Chief Technology Officer

Amjad is a technology leader with over 27 years of experience, highlighted by a 14-year tenure as an independent consultant.

His professional journey spans over 15 diverse companies, including HP, EE, Siemens, DXC, Cap Gemini, TNT, and the Ministry of Justice. His expertise is built on a foundation of varied roles within the government, telecommunications, and service sectors, ranging from startups and scale-ups to large-scale enterprises.

As Chief Technology Officer at Alef Education, Amjad spearheads the development and delivery of the technical product vision, ensuring high availability, scalability, resilience, performance, security, and cost optimization across the product portfolio. His responsibilities span various technical domains, including software engineering, data engineering, platform engineering, machine learning, business intelligence, agility, security, and enterprise architecture.

Amjad earned a Master of Computer Science from the University of Manchester and a Bachelor of Science in Pharmacology from the University of Leeds.

Will Lock

Chief Growth Officer

Will has 20 years of experience in achieving global growth for pioneering digital businesses. He is an EdTech specialist and began his career as a strategy consultant before moving into the media industry, where he launched and led several groundbreaking initiatives across Europe.

A highly focused commercial leader, Will discovered his passion for education at Discovery Education International, where he held the position of President and Managing Director and launched the company in China and India, among other markets. Prior to joining Alef Education, Will worked with personalized learning scale-up CENTURY Tech.

As Chief Growth Officer at Alef Education, Will leads long-term strategy development and is responsible for revenue and global growth through organic and inorganic means. This includes managing teams in the Middle East, North America, and SE Asia that market to, sell to, and super-serve governments, schools, and partners.

Will holds a Bachelor of Arts from the University of Nottingham.

Amit Choudhary

Chief Financial Officer

Amit has 23 years of multinational experience in Europe, the Bahamas, the Middle East, and India, including the last 17 years in the UAE. He spent 13 years with 'Big Four' accounting firms, including Deloitte & Touche, KPMG, and PricewaterhouseCoopers, followed by Waha Capital, where he was the Executive Director of Finance and Compliance.

Prior to joining Alef Education, Amit was the CFO of Qatar First Bank and Emirates Post (now called 7X) portfolio of companies, including the Wall Street Exchange, Instant Cash, and FINTX. He has led change, turnaround, and cost optimization strategies, resulting in significant company-wide improvements and value creation.

Amit earned a Bachelor of Commerce with Honours from The University of Calcutta. He is qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Chartered Accountants of India (ICAI). He also earned the Associate CMA and CGMA titles from CIMA, United Kingdom, and certifications in Leadership from Harvard Business School and Corporate Finance from London Business School.

Gregoire Provot

Director of Service Delivery

Gregoire has over 28 years of experience in customer service and IT service delivery. He has successfully led large teams in several countries and regions in the telecommunications and IT sectors and held senior positions at BT, C&W, NCR, DELL EMC, and NTT DATA Corporation.

Throughout his career, Gregoire achieved key milestones, including building BT’s first outsourcing support center in France, efficiently managing service delivery in the US, and building remote resolution teams across Europe, the Middle East and Africa (EMEA) from the Netherlands.

As Director of Service Delivery at Alef Education, Gregoire delivers contract value to clients within the service level agreement and quality expected to maintain satisfaction and optimize retention and renewal. His role focuses on school implementation, training and quality, project management office (PMO), IT support, and service desk.

Gregoire earned a Master of Innovation Management, Information Technology and Communication from Gustave Eiffel University and a Bachelor of Business Administration from Paris XIII University.

Company’s Organization Chart

Please refer to Annex 5.

Employment positions of members of the senior executive in the Company’s subsidiaries and other public joint stock companies:

All members of the Company's senior executive management hold the same positions and functions at Alef Education (a wholly owned subsidiary of the Company).

Employment positions of members of the board of directors in the Company’s subsidiaries and other public joint stock companies in UAE:

Omar Abdulla Al Hashmi	Chief Executive Officer of Transmission and Distribution at Abu Dhabi National Energy Company
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Conditions of eligibility, election, and removal of the Board of the Company

Board members will be elected by the shareholders. The Board of Directors was appointed by the Selling Shareholders for a period of 3 years commencing on the date of Listing.

If a position becomes vacant during the term of the Board, then a replacement may be appointed in accordance with the provisions of the Company’s Articles of Association. Any such replacement shall serve the remaining term of the director who vacated her or his or her position.

Director’s competencies and responsibilities:

The principal duties of the Board are to provide the Company’s strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company’s business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of Shareholders by law or by the Company’s Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, plan budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial and valuation reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing senior executive management of the Company;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with Shareholders.

3. Board Committees

The Board has an Audit Committee, and a Nomination and Remuneration Committee (each of which will be subject to the composition requirements of the Governance Rules). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the Chairman is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

A high-level overview of the mandate of each of these committees, as at Listing, is set out below.

Audit Committee

Certain members of the Board of Directors (together with an independent specifically appointed chairperson) constitute a committee to review and oversee the Company's internal and external audit and financial accounting policies.

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the internal control review function. The Audit Committee also assists the Board in overseeing the valuation process carried out by management, reviewing and approving valuation policy and the Company's procedures manual on an annual basis, and liaising with auditors regarding their views on valuation.

The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the ADGM and SCA.

The Audit Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law.

The Audit Committee will meet at least once every three months or as required. The Audit Committee charter requires that the Audit Committee must comprise at least three Non-Executive Board members, of whom at least two members shall be independent. At least one of the Audit Committee members shall have practical work experience in accounting or finance fields or shall have a university degree or a professional certificate in accounting or finance or other relevant fields.

One or more of the committee members may be appointed from outside the Company in case the available number of Non-Executive Board members is insufficient.

Nomination and Remuneration Committee

Certain members of the Board of Directors constitute a committee to review and oversee the Company's nomination and remuneration. The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating the hiring of the Company's senior executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors.

It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the overarching principles, parameters and governance framework of the remuneration policy and determining the individual remuneration and benefits package of the senior management.

The Nomination and Remuneration Committee must comprise at least three Non-Executive Directors, at least two of whom must be independent, in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination and Remuneration Committee must be chosen from amongst the independent committee members. The members of the Nomination and Remuneration Committee will be appointed in accordance with the Articles of Association. The Nomination and Remuneration Committee will meet at least once a year, and otherwise from time to time based on the Company's requirements.

4. Legal matters

The following is a summary of the legal matters that will apply to the Company following its Listing. The legal matters listed below must be read in light of the provisions of the Company's Articles of Association (which are set out in Annex 2 of this Prospectus).

- **The applicability of Governance and the ADGM Companies Regulations**

The Company decided voluntarily to comply with the Governance Rules as issued by the Securities and Commodities Authority, as amended from time to time. Accordingly, any contradictions between provisions found in Company's Articles of Association which is based on the ADGM Companies Regulations, the Company shall comply with the Governance Rules as issued by the Securities and Commodities Authority and in particular, but not limited to the following: 1) the annual general meeting; 2) Board composition and required eligibility for each member; 3) all provisions related to the Board and in particular the remuneration of the Board; 4) permanent committees; 5) provisions for entering into related parties transactions; 6) insiders; 7) The independency requirements in relation to the Board; and 8) provisions on the conflict of interest.

- **Articles of Association**

The Company's Articles of Association and the Companies Regulations describe the rights and obligations associated with the ownership of the Shares in detail. The full text of the Articles of Association of the Company is annexed to the Prospectus.

- **Attending General Meeting and voting rights**

Each Shareholder shall have the right to attend the General Meeting and shall have a number of votes equal to the number of their Shares.

- **Share register**

Upon listing on the ADX, the Shares will be dematerialized, and the share register will be maintained by the ADX.

- **Financial information**

A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

- **Financial year**

The financial year of the Company will start on the 1 January and end on 31 December of each year.

- **Dividends and liquidation proceeds**

The Company shall pay dividends on Shares in compliance with the relevant laws and regulations applicable to the Company. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with the Company's Articles of Association and applicable law and regulation in the ADGM.

- **General Meeting**

An annual general meeting shall be held in accordance with the Companies Regulations, Articles of Association of the Company and the Governance Rules.

The Company decided voluntarily to comply with the Governance Rules as issued by the Securities and Commodities Authority, as amended from time to time. Accordingly, any contradictions between provisions found in Company's Articles of Association, which is based on the ADGM Companies Regulations, the Company shall comply with the Governance Rules as issued by the Securities and Commodities Authority and in particular, but not limited to the annual general meeting.

- **Liability of the Board**

The members of the Board owe general duties to the Company in accordance with the Companies Regulations, Articles of Association of the Company and the Governance Rules (including exercising reasonable care, skill and diligence and acting to promote the success of the Company).

- **Appointment of the Chairperson and the Powers of the Chairperson**

His Excellency Abdulhamid Mohammed Saeed Alahmadi is the chairman of the Board. The chairman of the Board chairs the Board meetings, and in the absence of the chairman, the vice-chairman shall fill the role.

- **Corporate Governance**

The Company shall be subject to the corporate governance rules as published by SCA and amended from time to time.

5. **Supervision and Regulation**

Alef Education Holding plc is a public company limited by shares incorporated in the ADGM. The ADGM is a financial free zone within the meaning of UAE Federal Law No. 8 of 2004 (the "**Financial Free Zones Law**") and was established pursuant to UAE Federal Decree No. 15 of 2013. As a company incorporated in the ADGM, and in accordance with the Financial Free Zones Law, the Company is not subject to UAE federal civil and commercial laws. In particular, and without limitation, the Company is not subject to the provisions of the UAE Commercial Companies Law nor a variety of other legislation which applies to companies incorporated 'onshore' in the UAE. Instead, the Company is governed by applicable laws and regulations in the ADGM including the Companies Regulations.

In accordance with the ADGM legal framework applicable to public companies such as the Company, its primary constitutional document is its Articles of Association. Apart from various matters governed by the Companies Regulations and other ADGM legislation, the principal corporate governance and disclosure and transparency rules applicable to the Company are set out in the SCA Governance Guide, the provisions of the Chairman of Authority's Board of Directors' Decision no. 3 of 2000 concerning the regulations as to disclosure and transparency and in the Articles of Association and related documents (such as charters, policies and procedures adopted by the Board of Directors from time to time). The ADGM Board of Directors and, in certain circumstances, the ADGM Registration Authority has the power and authority to investigate violations of the Companies Regulations, including if it appears to it that there are circumstances suggesting that an ADGM company's affairs are being or have been conducted in a manner which is unfairly prejudicial to some part of its members, and in certain cases to refer such violations to ADGM courts. Shareholders in ADGM companies may also directly seek injunctions from ADGM courts against acts in violation of the Companies Regulations or constitutional documents and can seek to recover damages for such violations from ADGM companies and their directors.

Pursuant to the ADX listing rules, ADX has the authority to apply the Governance Rules applicable to financial free zone companies such as the Company that list securities on ADX.

Investors should familiarize themselves with applicable ADGM laws and regulations, and the Company's Articles of Association annexed to the Prospectus.

6. ADGM No Objection

The ADGM Registration Authority has issued a certificate of no objection to the Listing and the Offering in accordance with Article 33 of SCA Decision No. 11 RM of 2016 concerning the Regulation of Offering and Issuing Shares in Public Joint Stock Companies (as amended by the SCA Decision No. 25/RM/2020).

7. Independent Auditors

Ernst & Young – Middle East (ADGM Branch) audited the special purpose consolidated financial statements of the Group as of and for the years ended 31 December 2021, 2022 and 2023 and for the three months periods ended 31 March 2023 and 2024, as stated in their report included herein.

Ernst & Young – Middle East (ADGM Branch)

Sila Tower, 24th Floor, Office 2449

Abu Dhabi Global Market Square

Al Maryah Island

P.O. Box: 136

Abu Dhabi, United Arab Emirates

8. Details of any employee ownership scheme

The Company does not have any employee share ownership scheme.

Annex 1 – Financial Statements

Alef Education Holding Limited

DIRECTOR'S REPORT AND SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

**31 MARCH 2024, 31 MARCH 2023, 31 DECEMBER 2023,
31 DECEMBER 2022 AND 31 DECEMBER 2021**

Alef Education Holding Limited
Reports and consolidated financial statements



	Page
Director's report	1
Independent auditor's report	2 - 4
Special purpose consolidated statement of financial position	5
Special purpose consolidated statement of comprehensive income	6 - 7
Special purpose consolidated statement of changes in equity	8
Special purpose consolidated statement of cash flows	9 - 10
Notes to the special purpose consolidated financial statements	11 - 48

Alef Education Holding Limited

Director's report



The Director presents his report together with the audited special purpose consolidated financial statements of Alef Education Holding Limited (the "Group") for the three-month periods ended 31 March 2024 and 31 March 2023 and the years ended 31 December 2023, 31 December 2022 and 31 December 2021.

Principal activities

The principal activities of the Group are computer systems, software designing, educational consultancy, consultancy and studies and research in renewable energy.

Financial results

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

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Revenue	176,650,826	175,874,225	749,525,426	772,693,339	667,359,343
Total comprehensive income	113,027,452	206,056,465	586,407,899	675,095,397	427,150,826

Director

The Director of the Company as of 31 March 2024 was:

Mr Geoffrey Simon John Alphonso – appointed on 1 March 2024.

Director's statement to the disclosure to auditors

In so far as the Director is 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 special purpose consolidated financial statements.

Auditors

A resolution to reappoint Ernst and Young as auditors for the ensuing year will be put to the shareholders at Annual General Meetings.

A handwritten signature in blue ink, appearing to be "G. Alphonso", written over a horizontal line.

Director

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALEF EDUCATION HOLDING LIMITED**

Report on the Audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the special purpose consolidated financial statements of Alef Education Holding Limited (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprise the special purpose consolidated statement of financial position as at 31 March 2024, 31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021, the special purpose consolidated statement of comprehensive income, special purpose consolidated statement of changes in equity and special purpose consolidated statement of cash flows for the three-month period ended 31 March 2024, three-month period ended 31 March 2023, year ended 31 December 2023, year ended 31 December 2022 and year ended 31 December 2021 and notes to the special purpose consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying special purpose consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024, 31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the three-month period ended 31 March 2024, three-month period ended 31 March 2023, year ended 31 December 2023, year ended 31 December 2022 and year ended 31 December 2021 in accordance with International Financial Reporting Standards ("IFRSs").

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 special purpose consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Codes 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 special purpose 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of preparation

We draw your attention to Note 2.1 to the accompanying special purpose consolidated financial statements which describes the basis of accounting and that the accompanying special purpose consolidated financial statements for the three-month period ended 31 March 2024, three-month period ended 31 March 2023, year ended 31 December 2023, year ended 31 December 2022 and year ended 31 December 2021 have been prepared for the inclusion in the Company's initial public offering application to be filed with the Securities & Commodities Authority of the United Arab Emirates and should not be used for any other purpose. Our report is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ALEF EDUCATION HOLDING LIMITED continued

Report on the Audit of the Special Purpose Consolidated Financial Statements continued

Responsibilities of management and Board of Directors for the special purpose consolidated financial statements
Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the special purpose consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the special purpose 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 ISAs 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 special purpose 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 special purpose 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ALEF EDUCATION HOLDING LIMITED continued

Report on the Audit of the Special Purpose Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the special purpose consolidated financial statements continued

- 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 special purpose 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 special purpose consolidated financial statements, including the disclosures, and whether the special purpose 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 special purpose 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 the Director 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.



Signed by:
Walid J Nakfour
Partner
Ernst & Young

29 April 2024
Abu Dhabi

Alef Education Holding Limited
Special purpose consolidated statement of financial position



		31 March 2024 AED	31 March 2023 AED	31 December 2023 AED	31 December 2022 AED	31 December 2021 AED
ASSETS						
Non-current assets						
Property and equipment	5	2,279,278	3,350,011	2,540,005	4,649,091	10,518,818
Intangible assets	6	127,985,269	76,432,728	79,898,352	74,785,546	75,101,023
Right of use assets	7	422,875	653,526	480,533	-	-
Trade and other receivables	9	4,984,419	9,367,250	12,425,319	10,562,585	10,364,798
Total non-current assets		135,671,841	89,803,515	95,344,209	89,997,222	95,984,639
Current assets						
Investments carried at fair value through profit or loss	8	-	936,223,905	-	869,032,026	269,863,572
Trade and other receivables	9	382,663,056	128,152,118	154,947,624	137,305,049	154,605,809
Amounts due from related parties	15	76,227,021	558,932,491	109,755,488	387,010,412	249,833,130
Cash and cash equivalents	10	168,891,054	202,785,106	261,773,715	171,437,937	205,585,278
Total current assets		627,781,131	1,826,093,620	526,476,827	1,564,785,424	879,887,789
TOTAL ASSETS		763,452,972	1,915,897,135	621,821,036	1,654,782,646	975,872,428
EQUITY AND LIABILITIES						
Equity						
Share capital	11	70,000,000	-	-	-	-
Shareholders' contribution	11	167,559,022	167,559,022	167,559,022	167,559,022	167,559,022
Other reserve	12	75,000	75,000	75,000	75,000	75,000
Retained earnings		389,813,735	1,598,530,227	346,786,283	1,392,473,762	717,378,365
Total equity		627,447,757	1,766,164,249	514,420,305	1,560,107,784	885,012,387
Non-current liabilities						
Provision for employees' end of service benefits	13	13,720,285	11,587,687	12,921,328	11,216,918	6,018,357
Lease liability	7	12,210	219,591	241,965	-	-
Total non-current liabilities		13,732,495	11,807,278	13,163,293	11,216,918	6,018,357
Current liabilities						
Amount due to a related party	15	-	-	-	-	37,826
Trade and other payables	14	122,064,583	137,705,314	94,008,382	83,457,944	84,803,858
Lease liability	7	208,137	220,294	229,056	-	-
Total current liabilities		122,272,720	137,925,608	94,237,438	83,457,944	84,841,684
Total liabilities		136,005,215	149,732,886	107,400,731	94,674,862	90,860,041
TOTAL EQUITY AND LIABILITIES		763,452,972	1,915,897,135	621,821,036	1,654,782,646	975,872,428

Director

Chief Financial Officer

The attached notes 1 to 25 form part of these special purpose consolidated financial statements.

Alef Education Holding Limited

Special purpose consolidated statement of comprehensive income



	Notes	Period ended		Year ended	
		31 March 2024	31 March 2023	31 December 2022	31 December 2021
		AED	AED	AED	AED
INCOME					
Education solution fees		164,078,655	163,730,173	656,945,193	585,660,789
IT set-up fees		-	-	43,084,230	37,450,483
IT maintenance fees		<u>12,572,171</u>	<u>12,144,052</u>	<u>49,496,003</u>	<u>44,248,071</u>
Revenue from contracts with customers	16	176,650,826	175,874,225	749,525,426	667,359,343
EXPENSES					
Salaries and other benefits		(27,103,018)	(30,189,215)	(127,643,829)	(136,889,693)
Technology expenses		(8,508,908)	(6,867,232)	(63,061,653)	(80,527,815)
Software licenses		(6,413,550)	(5,298,317)	(24,111,194)	(20,712,747)
Amortisation for intangible assets	6	(8,409,112)	(7,778,730)	(30,732,894)	(26,512,823)
Legal and professional fees		(2,049,630)	(5,787,666)	(30,788,935)	(36,729,513)
Depreciation on property and equipment	5	(396,671)	(1,420,165)	(3,271,862)	(9,748,633)
Lease expenses	7	(941,780)	(885,116)	(3,530,964)	(4,022,688)
Marketing expenses		(1,123,847)	(2,648,537)	(7,845,303)	(5,598,668)
Others		<u>(753,421)</u>	<u>(840,610)</u>	<u>(3,624,960)</u>	<u>(3,732,334)</u>
Total expenses		(55,699,937)	(61,715,588)	(294,611,594)	(308,102,230)

Alef Education Holding Limited

Special purpose consolidated statement of comprehensive income continued



	Notes	31 March 2024 AED	31 March 2023 AED	31 December 2023 AED	31 December 2022 AED	31 December 2021 AED
OPERATING PROFIT FOR THE PERIOD / YEAR		120,950,889	114,158,637	454,913,832	436,976,737	359,257,113
Income from financial assets carried at fair value through profit or loss	17	-	91,362,983	122,795,687	237,947,155	67,893,713
Interest income		<u>3,218,014</u>	<u>534,845</u>	<u>8,698,380</u>	<u>171,505</u>	-
PROFIT FOR THE PERIOD / YEAR BEFORE TAX		124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Income tax expense	23	<u>(11,141,451)</u>	-	-	-	-
PROFIT FOR THE PERIOD / YEAR		113,027,452	206,056,465	586,407,899	675,095,397	427,150,826
Other comprehensive income		-	-	-	-	-
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD / YEAR		<u>113,027,452</u>	<u>206,056,465</u>	<u>586,407,899</u>	<u>675,095,397</u>	<u>427,150,826</u>
Earnings per share attributable to the Equity holders of the Parent:						
- basic and diluted earnings per share (AED)	24	<u>0.49</u>	-	-	-	-

The attached notes 1 to 25 form part of these special purpose consolidated financial statements

Alef Education Holding Limited
Special purpose consolidated statement of changes in equity



	<i>Share capital AED</i>	<i>Shareholders' contribution AED</i>	<i>Statutory Reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 1 January 2021	-	167,559,022	75,000	290,227,539	457,861,561
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,150,826</u>	<u>427,150,826</u>
Balance at 31 December 2021	-	167,559,022	75,000	717,378,365	885,012,387
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,095,397</u>	<u>675,095,397</u>
Balance at 31 December 2022	-	167,559,022	75,000	1,392,473,762	1,560,107,784
Total comprehensive income for the three-month period	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,056,465</u>	<u>206,056,465</u>
Balance at 31 March 2023	-	167,559,022	75,000	1,598,530,227	1,766,164,249
Total comprehensive income for the nine-month period	-	-	-	380,351,434	380,351,434
Dividend (note 25)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,632,095,378)</u>	<u>(1,632,095,378)</u>
Balance at 31 December 2023	-	167,559,022	75,000	346,786,283	514,420,305
Issuance of share capital (note 11)	70,000,000	-	-	(70,000,000)	-
Total comprehensive income for the three-month period	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,027,452</u>	<u>113,027,452</u>
Balance at 31 March 2024	<u>70,000,000</u>	<u>167,559,022</u>	<u>75,000</u>	<u>389,813,735</u>	<u>627,447,757</u>

The attached notes 1 to 25 form part of these special purpose consolidated financial statements.

Alef Education Holding Limited
Special purpose consolidated statement of cash flows

	Notes	31 March 2024 AED	31 March 2023 AED	31 December 2023 AED	31 December 2022 AED	31 December 2021 AED
Operating activities						
Profit for the period / year before tax		124,168,903	206,056,465	586,407,899	675,095,397	427,150,826
Adjustments for:						
Depreciation on property and equipment	5	396,671	1,420,165	3,271,862	8,563,942	9,748,633
Depreciation on right of use asset	7	57,658	38,371	211,364	-	967,582
Amortisation of intangible assets	6	8,409,112	7,778,730	30,732,894	30,238,093	26,512,823
Income from financial assets carried at fair value through profit or loss	17	-	(91,362,983)	(122,795,687)	(237,947,155)	(67,893,713)
Interest expense on lease liability	7	8,208	6,919	38,055	-	-
Write-off of intangible asset		-	-	-	-	741,266
Write-off of property and equipment	5	-	-	-	17,571	-
Provision for employees' end of service benefits	13	1,195,000	969,199	4,286,824	7,480,607	6,322,132
Gain on disposal of property and equipment		-	-	(6,538)	-	-
Interest income		(3,218,014)	(534,845)	(8,698,380)	(171,505)	-
		131,017,538	124,372,021	493,448,293	483,276,950	403,549,549
Working capital changes:						
Amounts due from related parties		55,454	3,982	(289,966)	1,739,801	(1,525,274)
Trade and other receivables		(219,693,338)	10,348,266	(19,505,309)	17,102,973	(144,919,777)
Trade and other payables		15,665,359	54,247,370	6,444,006	(3,798,857)	(1,829,806)
Amount due to a related party		-	-	-	(37,826)	37,826
		(72,954,987)	188,971,639	480,097,024	498,283,041	255,312,518
Employees' end of service benefits paid	13	(396,043)	(598,430)	(2,582,414)	(2,282,046)	(4,517,158)
Net cash (used in) generated from operating activities		(73,351,030)	188,373,209	477,514,610	496,000,995	250,795,360

Alef Education Holding Limited

Special purpose consolidated statement of cash flows continued



	Notes	31 March 2024 AED	31 March 2023 AED	31 December 2023 AED	31 December 2022 AED	31 December 2021 AED
Investing activities						
Purchase of property and equipment	5	(135,944)	(121,085)	(1,162,776)	(2,711,786)	(1,182,247)
Purchase of financial assets carried at fair value through profit or loss	8	-	(30,432,952)	(61,464,112)	(757,637,124)	(374,248,455)
Proceeds from disposal of financial assets carried at fair value through profit or loss	8	-	48,287,331	418,270,957	386,820,214	169,410,489
Dividend income from financial assets at fair value through profit or loss	17	-	6,316,725	20,414,682	9,595,611	2,868,107
Amounts due from related parties	6	33,473,013	(171,926,061)	280,856,346	(138,917,083)	(248,030,141)
Purchase of intangible assets	6	(55,246,638)	(9,425,912)	(31,739,268)	(27,469,673)	(16,852,819)
Term deposit	10	(140,000,000)	-	-	-	-
Proceeds from disposal of property and equipment		-	-	6,538	-	-
Net cash (used in) generated from investing activities		(161,909,569)	(157,301,954)	625,182,367	(530,319,841)	(468,035,066)
Financing activities						
Interest income		2,636,820	534,845	5,386,924	171,505	-
Dividend paid through a related party		-	-	(1,017,489,192)	-	-
Payment of principal portion of lease liability	7	(258,882)	(258,931)	(258,931)	-	(1,151,111)
Net cash generated from (used in) financing activities		2,377,938	275,914	(1,012,361,199)	171,505	(1,151,111)
Net (decrease) / increase in cash and cash equivalents		(232,882,661)	31,347,169	90,335,778	(34,147,341)	(218,390,817)
Cash and cash equivalents at the beginning of the period / year		261,773,715	171,437,937	171,437,937	205,585,278	423,976,095
Cash and cash equivalents at the end of the period / year	10	28,891,054	202,785,106	261,773,715	171,437,937	205,585,278
Significant non-cash transactions:						
Issuance of share capital	11	70,000,000	-	-	-	-
Addition to intangible assets		1,249,391	-	4,106,432	2,452,943	-
Dividend paid through a related party	8	-	-	614,606,186	-	-

The attached notes 1 to 25 form part of these special purpose consolidated financial statements.

1 BACKGROUND

Corporate information

Alef Education Holding Limited (the “Company” or the “Parent”) is registered in Abu Dhabi Global Market (ADGM) under license number 17843 as a Private 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”).

These are the first set of the special purpose consolidated financial statements of the Company and its subsidiary (together, the “Group”) following the reorganisation of the Group (the “reorganisation”) for inclusion in the Company’s initial public offering application to be filed with the Securities & Commodities Authority 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 11). 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 special purpose 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 principal activities of the Group are computer systems, software designing, educational consultancy, studies and researches in renewable energy in the United Arab Emirates.

The Group includes one subsidiary, Alef Education Consultancy LLC. Alef Education Consultancy LLC has a subsidiary, Arabic Scale Educational Consultancy – Sole Proprietorship LLC and also has a branch in the Emirate of Abu Dhabi in Abu Dhabi Creative Media Zone Authority. Alef Education Consultancy LLC also has a branch office in Amman, Hashemite of Jordan under an establishment number # 200181807. The branch in Amman provides support in content designing and writing. The financial statements of Alef Education Consultancy LLC include the operations and financial performance of these branches in United Arab Emirates and Hashemite of Jordan and the subsidiary.

The special purpose consolidated financial statements were recognized for issue in accordance with a resolution of the Director on 29 April 2024.

2 BASIS OF PREPARATION

Statement of compliance

The special purpose consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The special purpose 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 currency of the Company and the presentation currency of the Group.

On 13 February 2024, the shareholders of the Company resolved to file an initial public offering application with the Securities & Commodities Authority in the United Arab Emirates to list the Company’s shares on Abu Dhabi Securities Exchange (“ADX”) in the United Arab Emirates. Accordingly, these special purpose consolidated financial statements as of and for the period ended 31 March 2024 have been prepared solely for inclusion in the initial public offering application of the Company to be filed with the Securities & Commodities Authority in the United Arab Emirates and are not the Company’s statutory financial statements. The Company’s first statutory consolidated financial statements will be prepared for the year ended 31 December 2024.

2 BASIS OF PREPARATION (continued)

Basis of consolidation

The special purpose consolidated financial statements incorporate the financial statements of the Company and its subsidiary as at 31 March 2024, 31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021. 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 special purpose 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 special purpose 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 assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received - Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities;

Business combinations and acquisition of non-controlling interests

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the "Business acquisition cost" line-item in the special purpose consolidated statement of comprehensive income.

2 BASIS OF PREPARATION (continued)

Business combinations and acquisition of non-controlling interests (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration, resulting from business combinations, is measured at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss as a 'bargain purchase gain'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions in IAS 37 Provisions, Contingent Liabilities and Contingent Assets or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

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, Alef Education Consultancy LLC is 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 Alef Education Consultancy LLC.

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 BASIS OF PREPARATION (continued)

2.1 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.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to 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. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's special purpose consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

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 special purpose consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

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 special purpose 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 special purpose 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
- Amendments to IFRS 10 and IAS 28: for optional adoption/effective date deferred indefinitely - sale or contribution of assets between an investor and its associate or joint venture

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

Financial instruments

Financial assets and financial liabilities are recognised in the Group's special purpose 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 special purpose 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Classification of financial assets (continued)

Interest income is recognised in special purpose 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.

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.

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.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(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 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 special purpose consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the special purpose 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
Villa furniture and fixtures	3 years
School equipment	3 years
Office leasehold improvement	3 years
School 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 period 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets continued

Internally-generated intangible assets – research and development expenditure continued

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 period 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 period 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.

Cash and cash equivalents

For the purpose of the special purpose 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies

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

Transactions in currencies other than AED 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 special purpose 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 special purpose 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

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 special purpose 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxes (continued)

Deferred tax continued

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 special purpose consolidated statement of financial position.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the special purpose 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 special purpose 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 period ended 31 March 2024, the balance due on oral agreement was AED 219 million which has been confirmed by the party.

Business combinations

For every acquisition, the Group performs an assessment to determine whether the transaction represents an acquisition of assets or business. In cases where the acquisition is determined to be a business then the Group performs certain additional procedures, as mentioned below, to conclude whether the business combination is within the scope of IFRS 3 – Business Combinations (IFRS 3) or the business combination is under common control which is outside the scope of IFRS 3:

- consider the total shareholding of the Group in the acquiree (investee), owned either directly, indirectly or through beneficial ownership, prior to the acquisition;
- determine whether the Group exerts control or de-facto control over the investee in accordance with IFRS 3.

Further, the Group also performs an assessment of the reliability of acquisition date fair value of the acquiree's equity interests to determine if this value may be more reliably measurable than the acquisition date fair value of the acquirer's equity interests. Judgment is involved to make this assessment which includes performing procedures such as evaluating the volume of shares traded of the acquiree and acquirer prior to the transaction to conclude on the fair value to be applied in the determination of the purchase consideration.

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.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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 property, equipment and intangible assets

The useful lives and residual values of the property and equipment and 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 property and equipment in accordance with IAS 16 'Property Plant and Equipment' and IAS 38 "Intangibles assets" and has determined that these expectations do not significantly differ from previous estimates.

Impairment of property, equipment and intangible assets

Property, equipment and intangible assets are assessed for impairment based on an assessment of whether impairment indicators exist at the reporting date. Management has not provided any amounts in the current year for potentially impaired items of property, equipment and intangible assets as management has not identified any impairment indicators. Accordingly, no provision for impairment is necessary on property, equipment and intangible assets.

Allowance for expected credit losses on trade receivables and amounts due from related parties

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.

Alef Education Holding Limited

Notes to the special purpose consolidated financial statements

5 PROPERTY AND EQUIPMENT

Cost	Office equipment AED	Office furniture and fixture AED	Villa furniture and fixture AED	School equipment AED	Office leasehold improvements AED	School leasehold improvements AED	Total AED
At 1 January 2021	30,217,547	2,192,157	126,680	2,671,732	230,115	3,547,182	38,985,413
Additions	<u>1,182,247</u>	-	-	-	-	-	<u>1,182,247</u>
At 31 December 2021	31,399,794	2,192,157	126,680	2,671,732	230,115	3,547,182	40,167,660
Additions	2,675,591	25,845	-	-	10,350	-	2,711,786
Write off	-	(17,571)	(126,680)	(2,671,732)	-	(3,547,182)	(6,363,165)
At 31 December 2022	34,075,385	2,200,431	-	-	240,465	-	36,516,281
Additions	<u>121,085</u>	-	-	-	-	-	<u>121,085</u>
At 31 March 2023	34,196,470	2,200,431	-	-	240,465	-	36,637,366
Additions	1,014,669	27,022	-	-	-	-	1,041,691
Disposals	-	(22,947)	-	-	-	-	(22,947)
At 31 December 2023	35,211,139	2,204,506	-	-	240,465	-	37,656,110
Additions	<u>135,944</u>	-	-	-	-	-	<u>135,944</u>
At 31 March 2024	35,347,083	2,204,506	-	-	240,465	-	37,792,054

5 PROPERTY AND EQUIPMENT (continued)

	Office equipment AED	Office furniture and fixture AED	Villa furniture and fixture AED	School equipment AED	Office leasehold improvements AED	School leasehold improvements AED	Total AED
Accumulated depreciation							
At 1 January 2021	11,939,258	1,386,434	126,680	2,670,540	230,115	3,547,182	19,900,209
Depreciation	<u>9,293,514</u>	<u>453,927</u>	-	<u>1,192</u>	-	-	<u>9,748,633</u>
At 31 December 2021	21,232,772	1,840,361	126,680	2,671,732	230,115	3,547,182	29,648,842
Depreciation	8,246,305	316,029	-	-	1,608	-	8,563,942
Write off	-	-	(126,680)	(2,671,732)	-	(3,547,182)	(6,345,594)
At 31 December 2022	29,479,077	2,156,390	-	-	231,723	-	31,867,190
Depreciation	<u>1,409,388</u>	<u>9,914</u>	-	-	<u>863</u>	-	<u>1,420,165</u>
At 31 March 2023	30,888,465	2,166,304	-	-	232,586	-	33,287,355
Depreciation	1,827,074	22,036	-	-	2,587	-	1,851,697
Disposals	-	(22,947)	-	-	-	-	(22,947)
At 31 December 2023	32,715,539	2,165,393	-	-	235,173	-	35,116,105
Depreciation	<u>391,339</u>	<u>4,469</u>	-	-	<u>863</u>	-	<u>396,671</u>
At 31 March 2024	33,106,878	2,169,862	-	-	236,036	-	35,512,776
Carrying amount							
At 31 March 2024	<u>2,240,205</u>	<u>34,644</u>	-	-	<u>4,429</u>	-	<u>2,279,278</u>
At 31 March 2023	<u>3,308,005</u>	<u>34,127</u>	-	-	<u>7,879</u>	-	<u>3,350,011</u>
At 31 December 2023	<u>2,495,600</u>	<u>39,113</u>	-	-	<u>5,292</u>	-	<u>2,540,005</u>
At 31 December 2022	<u>4,596,308</u>	<u>44,041</u>	-	-	<u>8,742</u>	-	<u>4,649,091</u>
At 31 December 2021	<u>10,167,022</u>	<u>351,796</u>	-	-	-	-	<u>10,518,818</u>

6 INTANGIBLE ASSETS

	<i>Computer software AED</i>	<i>Platform AED</i>	<i>Content AED</i>	<i>Capital work-in-progress AED</i>	<i>Total AED</i>
Cost					
At 1 January 2021	607,676	31,046,714	99,368,468	741,266	131,764,124
Additions	-	-	16,852,819	-	16,852,819
Write off	-	-	-	(741,266)	(741,266)
At 31 December 2021	607,676	31,046,714	116,221,287	-	147,875,677
Additions	-	-	27,469,673	2,452,943	29,922,616
At 31 December 2022	607,676	31,046,714	143,690,960	2,452,943	177,798,293
Additions	-	-	9,425,912	-	9,425,912
At 31 March 2023	607,676	31,046,714	153,116,872	2,452,943	187,224,205
Transfers	-	-	2,452,943	(2,452,943)	-
Additions	-	9,656,122	8,205,937	8,557,729	26,419,788
At 31 December 2023	607,676	40,702,836	163,775,752	8,557,729	213,643,993
Additions	-	46,476,190	1,321,707	8,698,132	56,496,029
At 31 March 2024	607,676	87,179,026	165,097,459	17,255,861	270,140,022
Accumulated amortisation					
At 1 January 2021	270,264	9,825,898	36,165,669	-	46,261,831
Amortisation	202,559	2,625,301	23,684,963	-	26,512,823
At 31 December 2021	472,823	12,451,199	59,850,632	-	72,774,654
Amortisation	134,853	2,625,302	27,477,938	-	30,238,093
At 31 December 2022	607,676	15,076,501	87,328,570	-	103,012,747
Amortisation	-	656,325	7,122,405	-	7,778,730
At 31 March 2023	607,676	15,732,826	94,450,975	-	110,791,477
Amortisation	-	2,256,942	20,697,222	-	22,954,164
At 31 December 2023	607,676	17,989,768	115,148,197	-	133,745,641
Amortisation	-	1,998,681	6,410,431	-	8,409,112
At 31 March 2024	607,676	19,988,449	121,558,628	-	142,154,753
Carrying amount:					
At 31 March 2024	-	67,190,577	43,538,831	17,255,861	127,985,269
At 31 March 2023	-	15,313,888	58,665,897	2,452,943	76,432,728
At 31 December 2023	-	22,713,068	48,627,555	8,557,729	79,898,352
At 31 December 2022	-	15,970,213	56,362,390	2,452,943	74,785,546
At 31 December 2021	134,853	18,595,515	56,370,655	-	75,101,023

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

Product research, maintenance and other development costs that are not eligible for capitalisation have been expensed which amounts to AED 9,151,303 (31 March 2023: AED 15,249,626, 31 December 2023: AED 54,724,747, 31 December 2022: AED 59,412,321 and 31 December 2021: AED 56,994,030).

7 LEASES

The Group has rented office premises in United Arab Emirates (UAE) for its head office on an annual basis. The lease is classified as a short-term lease.

The Group has also rented an office premise in Amman, Hashemite of Jordan for a contracted period of 3 years. The lease is classified as a long-term lease.

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

Right of use assets:

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
At the beginning of the period / year	480,533	-	-	-	967,582
Additions during the period / year	-	691,897	691,897	-	-
Depreciation expense	<u>(57,658)</u>	<u>(38,371)</u>	<u>(211,364)</u>	-	<u>(967,582)</u>
At the end of the period / year	<u>422,875</u>	<u>653,526</u>	<u>480,533</u>	<u>-</u>	<u>-</u>

Lease liability:

Set of below are the carrying amounts of lease liability and the movement thereof during the period / year:

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
At the beginning of the period / year	471,021	-	-	-	1,151,111
Addition during the period / year	-	691,897	691,897	-	-
Payments during the period / year	<u>(258,882)</u>	<u>(258,931)</u>	<u>(258,931)</u>	-	<u>(1,151,111)</u>
Interest expense	<u>8,208</u>	<u>6,919</u>	<u>38,055</u>	-	-
At the end of the period / year	<u>220,347</u>	<u>439,885</u>	<u>471,021</u>	<u>-</u>	<u>-</u>

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

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
Current	208,137	220,294	229,056	-	-
Non-current	<u>12,210</u>	<u>219,591</u>	<u>241,965</u>	-	-
	<u>220,347</u>	<u>439,885</u>	<u>471,021</u>	<u>-</u>	<u>-</u>

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

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
Interest expenses	8,208	6,919	38,055	-	-
Depreciation on right of use asset	57,658	38,371	211,364	-	967,582
Short term rent expenses	<u>875,914</u>	<u>839,826</u>	<u>3,281,545</u>	<u>4,120,597</u>	<u>3,055,106</u>
Total lease expenses	<u>941,780</u>	<u>885,116</u>	<u>3,530,964</u>	<u>4,120,597</u>	<u>4,022,688</u>

Alef Education Holding Limited
Notes to the special purpose consolidated financial statements

8 FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets carried at fair value through profit or loss comprise:

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Quoted equity securities inside UAE	-	608,785,429	-	563,531,362	247,324,030
Quoted equity securities outside UAE	-	<u>327,438,476</u>	-	<u>305,500,664</u>	<u>22,539,542</u>
	-	<u>936,223,905</u>	-	<u>869,032,026</u>	<u>269,863,572</u>

The movement in the financial assets carried at fair value through profit or loss is as follows:

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
At the beginning of the period / year	-	869,032,026	869,032,026	269,863,572	-
Additions during the period / year	-	30,432,952	61,464,112	757,637,124	374,248,455
Gain on sale (note 17)	-	7,049,987	102,381,005	22,980,173	19,097,664
Derecognition and disposals*	-	(48,287,331)	(1,032,877,143)	(386,820,214)	(169,410,489)
Changes in fair value, net (note 17)	-	<u>77,996,271</u>	-	<u>205,371,371</u>	<u>45,927,942</u>
At the end of period / year	-	<u>936,223,905</u>	-	<u>869,032,026</u>	<u>269,863,572</u>

*- included in the disposals is an amount of AED 614,606,186 which was transferred to the shareholders at fair value on 18 December 2023 as part of the board resolution to distribute dividends.

9 TRADE AND OTHER RECEIVABLES

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Trade receivables	352,001,365	94,231,078	133,752,712	119,531,158	108,968,483
Prepayments	15,096,074	13,811,763	11,913,674	5,879,570	4,746,994
Accrued income	887,210	424,041	109,736	1,481,560	18,251,812
Retention receivable	13,433,380	13,485,444	8,230,157	8,258,110	-
Advances	3,140,548	5,158,971	3,497,603	2,634,684	9,525,385
Contract asset	-	-	-	-	12,685,633
Refundable deposits	<u>3,088,898</u>	<u>10,408,071</u>	<u>9,869,061</u>	<u>10,082,552</u>	<u>10,792,300</u>
	<u>387,647,475</u>	<u>137,519,368</u>	<u>167,372,943</u>	<u>147,867,634</u>	<u>164,970,607</u>
Current	<u>382,663,056</u>	<u>128,152,118</u>	<u>154,947,624</u>	<u>137,305,049</u>	<u>154,605,809</u>
Non-current*	<u>4,984,419</u>	<u>9,367,250</u>	<u>12,425,319</u>	<u>10,562,585</u>	<u>10,364,798</u>
	<u>387,647,475</u>	<u>137,519,368</u>	<u>167,372,943</u>	<u>147,867,634</u>	<u>164,970,607</u>

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

9 TRADE AND OTHER RECEIVABLES (continued)

The average credit period is 30 days. Included in the trade receivable balance are balances totalling AED 351,454,414 (31 March 2023: AED 71,609,170, 31 December 2023: AED 132,523,295, 31 December 2022: AED 119,136,247, 31 December 2021: AED 108,697,449) 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:

	<i>Total</i>	<i>Neither past due nor impaired</i>	<i>0-30 days</i>	<i>31-60 days</i>	<i>61-90 days</i>	<i>91-120 days</i>	<i>Above 120 days</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
31 March 2024	<u>352,001,365</u>	<u>2,375</u>	<u>222,371,665</u>	<u>84,854</u>	<u>11,679</u>	<u>1,035,744</u>	<u>128,495,048</u>
31 March 2023	<u>94,231,078</u>	<u>93,470,303</u>	<u>450,748</u>	<u>-</u>	<u>32,175</u>	<u>277,852</u>	<u>-</u>
31 December 2023	<u>133,752,712</u>	<u>3,637,285</u>	<u>90,471,090</u>	<u>674,997</u>	<u>33,871,137</u>	<u>5,098,203</u>	<u>-</u>
31 December 2022	<u>119,531,158</u>	<u>28,664,482</u>	<u>90,548,455</u>	<u>108,102</u>	<u>1,008</u>	<u>209,111</u>	<u>-</u>
31 December 2021	<u>108,968,483</u>	<u>104,363,807</u>	<u>375,658</u>	<u>-</u>	<u>1,848,308</u>	<u>2,380,710</u>	<u>-</u>

No provision for expected credit losses was recorded for trade receivables at 31 March 2024, 31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021.

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial periods / years as shown in the special purpose consolidated statement of cash flows comprise of:

	<i>31 March 2024</i>	<i>31 March 2023</i>	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Cash on hand	19,387	16,384	6,606	7,139	58,117
Cash at bank	<u>168,871,667</u>	<u>202,768,722</u>	<u>261,767,109</u>	<u>171,430,798</u>	<u>205,527,161</u>
	168,891,054	202,785,106	261,773,715	171,437,937	205,585,278
Less: term deposit with maturity exceeding 90 days	<u>(140,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>28,891,054</u>	<u>202,785,106</u>	<u>261,773,715</u>	<u>171,437,937</u>	<u>205,585,278</u>

Included in bank balances are bank deposits with an original maturity of less than 3-9 months of AED 140,078,501 (31 March 2023: AED 78,501, 31 December 2023: AED 78,501, 31 December 2022: AED 78,501 and 31 December 2021: AED 77,985). These are denominated in UAE Dirham and carry interest at market rates.

11 SHARE CAPITAL

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

	<i>31 March 2024</i>		
	<i>Number of Shares</i>	<i>Amount AED</i>	<i>Percentage</i>
<i>Authorised, issued and fully paid</i>			
Tech Nova Investment – Sole Proprietorship L.L.C.	5,950,000,000	59,500,000	85%
Kryptonite Investments L.L.C	<u>1,050,000,000</u>	<u>10,500,000</u>	<u>15%</u>
	<u>7,000,000,000</u>	<u>70,000,000</u>	<u>100%</u>

The Share Capital of the Company was satisfied 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 USD 0.027 (equivalent to AED 0.01) as the authorised share capital of the Company.

Shareholders' contributions

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

12 OTHER RESERVE

In accordance with the UAE Federal Law No. 32 of 2021, the subsidiary is required to transfer 5%, (2023: 5%, 2022: 10%, 2021: 10%) of the profit for the period / 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.

13 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
At the beginning of the period / year	12,921,328	11,216,918	11,216,918	6,018,357	4,213,383
Charge for the year	1,195,000	969,199	4,286,824	7,480,607	6,322,132
Payments during the year	<u>(396,043)</u>	<u>(598,430)</u>	<u>(2,582,414)</u>	<u>(2,282,046)</u>	<u>(4,517,158)</u>
At the end of the period / year	<u>13,720,285</u>	<u>11,587,687</u>	<u>12,921,328</u>	<u>11,216,918</u>	<u>6,018,357</u>

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.

14 TRADE AND OTHER PAYABLES

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
Trade payables	13,257,774	21,283,912	16,649,944	22,069,436	13,819,876
Accrued expenses and other payables	17,833,042	35,049,869	36,689,925	32,891,060	30,541,251
Advances from customers	72,189,327	71,686,794	30,801,639	17,595,525	30,966,627
Income tax payable	11,141,451	-	-	-	-
VAT payable	<u>7,642,989</u>	<u>9,684,739</u>	<u>9,866,874</u>	<u>10,901,923</u>	<u>9,476,104</u>
	<u>122,064,583</u>	<u>137,705,314</u>	<u>94,008,382</u>	<u>83,457,944</u>	<u>84,803,858</u>

The average credit term period on disbursements is 45 days.

15 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 special purpose consolidated statement of financial position are as follows:

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
Amounts due from related parties					
<i>Entities under common control</i>					
Capital Investments L.L.C.	75,929,321	558,873,285	109,402,334	386,947,224	248,030,141
SAAL Operating System - Sole Proprietorship L.L.C.	250,978	59,206	195,579	63,188	-
New Century Education – Sole Proprietorship L.L.C.	<u>46,722</u>	<u>-</u>	<u>157,575</u>	<u>-</u>	<u>1,802,989</u>
	<u>76,227,021</u>	<u>558,932,491</u>	<u>109,755,488</u>	<u>387,010,412</u>	<u>249,833,130</u>
Amount due to a related party					
<i>Entities under common control</i>					
SAAL Operating System - Sole Proprietorship L.L.C.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,826</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,826</u>

The amount receivable from Capital Investments L.L.C. relates to management of the investment portfolio of the Group. At 31 March 2024, the amount receivable includes an interest-bearing term deposits placed on behalf of the Group amounting to AED 75.93 million which was received subsequent to the period ended 31 March 2024 (outstanding at 31 March 2023: AED 50.71 million, 31 December 2023: AED 182.7 million, 31 December 2022: AED 50.1 million and 31 December 2021: AED nil). This interest-bearing balance carried interest at a prevailing market rate. The amount shown in the above disclosure is net of payable amounting to AED nil on 31 March 2024 (31 March 2023: AED 2.8 million, 31 December 2023: AED 73.3 million, 31 December 2022: AED nil and 31 December 2021: AED nil). Balance payable at 31 December 2023 was relating to dividend distribution to the shareholders which was distributed on behalf of the Group by Capital Investments LLC.

15 RELATED PARTIES BALANCES AND TRANSACTIONS (continued)

Based on past experience of the Group, balances with related parties are settled regularly and there is no history of significant write-off of receivables from related parties. Therefore, the Group believes there is no significant credit risk in relation to these balances. As of 31 March 2024, 31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021, there was no provision for expected credit losses required for the receivables from related parties.

At 31 March 2024, the Group's bank has issued a bank guarantee for the Group on behalf of a related party for an amount of AED 5,122,394 (31 March 2023: AED 5,122,394, 31 December 2023: AED 5,122,394, 31 December 2022: AED 5,122,394 and 31 December 2021: AED 5,122,394) (Note 20).

Transactions with related parties are as follows:

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Interest income from a related party	2,636,820	534,328	8,698,380	171,505	-
Revenue from contracts with customers	46,722	44,497	237,319	-	-
Recharge of expense to a related party	49,974	-	156,558	-	23,692

During the period ended 31 March 2024, the Group has purchased the business of "Curio & Arabits" from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 37.1 million.

Compensation of key management personnel

The remuneration of directors and other members of key management during the periods / years were as follows:

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Short term benefits	1,873,879	1,820,921	8,402,011	7,536,852	6,925,057
Employees' end of service benefits	50,878	79,059	289,663	329,373	130,770
Remuneration for the directors of the subsidiary	-	-	3,600,000	4,800,000	4,800,000
	<u>1,924,757</u>	<u>1,899,980</u>	<u>12,291,674</u>	<u>12,666,225</u>	<u>11,855,827</u>

16 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Timing of revenue recognition					
Revenue recognized over the time	176,650,826	175,874,225	706,441,196	703,316,088	629,908,860
Revenue recognized at the point in time	-	-	43,084,230	69,377,251	37,450,483
	<u>176,650,826</u>	<u>175,874,225</u>	<u>749,525,426</u>	<u>772,693,339</u>	<u>667,359,343</u>

16 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Geographical markets

Revenue based on the geographical location of customers are as follows:

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
United Arab Emirates	176,642,816	175,874,225	749,355,846	772,587,901	667,359,343
United States of America	2,644	-	153,310	67,354	-
Indonesia	5,366	-	16,270	38,084	-
	<u>176,650,826</u>	<u>175,874,225</u>	<u>749,525,426</u>	<u>772,693,339</u>	<u>667,359,343</u>

17 INCOME FROM FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>31 March</i> <i>2024</i> <i>AED</i>	<i>31 March</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2023</i> <i>AED</i>	<i>31 December</i> <i>2022</i> <i>AED</i>	<i>31 December</i> <i>2021</i> <i>AED</i>
Gain on sale of assets (note 8)	-	7,049,987	102,381,005	22,980,173	19,097,664
Change in fair value (note 8)	-	77,996,271	-	205,371,371	45,927,942
Dividend income	-	6,316,725	20,414,682	9,595,611	2,868,107
	<u>-</u>	<u>91,362,983</u>	<u>122,795,687</u>	<u>237,947,155</u>	<u>67,893,713</u>

18 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 March 2024, 31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021, the Group is mainly funded by the shareholders and has no external debt.

19 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 Company'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 Company's financial instruments are foreign currency risk, credit risk, liquidity risk, and interest rate risk.

19 FINANCIAL RISK MANAGEMENT (continued)

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 88,736 at 31 March 2024 (31 March 2023: AED 1,609,095, 31 December 2023: AED 629,900, 31 December 2022: AED 884,632, 31 December 2021: AED nil) which did not have a significant exposure at three-month periods ended 31 March 2024 and 31 March 2023 and years ended 31 December 2023, 2022 and 2021.

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 and amounts due from related parties.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Group's profit (loss) for the period ended 31 March 2024 would have increased or decreased by AED 656,738 (31 March 2023: AED 113,797, 31 December 2023: AED 1,850,719, 31 December 2022: AED 36,490, 31 December 2021: AED nil). 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 special purpose 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.

19 FINANCIAL RISK MANAGEMENT continued

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.

	<i>Total</i> <i>AED</i>	<i>0-3</i> <i>months</i> <i>AED</i>	<i>3-12</i> <i>months</i> <i>AED</i>	<i>1 - 5</i> <i>years</i> <i>AED</i>
31 March 2024				
Lease liability	259,055	-	259,055	-
Trade payables	<u>13,257,774</u>	<u>13,257,774</u>	-	-
	<u>13,516,829</u>	<u>13,257,774</u>	<u>259,055</u>	-
31 March 2023				
Lease liability	518,000	-	259,000	259,000
Trade payables	<u>21,283,912</u>	<u>21,283,912</u>	-	-
	<u>21,801,912</u>	<u>21,283,912</u>	<u>259,000</u>	<u>259,000</u>
31 December 2023				
Lease liability	517,590	258,795	-	258,795
Trade payables	<u>16,649,944</u>	<u>16,649,944</u>	-	-
	<u>17,167,534</u>	<u>16,908,739</u>	-	<u>258,795</u>
31 December 2022				
Trade payables	<u>22,069,436</u>	<u>22,069,436</u>	-	-
31 December 2021				
Amount due to a related party	37,826	37,826	-	-
Trade payables	<u>13,819,876</u>	<u>13,819,876</u>	-	-
	<u>13,857,702</u>	<u>13,857,702</u>	-	-

20 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Bank guarantees	<u>8,580,794</u>	<u>8,580,794</u>	<u>8,580,794</u>	<u>8,580,794</u>	<u>9,155,098</u>
	<u>8,580,794</u>	<u>8,580,794</u>	<u>8,580,794</u>	<u>8,580,794</u>	<u>9,155,098</u>

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.

Included in the bank guarantees is an amount of AED 5,122,394 (31 March 2023: AED 5,122,394, 31 December 2023: AED 5,122,394, 31 December 2022: AED 5,122,394 and 31 December 2021: AED 5,122,394) (Note 21), which has been issued by the Group's bank on behalf of a related party (Note 15).

21 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.

The Group held the following financial instruments measured at fair value:

The following table gives information about how the fair value of the Group's assets are determined.

<i>Quoted equity investments - investment in financial assets</i>	<i>Fair Value</i>	<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Relationship of unobservable inputs to fair value</i>
31 March 2024	-	-	-	-	-
31 March 2023	936,223,905	Level 1	Quoted bid prices in an active market	None	Not applicable
31 December 2023	-	-	-	-	-
31 December 2022	869,032,026	Level 1	Quoted bid prices in an active market	None	Not applicable
31 December 2021	269,863,572	Level 1	Quoted bid prices in an active market	None	Not applicable

There were no transfers between each of levels during the three-month periods ended 31 March 2024 and 31 March 2023 and years ended 31 December 2023, 2022 and 2021. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

22 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 special purpose 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.

Alef Education Holding Limited
Notes to the special purpose consolidated financial statements

22 REPORTING SEGMENTS (continued)

	<i>Education solution AED</i>	<i>Support and services AED</i>	<i>Financial Investments AED</i>	<i>Unallocated AED</i>	<i>Consolidated AED</i>
31 March 2024					
Revenue from contracts with customers	164,078,655	12,572,171	-	-	176,650,826
Expenses	(28,160,888)	(9,722,922)	-	(9,010,344)	(46,894,154)
Depreciation	-	-	-	(396,671)	(396,671)
Amortisation	(8,409,112)	-	-	-	(8,409,112)
Total expenses	(36,570,000)	(9,722,922)	-	(9,407,015)	(55,699,937)
Operating profit for the period	127,508,655	2,849,249	-	(9,407,015)	120,950,889
Interest income	-	-	3,218,014	-	3,218,014
Profit before tax	127,508,655	2,849,249	3,218,014	(9,407,015)	124,168,903
Income tax expense	-	-	-	(11,141,451)	(11,141,451)
Profit and comprehensive income for the period after tax	<u>127,508,655</u>	<u>2,849,249</u>	<u>3,218,014</u>	<u>(20,548,466)</u>	<u>113,027,452</u>
Assets	<u>643,727,952</u>	<u>38,004,648</u>	<u>75,929,321</u>	<u>5,791,051</u>	<u>763,452,972</u>
Liabilities	<u>128,737,896</u>	<u>7,046,972</u>	<u>-</u>	<u>220,347</u>	<u>136,005,215</u>
Other disclosures					
Capital expenditures					
Purchase of property and equipment	-	-	-	135,944	135,944
Purchase of intangibles	56,496,029	-	-	-	56,496,029
Total	<u>56,496,029</u>	<u>-</u>	<u>-</u>	<u>135,944</u>	<u>56,631,973</u>

Alef Education Holding Limited
Notes to the special purpose consolidated financial statements

22 REPORTING SEGMENTS (continued)

	<i>Education solution</i>	<i>Support and services</i>	<i>Financial Investments</i>	<i>Unallocated</i>	<i>Consolidated</i>
<i>31 March 2023</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Revenue from contracts with customers	<u>163,730,173</u>	<u>12,144,052</u>	<u>-</u>	<u>-</u>	<u>175,874,225</u>
Expenses	(35,993,378)	(7,882,573)	-	(8,640,742)	(52,516,693)
Depreciation	-	-	-	(1,420,165)	(1,420,165)
Amortisation	<u>(7,778,730)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,778,730)</u>
Total expenses	<u>(43,772,108)</u>	<u>(7,882,573)</u>	<u>-</u>	<u>(10,060,907)</u>	<u>(61,715,588)</u>
Operating profit for the period	119,958,065	4,261,479	-	(10,060,907)	114,158,637
Income from financial assets carried at fair value through profit or loss	-	-	91,362,983	-	91,362,983
Interest income	<u>-</u>	<u>-</u>	<u>534,845</u>	<u>-</u>	<u>534,845</u>
Profit and comprehensive income for the period	<u>119,958,065</u>	<u>4,261,479</u>	<u>91,897,828</u>	<u>(10,060,907)</u>	<u>206,056,465</u>
Assets	<u>405,937,475</u>	<u>450,862</u>	<u>1,495,097,190</u>	<u>14,411,608</u>	<u>1,915,897,135</u>
Liabilities	<u>148,982,706</u>	<u>310,295</u>	<u>-</u>	<u>439,885</u>	<u>149,732,886</u>
Other disclosures					
Capital expenditures					
Purchase of property and equipment	-	-	-	121,085	121,085
Purchase of intangibles	<u>9,425,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,425,912</u>
Total	<u>9,425,912</u>	<u>-</u>	<u>-</u>	<u>121,085</u>	<u>9,546,997</u>

Alef Education Holding Limited
Notes to the special purpose consolidated financial statements

22 REPORTING SEGMENTS (continued)

<i>31 December 2023</i>	<i>Education solution AED</i>	<i>Support and services AED</i>	<i>Financial Investments AED</i>	<i>Unallocated AED</i>	<i>Consolidated AED</i>
Revenue from contracts with customers	<u>656,945,192</u>	<u>92,580,234</u>	<u>-</u>	<u>-</u>	<u>749,525,426</u>
Expenses	(135,866,364)	(67,890,681)	-	(56,849,793)	(260,606,838)
Depreciation	-	-	-	(3,271,862)	(3,271,862)
Amortisation	<u>(30,732,894)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,732,894)</u>
Total expenses	<u>(166,599,258)</u>	<u>(67,890,681)</u>	<u>-</u>	<u>(60,121,655)</u>	<u>(294,611,594)</u>
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	<u>-</u>	<u>-</u>	<u>8,698,380</u>	<u>-</u>	<u>8,698,380</u>
Profit and comprehensive income for the year	<u>490,345,934</u>	<u>24,689,553</u>	<u>131,494,067</u>	<u>(60,121,655)</u>	<u>586,407,899</u>
Assets	<u>461,524,455</u>	<u>38,004,648</u>	<u>109,402,334</u>	<u>12,889,599</u>	<u>621,821,036</u>
Liabilities	<u>96,965,586</u>	<u>9,964,124</u>	<u>-</u>	<u>471,021</u>	<u>107,400,731</u>
Other disclosures					
Capital expenditures					
Purchase of property and equipment				1,162,776	1,162,776
Purchase of intangibles	<u>35,845,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,845,700</u>
Total	<u>35,845,700</u>	<u>-</u>	<u>-</u>	<u>1,162,776</u>	<u>37,008,476</u>

Alef Education Holding Limited
Notes to the special purpose consolidated financial statements

22 REPORTING SEGMENTS (continued)

<i>31 December 2022</i>	<i>Education solution AED</i>	<i>Support and services AED</i>	<i>Financial Investments AED</i>	<i>Unallocated AED</i>	<i>Consolidated AED</i>
Revenue from contracts with customers	<u>654,596,955</u>	<u>118,096,384</u>	-	-	<u>772,693,339</u>
Expenses	(159,419,973)	(87,433,485)	-	(50,061,109)	(296,914,567)
Depreciation	-	-	-	(8,563,942)	(8,563,942)
Amortisation	<u>(30,238,093)</u>	-	-	-	<u>(30,238,093)</u>
Total expenses	<u>(189,658,066)</u>	<u>(87,433,485)</u>	-	<u>(58,625,051)</u>	<u>(335,716,602)</u>
Operating profit for the year	464,938,889	30,662,899	-	(58,625,051)	436,976,737
Income from financial assets carried at fair value through profit or loss	-	-	237,947,155	-	237,947,155
Interest income	-	-	<u>171,505</u>	-	<u>171,505</u>
Profit and comprehensive for the year	<u>464,938,889</u>	<u>30,662,899</u>	<u>238,118,660</u>	<u>(58,625,051)</u>	<u>675,095,397</u>
Assets	<u>358,330,962</u>	<u>25,740,791</u>	<u>1,255,979,250</u>	<u>14,731,643</u>	<u>1,654,782,646</u>
Liabilities	<u>87,477,393</u>	<u>7,197,469</u>	-	-	<u>94,674,862</u>
Other disclosures					
Capital expenditures					
Purchase of property and equipment				2,711,786	2,711,786
Purchase of intangibles	<u>29,922,616</u>	-	-	-	<u>29,922,616</u>
Total	<u>29,922,616</u>	-	-	<u>2,711,786</u>	<u>32,634,402</u>

Alef Education Holding Limited
Notes to the special purpose consolidated financial statements

22 REPORTING SEGMENTS (continued)

<i>31 December 2021</i>	<i>Education solution AED</i>	<i>Support and services AED</i>	<i>Financial Investments AED</i>	<i>Unallocated AED</i>	<i>Consolidated AED</i>
Revenue from contracts with customers	585,660,789	81,698,554	-	-	667,359,343
Expenses	(134,882,565)	(82,377,286)	-	(54,580,944)	(271,840,795)
Depreciation	-	-	-	(9,748,612)	(9,748,612)
Amortisation	<u>(26,512,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,512,823)</u>
Total expenses	<u>(161,395,388)</u>	<u>(82,377,286)</u>	<u>-</u>	<u>(64,329,556)</u>	<u>(308,102,230)</u>
Operating profit for the year	424,265,401	(678,732)	-	(64,329,556)	359,257,113
Income from financial assets carried at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>67,893,713</u>	<u>-</u>	<u>67,893,713</u>
Profit and comprehensive for the year	<u>424,265,401</u>	<u>(678,732)</u>	<u>67,893,713</u>	<u>(64,329,556)</u>	<u>427,150,826</u>
Assets	<u>399,552,884</u>	<u>37,114,713</u>	<u>517,893,713</u>	<u>21,311,118</u>	<u>975,872,428</u>
Liabilities	<u>86,310,307</u>	<u>4,549,734</u>	<u>-</u>	<u>-</u>	<u>90,860,041</u>
Other disclosures					
Purchase of property and equipment	-	-	-	1,182,247	1,182,247
Purchase of intangibles	<u>16,852,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,852,819</u>
Total	<u>16,852,819</u>	<u>-</u>	<u>-</u>	<u>1,182,247</u>	<u>18,035,066</u>

Geographical segments

The Group operates in the UAE, Indonesia and United States of America. Revenue from contracts with customers based in the UAE accounts for 99.9% of the total revenue from contracts with customers.

23 INCOME TAX

UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute ‘substantive enactment’ of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the special purpose consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was ‘substantively enacted’ as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group’s management, no temporary differences were identified where the deferred tax should have been accounted for.

As the Group is based in the United Arab Emirates and therefore, there was zero tax rate for the period ended 31 March 2023, years ended 31 December 2023, 2022 and 2021.

Amount recognised in the special purpose consolidated statement of comprehensive income

The major components of income tax expense for the period ended 31 March 2024:

	<i>31 March 2024</i> <i>AED</i>
<u>Profit or loss</u>	
<i>Current income tax expense:</i>	<u>11,141,451</u>
Current income tax charge	
Reconciliation of accounting income	
	<i>31 March 2024</i> <i>AED</i>
Profit before tax / taxable income	124,168,903
Less: acceptable threshold	<u>(375,000)</u>
Taxable income subject to 9%	<u>123,793,903</u>
Tax expense for the period	<u>11,141,451</u>

At 31 March 2024, there were no amounts recognised directly to equity or in other comprehensive income.

24 EARNINGS PER SHARE

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

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 March 2024, there were no potential dilutive shares and hence, the basic and diluted EPS is same (31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021: Nil).

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

	<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>	<i>31 December 2021 AED</i>
Earnings:					
Profit attributable to the Equity holders of the Parent	113,027,452	206,056,462	586,407,899	675,095,397	427,150,826
Number of shares					
Weighted average number of ordinary shares - basic and diluted **	230,769,231	-*	-*	-*	-*
Earnings per share					
Basic and diluted earnings per share (AED)	0.49	-	-	-	-

*The earning per share for 31 March 2023, 31 December 2023, 31 December 2022 and 31 December 2021 is not calculated considering shares were only issued in 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 earning per share been calculated assuming the entire 7 billion shares were issued for the full period, the earnings per share would have been 0.016.

25 DIVIDEND

In December 2023, the Group’s shareholders through a resolution dated 13 December 2023 approved the distribution of dividend.

The total dividend distributed amounted 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 (Note 8), 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.

Annex 2 – Articles of Association

ARTICLES OF ASSOCIATION

PUBLIC COMPANY LIMITED BY SHARES

ALEF EDUCATION HOLDING PLC

INDEX TO THE ARTICLES

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Liability of members

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority
4. Members' reserve power
5. Applicability of the Governance Regulations
6. Directors may delegate
7. Committees

DECISION-MAKING BY DIRECTORS

8. Directors to take decisions collectively
9. Calling a directors' meeting
10. Participation in directors' meetings
11. Quorum for directors' meetings
12. Meetings where total number of directors less than quorum
13. Chairing directors' meetings Voting at directors' meetings: general rules
14. Chairman's casting vote at directors' meetings
15. Alternates voting at directors' meetings
16. Conflicts of interest
17. Proposing directors' written resolutions
18. Adoption of directors' written resolutions
19. Directors' discretion to make further rules

ELECTION OF DIRECTORS

- 20. Methods of electing directors
- 21. Termination of director's appointment
- 22. Directors' remuneration
- 23. Directors' expenses

ALTERNATE DIRECTORS

- 24. Appointment and removal of alternates
- 25. Rights and responsibilities of alternate directors
- 26. Termination of alternate directorship

PART 3

DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

- 27. Members can call general meeting if not enough directors
- 28. Attendance and speaking at general meetings
- 29. Quorum for general meetings
- 30. Chairing general meetings
- 31. Attendance and speaking by directors and non-members
- 32. Adjournment
- 33. Voting: general
- 34. Errors and disputes
- 35. Content of proxy notices
- 36. Delivery of proxy notices

VOTING AT GENERAL MEETINGS

- 37. Amendments to resolutions

RESTRICTIONS ON MEMBERS' RIGHTS

- 38. No voting of shares on which money owed to company

APPLICATION OF RULES TO CLASS MEETINGS

39. Class meetings

PART 4

SHARES AND DISTRIBUTIONS

ISSUE OF SHARES

40. Powers to issue different classes of share
41. Payment of commissions on subscription for shares

INTERESTS IN SHARES

42. Company not bound by less than absolute interests

SHARE CERTIFICATES

43. Certificates to be issued except in certain cases
44. Contents and execution of share certificates
45. Consolidated share certificates
46. Replacement share certificates

SHARES NOT HELD IN CERTIFICATED FORM

47. Uncertificated shares

PARTLY PAID SHARES

48. Company's lien over partly paid shares
49. Enforcement of the company's lien
50. Call notices
51. Liability to pay calls
52. When call notice need not be issued
53. Failure to comply with call notice: automatic consequences
54. Notice of intended forfeiture
55. Directors' power to forfeit shares
56. Effect of forfeiture

57. Procedure following forfeiture

58. Surrender of shares

TRANSFER AND TRANSMISSION OF SHARES

59. Transfers of certificated shares

60. Transfer of uncertificated shares

61. Transmission of shares

62. Transmittees' rights

63. Exercise of transmittees' rights

64. Transmittees bound by prior notices

CONSOLIDATION OF SHARES

65. Procedure for disposing of fractions of shares

DISTRIBUTIONS

66. Procedure for declaring dividends

67. Calculation of dividends

68. Payment of dividends and other distributions

69. Deductions from distributions in respect of sums owed to the company

70. No interest on distributions

71. Unclaimed distributions

72. Non-cash distributions

73. Waiver of distributions

CAPITALISATION OF PROFITS

74. Authority to capitalise and appropriation of capitalised sums

PART 5

MISCELLANEOUS PROVISIONS

COMMUNICATIONS

- 75. Means of communication to be used
- 76. Failure to notify contact details

ADMINISTRATIVE
ARRANGEMENTS

- 77. Company seals
- 78. Destruction of documents
- 79. No right to inspect accounts and other records
- 80. Provision for employees on cessation of business

DIRECTORS' INDEMNITY AND INSURANCE

- 81. Indemnity
- 82. Insurance

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—
 - “alternate” or “alternate director” has the meaning given in article 25,
 - “appointor” has the meaning given in article 26,
 - “articles” means the company’s articles of association,
 - “bankruptcy” includes individual insolvency proceedings in any jurisdiction,
 - “call” has the meaning given in article 51,
 - “call notice” has the meaning given in article 51,
 - “certificate” means a paper certificate evidencing a person’s title to specified shares or other securities,
 - “certificated” in relation to a share, means that it is not an uncertificated share,
 - “chairman” has the meaning given in article 13,
 - “chairman of the meeting” has the meaning given in article 31,
 - “Companies Regulations” means the Companies Regulations 2020,
 - “company’s lien” has the meaning given in article 49,
 - “director” means a director of the company, and includes any person occupying the position of director, by whatever name called,
 - “distribution recipient” has the meaning given in article 69,
 - “document” includes, unless otherwise specified, any document sent or supplied in electronic form,
 - “electronic form” has the meaning given in section 1023 of the Companies Regulations,
 - “fully paid” in relation to a share, means that the issue price to be paid to the company in respect of that share have been paid to the company,
 - “Governance Regulations” the Chairman of the Authority’s Board of Directors’ Decision No. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide (as amended from time to time). In the event of any conflict between the provisions of the of the Governance Regulations and the Mandatory Provisions of the Companies Regulations, the Mandatory Provisions of the Companies Regulations shall prevail,

“hard copy form” has the meaning given in section 1023 of the Companies Regulations,

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

“instrument” means a document in hard copy form,

“lien enforcement notice” has the meaning given in article 50,

“Mandatory Provisions of the Companies Regulations” are the mandatory provisions set out under the Companies Regulations that the company, directors and/or the members of the company may not exclude, disapply or limit its legal effect,

“member” has the meaning given in section 117 of the Companies Regulations,

“ordinary resolution” has the meaning given in section 298 of the Companies Regulations,

“paid” means paid or credited as paid,

“participate”, in relation to a directors’ meeting, has the meaning given in article 10,

“partly paid” in relation to a share means that part of that share’s issue price that has not been paid to the company,

“proxy notice” has the meaning given in article 36,

“Policies and Charters” are the policies and charters, as may be amended from time to time, that will be approved by the directors, or as the case may be, by the members of the company, as required by each policy and/or charter or stipulated in the Governance Regulations. The Policies and Charters constitute an integral part of this articles, and any conflict between the provisions of the Policies and Charters and the articles, the provisions of the Policies and Charters shall prevail,

“securities seal” has the meaning given in article 45,

“shares” means shares in the company,

“special resolution” has the meaning given in section 299 of the Companies Regulations,

“subsidiary” has the meaning given in section 1015 of the Companies Regulations,

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,

“uncertificated” in relation to a share means that, by virtue of legislation (other than section 715 of the Companies Regulations) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate, and

“writing” means the representation or reproduction of words, symbols or other

information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Regulations as in force on the date when these articles become binding on the company.

Liability of members

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3. Subject to the articles and the Governance Regulations, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

Members' reserve power

4. (1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Applicability of the Governance Regulations

5. The Governance Regulations shall apply in its entirety on the company. Any conflict between the provisions of the Governance Regulations and the articles, the Governance Regulations shall prevail, unless the Mandatory Provisions of the Companies Regulations provides otherwise.

Directors may delegate

6. (1) Subject to the articles and the Governance Regulations, the directors may delegate any of the powers which are conferred on them under the articles—
 - (a) to such person or committee,
 - (b) by such means (including by power of attorney),
 - (c) to such an extent,

- (d) in relation to such matters or territories, and
 - (e) on such terms and conditions,
- as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
 - (3) The directors may revoke any delegation in whole or part or alter its terms and conditions.

Committees

- 7. (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The directors, or as the case may be the members of the company, may make Polices and Charters for all or any committees which can be amended from time to time, which prevail over rules derived from the articles if they are not consistent with them unless the Mandatory Provisions of the Companies Regulations provides otherwise.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

- 8. Decisions of the directors may be taken—
 - (a) at a directors' meeting, or
 - (b) in the form of a directors' written resolution.

Calling a directors' meeting

- 9. (1) Any director may call a directors' meeting.
- (2) The company secretary must call a directors' meeting if a director so requests.
- (3) A directors' meeting is called by giving notice of the meeting to the directors.
- (4) Notice of any directors' meeting must indicate—
 - (a) its proposed date and time,
 - (b) where it is to take place, and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (5) Notice of a directors' meeting must be given to each director.

- (6) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10. (1) Subject to the articles and the Governance Regulations, directors participate in a directors' meeting, or part of a directors' meeting, when—
 - (a) the meeting has been called and takes place in accordance with the articles and the Governance Regulations, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

Meetings where total number of directors less than quorum

12. (1) This article applies where the total number of directors for the time being is less than the quorum for directors' meetings.
- (2) If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.
- (3) If there is more than one director—
 - (a) a directors' meeting may take place, if it is called in accordance with the articles and the Governance Regulations and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting to do so, and
 - (b) if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

Chairing directors' meetings

13. (1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the chairman's absence.
- (5) If neither the chairman nor any director appointed generally to chair directors' meetings in the chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Voting at directors' meetings: general rules

14. (1) Subject to the articles and the Governance Regulations, a decision is taken at a directors' meeting by a majority of the votes of the participating directors.
- (2) Subject to the articles and the Governance Regulations, each director participating in a directors' meeting has one vote.
- (3) Subject to the articles and the Governance Regulations, if a director has an interest in an actual or proposed transaction or arrangement with the company—
 - (a) that director and that director's alternate may not vote on any proposal relating to it, but
 - (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

Chairman's casting vote at directors' meetings

15. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Alternates voting at directors' meetings

16. A director who is also an alternate director has an additional vote on behalf of each appointor who is—
 - (a) not participating in a directors' meeting, and
 - (b) would have been entitled to vote if they were participating in it.

Conflicts of interest

17. (1) If a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it for quorum and voting purposes.
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting,
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
 - (c) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
 - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- (5) Subject to paragraph (6), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- (6) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Proposing directors' written resolutions

- 18.**
- (1) Any director may propose a directors' written resolution.
 - (2) The company secretary must propose a directors' written resolution if a director so requests.
 - (3) A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.
 - (4) Notice of a proposed directors' written resolution must indicate—
 - (a) the proposed resolution, and
 - (b) the time by which it is proposed that the directors should adopt it.
 - (5) Notice of a proposed directors' written resolution must be given in writing to each director.
 - (6) Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

Adoption of directors' written resolutions

- 19.**
- (1) A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.
 - (2) It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.
 - (3) Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles and the Governance Regulations.
 - (4) The company secretary must ensure that the company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

Directors' discretion to make further rules

- 20.** Subject to the articles and the Governance Regulations, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

ELECTION OF DIRECTORS

Methods of electing directors

- 21.** Any person who is willing to act as a director, and is permitted by law to do so, may be elected to be a director in accordance with the Governance Regulations.

Termination of director's appointment

- 22.** Subject to the Governance Regulations, a person ceases to be a director as soon as—
- (a) that person ceases to be a director by virtue of any provision of the Companies Regulations and the Governance Regulations or is prohibited from being a director by law,
 - (b) that person becomes bankrupt,
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
 - (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
 - (f) notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

- 23.** (1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as per these articles and the Governance Regulations—
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles and the Governance Regulations, a director's remuneration may—
- (a) take any form, and

- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

24. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

ALTERNATE DIRECTORS

Appointment and removal of alternates

25. (1) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to—
- (a) exercise that director's powers, and
 - (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

- (2) Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- (3) The notice must—
 - (a) identify the proposed alternate, and

- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

- 26.** (1) An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- (2) Except as the articles specify otherwise, alternate directors—
- (a) are deemed for all purposes to be directors,
 - (b) are liable for their own acts and omissions,
 - (c) are subject to the same restrictions as their appointors, and
 - (d) are not deemed to be agents of or for their appointors.
- (3) A person who is an alternate director but not a director—
- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
 - (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

- (4) An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

Termination of alternate directorship

- 27.** An alternate director's appointment as an alternate terminates—
- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
 - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
 - (c) on the death of the alternate's appointor, or
 - (d) when the alternate's appointor's appointment as a director terminates

PART 3

DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

Members can call general meeting if not enough directors

28. If—

- (a) the company has fewer than two directors, and
- (b) the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting (or instruct the company secretary to do so) for the purpose of appointing one or more directors.

Attendance and speaking at general meetings

- 29.**
- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
 - (2) A person is able to exercise the right to vote at a general meeting when—
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
 - (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
 - (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
 - (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

- 30.** No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The quorum for general meetings shall be subject to the Governance Regulations.

Chairing general meetings

- 31.** (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the directors present, or
- (b) if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-members

- 32.** (1) Directors may attend and speak at general meetings, whether or not they are members.
- (2) The chairman of the meeting may permit other persons who are not—
- (a) members of the company, or
- (b) otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting.

Adjournment

- 33.** (1) Subject to the Governance Regulations, if the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or

ensure that the business of the meeting is conducted in an orderly manner.

- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

34. The members of the company agree that the vote of a general meeting must be in accordance with the Governance Regulations.

Errors and disputes

35. (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
 - (2) Any such objection must be referred to the chairman of the meeting whose decision is final.

Content of proxy notices

36. (1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—
 - (a) states the name and address of the member appointing the proxy,

- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and
 - (d) is delivered to the company in accordance with the articles and the Governance Regulations and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
 - (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
 - (4) Unless a proxy notice indicates otherwise, it must be treated as—
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 37.**
- (1) Any notice of a general meeting must specify the address or addresses ("proxy notification address") at which the company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
 - (2) A person who is entitled to attend, speak or vote at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
 - (3) Subject to paragraphs (4) and (5), a proxy notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.
 - (6) An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.
 - (7) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
 - (8) If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

- 38.** (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

RESTRICTIONS ON MEMBERS' RIGHTS

No voting of shares on which money owed to company

- 39.** No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

APPLICATION OF RULES TO CLASS MEETINGS

Class meetings

- 40.** The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

PART 4

SHARES AND DISTRIBUTIONS

ISSUE OF SHARES

Powers to issue different classes of share

- 41.** (1) Subject to the articles and the Governance Regulations, but without prejudice to the rights attached to any existing share, the company may issue shares with

such rights or restrictions as may be determined by a resolution of the members in accordance with the Governance Regulations.

- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Payment of commissions on subscription for shares

42. (1) The company may pay any person a commission in consideration for that person—
 - (a) subscribing, or agreeing to subscribe, for shares, or
 - (b) procuring, or agreeing to procure, subscriptions for shares.
- (2) Any such commission may be paid—
 - (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
 - (b) in respect of a conditional or an absolute subscription.

INTERESTS IN SHARES

Company not bound by less than absolute interests

43. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

SHARE CERTIFICATES

Certificates to be issued except in certain cases

44. (1) The company must issue each member with one or more certificates in respect of the shares which that member holds.
- (2) This article does not apply to—
 - (a) uncertificated shares, or
 - (b) shares in respect of which the Companies Regulations permit the company not to issue a certificate.
- (3) Except as otherwise specified in the articles, all certificates must be issued free of charge.
- (4) No certificate may be issued in respect of shares of more than one class.
- (5) If more than one person holds a share, only one certificate may be issued in respect of it.

Contents and execution of share certificates

- 45.** (1) Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued,
 - (b) the issue price of those shares,
 - (c) the amount paid up on them, and
 - (d) any distinguishing numbers assigned to them.
- (2) Certificates must—
- (a) have affixed to them the company's common seal or an official seal which is a facsimile of the company's common seal with the addition on its face of the word "Securities" (a "securities seal"), or
 - (b) be otherwise executed in accordance with the Companies Regulations.

Consolidated share certificates

- 46.** (1) When a member's holding of shares of a particular class increases, the company may issue that member with—
- (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds, or
 - (b) a separate certificate in respect of only those shares by which that member's holding has increased.
- (2) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if—
- (a) all the shares which the member no longer holds as a result of the reduction, and
 - (b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.
- (3) A member may request the company, in writing, to replace—
- (a) the member's separate certificates with a consolidated certificate, or
 - (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.
- (4) When the company complies with such a request it may charge such

reasonable fee as the directors may decide for doing so.

- (5) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

Replacement share certificates

47. (1) If a certificate issued in respect of a member's shares is—
 - (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed,that member is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A member exercising the right to be issued with such a replacement certificate—
 - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

SHARES NOT HELD IN CERTIFICATED FORM

Uncertificated shares

48. (1) In this article, "the relevant rules" means—
 - (a) any applicable provision of the Companies Regulations about the holding, evidencing of title to, or transfer of shares other than in certificated form, and
 - (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.
- (2) The provisions of this article have effect subject to the relevant rules.
- (3) Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.
- (4) Any share or class of shares of the company may be issued or held on such terms, or in such a way, that—
 - (a) title to it or them is not, or must not be, evidenced by a certificate, or

- (b) it or they may or must be transferred wholly or partly without a certificate.
- (5) The directors have power to take such steps as they think fit in relation to—
- (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares),
 - (b) any records relating to the holding of uncertificated shares,
 - (c) the conversion of certificated shares into uncertificated shares, or
 - (d) the conversion of uncertificated shares into certificated shares.
- (6) The company may by notice to the holder of a share require that share—
- (a) if it is uncertificated, to be converted into certificated form, and
 - (b) if it is certificated, to be converted into uncertificated form, to enable it to be dealt with in accordance with the articles.
- (7) If—
- (a) the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
 - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
- the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- (8) In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- (9) Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.
- (10) A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

PARTLY PAID SHARES

Company's lien over partly paid shares

49. (1) The company has a lien ("the company's lien") over every share which is partly paid for any part of that share's issue price which has not been paid to the

company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

- (2) The company's lien over a share—
 - (a) takes priority over any third party's interest in that share, and
 - (b) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- (3) The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

Enforcement of the company's lien

- 50.**
- (1) Subject to the provisions of this article, if—
 - (a) a lien enforcement notice has been given in respect of a share, and
 - (b) the person to whom the notice was given has failed to comply with it, the company may sell that share in such manner as the directors decide.
 - (2) A lien enforcement notice—
 - (a) may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
 - (b) must specify the share concerned,
 - (c) must require payment of the sum payable within 14 days of the notice,
 - (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
 - (e) must state the company's intention to sell the share if the notice is not complied with.
 - (3) Where shares are sold under this article—
 - (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
 - (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
 - (4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied—

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
 - (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
- (5) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date—
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

Call notices

- 51.** (1) Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a member requiring the member to pay the company a specified sum of money (a "call") which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.
- (2) A call notice—
- (a) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares,
 - (b) must state when and how any call to which it relates it is to be paid, and
 - (c) may permit or require the call to be paid by instalments.
- (3) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.
- (4) Before the company has received any call due under a call notice the directors may—
- (a) revoke it wholly or in part, or
 - (b) specify a later time for payment than is specified in the notice,
- by a further notice in writing to the member in respect of whose shares the call is made.

Liability to pay calls

- 52.** (1) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- (2) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share. (3) Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them—
- (a) to pay calls which are not the same, or
 - (b) to pay calls at different times.

When call notice need not be issued

- 53.** (1) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share —
- (a) on allotment,
 - (b) on the occurrence of a particular event, or
 - (c) on a date fixed by or in accordance with the terms of issue.
- (2) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

Failure to comply with call notice: automatic consequences

- 54.** (1) If a person is liable to pay a call and fails to do so by the call payment date—
- (a) the directors may issue a notice of intended forfeiture to that person, and
 - (b) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.
- (2) For the purposes of this article—
- (a) the “call payment date” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “call payment date” is that later date,
 - (b) the “relevant rate” is—
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted,

- (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
 - (iii) if no rate is fixed in either of these ways, 5 per cent per annum.
- (4) The directors may waive any obligation to pay interest on a call wholly or in part.

Notice of intended forfeiture

55. A notice of intended forfeiture—

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
- (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice,
- (d) must state how the payment is to be made, and
- (e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

Directors' power to forfeit shares

- 56.** If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

Effect of forfeiture

- 57.** (1) Subject to the articles, the forfeiture of a share extinguishes
- (a) all interests in that share, and all claims and demands against the company in respect of it, and
 - (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- (2) Any share which is forfeited in accordance with the articles—
- (a) is deemed to have been forfeited when the directors decide that it is forfeited,
 - (b) is deemed to be the property of the company, and

- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- (3) If a person's shares have been forfeited—
- (a) the company must send that person notice that forfeiture has occurred and record it in the register of members,
 - (b) that person ceases to be a member in respect of those shares,
 - (c) that person must surrender the certificate for the shares forfeited to the company for cancellation,
 - (d) that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and
 - (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- (4) At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

Procedure following forfeiture

- 58.** (1) If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- (2) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date—
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.
- (3) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- (4) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which—
- (a) was, or would have become, payable, and

- (b) had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

Surrender of shares

- 59.** (1) A member may surrender any share—
- (a) in respect of which the directors may issue a notice of intended forfeiture,
 - (b) which the directors may forfeit, or
 - (c) which has been forfeited.
- (2) The directors may accept the surrender of any such share.
- (3) The effect of surrender on a share is the same as the effect of forfeiture on that share.
- (4) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

TRANSFER AND TRANSMISSION OF SHARES

Transfers of certificated shares

- 60.** (1) Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of—
- (a) the transferor, and
 - (b) if any of the shares is partly paid) the transferee.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a certificated share if—
- (a) the share is not fully paid,
 - (b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed,
 - (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require

to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf,

- (d) the transfer is in respect of more than one class of share, or
 - (e) the transfer is in favour of more than four transferees.
- (6) If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transfer of uncertificated shares

- 61.** A transfer of an uncertificated share must not be registered if it is in favour of more than four transferees.

Transmission of shares

- 62.** (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.

Transmittees' rights

- 63.** (1) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (2) But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

- 64.** (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the share is a certificated share and a transmittee wishes to have it transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) If the share is an uncertificated share and the transmittee wishes to have it transferred to another person, the transmittee must—

- (a) procure that all appropriate instructions are given to effect the transfer, or
 - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.
- (4) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

- 65.** If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

CONSOLIDATION OF SHARES

Procedure for disposing of fractions of shares

- 66.** (1) This article applies where—
- (a) there has been a consolidation or division of shares, and
 - (b) as a result, members are entitled to fractions of shares.
- (2) The directors may—
- (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable,
 - (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
 - (c) distribute the net proceeds of sale in due proportion among the holders of the shares.
- (3) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the laws of the Abu Dhabi.
- (4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- (5) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

DISTRIBUTIONS

Procedure for declaring dividends

67. (1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with members' respective rights.
- (4) Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

68. Calculation of dividends

- (1) If, for the financial years ending 31 December 2024 and 2025 only, the portion of the declared dividend to all shareholders (other than Tech Nova Investment – Sole Proprietorship L.L.C and Kryptonite Investments L.L.C) are less than AED 120 million relating to the performance for the financial year ending 31 December 2024 and AED 120 million relating to the performance for the financial year ending 31 December 2025 (the "Target Minimum Dividend Amount"), then Tech Nova Investment – Sole Proprietorship L.L.C and Kryptonite Investments L.L.C may, subject to not breaching AAOIFI Shariah standards, forgo their right to receive dividends to the extent necessary to pay the intended Target Minimum Dividend Amount to all other shareholders (other than Tech Nova Investment – Sole Proprietorship L.L.C and Kryptonite Investments L.L.C).
- (2) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be—
- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and

- (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (2) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- (3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

Payment of dividends and other distributions

- 69.** (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
- (a) transfer to a bank account specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
- (a) the holder of the share, or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

Deductions from distributions in respect of sums owed to the company

- 70.** (1) If—
- (a) a share is subject to the company's lien, and
 - (b) the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

- (2) Money so deducted must be used to pay any of the sums payable in respect of that share.
- (3) The company must notify the distribution recipient in writing of—
 - (a) the fact and amount of any such deduction,
 - (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
 - (c) how the money deducted has been applied.

No interest on distributions

- 71.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—
- (a) the terms on which the share was issued, or
 - (b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

- 72.** (1) All dividends or other sums which are—
- (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- (3) If—
 - (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

- 73.** (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- (2) If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the company which are issued as a non-cash distribution in respect of them must be uncertificated.
- (3) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—
- (a) fixing the value of any assets,
 - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
 - (c) vesting any assets in trustees.

Waiver of distributions

- 74.** Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—
- (a) the share has more than one holder, or
 - (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

- 75.** (1) Subject to the articles and the Governance Regulations, the directors may, if they are so authorised by a resolution of the members—
- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's capital redemption reserve, and
 - (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were

distributed by way of dividend (the “persons entitled”) and in the same proportions.

- (2) Capitalised sums must be applied—
 - (a) on behalf of the persons entitled, and
 - (b) in the same proportions as a dividend would have been distributed to them.
- (3) Any capitalised sum may be applied in paying up new shares of an issue price equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied—
 - (a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or
 - (b) in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the directors may—
 - (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
 - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
 - (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 5

MISCELLANEOUS PROVISIONS

COMMUNICATIONS

Means of communication to be used

- 76.** (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Regulations provides for documents or information which are authorised or required by any provision of the Companies Regulations to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to

a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Failure to notify contact details

77. (1) If—
- (a) the company sends two consecutive documents to a member over a period of at least 12 months, and
 - (b) each of those documents is returned undelivered, or the company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices from the company.

- (2) A member who has ceased to be entitled to receive notices from the company becomes entitled to receive such notices again by sending the company—
 - (a) a new address to be recorded in the register of members, or
 - (b) if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

ADMINISTRATIVE ARRANGEMENTS

Company seals

78. (1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal or securities seal is to be used.
 - (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
 - (4) For the purposes of this article, an authorised person is—
 - (a) any director of the company,
 - (b) the company secretary, or

- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.
- (5) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.
- (6) If the company has a securities seal, it may only be affixed to securities by the company secretary or a person authorised to apply it to securities by the company secretary.
- (7) For the purposes of the articles, references to the securities seal being affixed to any document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.

Destruction of documents

79. (1) The company is entitled to destroy—
- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration,
 - (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded,
 - (c) all share certificates which have been cancelled from one year after the date of the cancellation,
 - (d) all paid dividend warrants and cheques from one year after the date of actual payment, and
 - (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates.
- (2) If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that—
- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made,
 - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered,
 - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled, and

- (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.
- (3) This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.
- (4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

No right to inspect accounts and other records

- 80.** Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

Provision for employees on cessation of business

- 81.** The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 82.** (1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 222(6) of the Companies Regulations),
 - (c) any other liability incurred by that director as an officer of the company or an associated company.
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Regulations or by any other provision of law.
- (3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a “relevant director” means any director or former director of the company or an associated company.

Insurance

- 83.**
- (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
 - (2) In this article—
 - (a) a “relevant director” means any director or former director of the company or an associated company,
 - (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company, and
 - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

Annex 3 – Receiving Banks' Branches

First Abu Dhabi Bank – Participating Branches

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
1	Business Park, Abu Dhabi	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Khalifa Park Al Qurm, PO BOX:6316
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturda)	
2	FAB One Tower, Abu Dhabi	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Intersection of Shaikh Khalifa street and Baniyas street,PO BOX:2993
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
3	Khubeirah	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Near Spinneys Khalidya Street Abu Dhabi
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
4	Al Batin	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Street No. 9 Next to Bateen Bus Terminal and Al Bateen Mall;PO BOX:7644
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturda)	
5	Salam Street	Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Salam Street, Abu Dhabi
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturda)	
6	Al Ain New	Al Ain - Abu Dhabi	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Al Ain New PO BOX: 17822
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
7	Bur Dubai	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai; PO BOX:115689
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
8	Sheikh Zayed Rd.	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	ALQUZE NEXT TO GOLDEN DAIMOND ;PO BOX:52053
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
9	Deira Branch (ABS)	Dubai	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Abu Baker Al Siddique Rd, Deira
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
10	Sharjah	Sharjah	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah;PO BOX:1109
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
11	Ajman	Ajman	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Lulu Center, Al Ittihad street, Downtown, Ajman
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
12	Fujairah	Fujairah	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Opposite to Plaza Theatre Hamdan Bin Abdulla street;PO BOX:79
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
13	RAK (LNBAD)	Ras Al Khaimah	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	FAB RAK (LNBAD) , Corniche Al Qawasim Road , Near to NMC Royal Medical Center , RAK
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	
14	Umm Al Quwain	Umm Al Quwain	08: am to 02:00 pm (Monday- Thursday);	8 am to 1 pm - Mon - Thurs.	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain;Po BOX:733
			08:00 am to 12:30 pm (Friday)	08:00 am to 12:00 pm (Friday)	
			08: am to 02:00 pm (Saturday)	08: am to 01:00 pm (Saturday)	

Abu Dhabi Islamic Bank – Participating Branches

#	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday -Saturday)	Customer Timing (Friday)	Branch Address
1	Al Bateen Branch	Normal Branch	33	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	Abu Dhabi - Al Bateen king Abdulla bin AbdulAziz Al Sauod Street - near UAE Central Bank
2	Sheikh Zayed Main Branch	Normal Branch	403	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	Sheikh Rashid Bin Saeed St(Old Airport Road) opposite to Hilton Capital Grand Hotel
3	Nation Towers Branch	Mall Branch	71	Abu Dhabi	1	10:00 AM to 10:00 pm	04:00 PM to 10:00 PM	Nation Towers Galleria – Corniche Road, First Floor
4	Baniyas Branch	Normal Branch	13	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	Al Mafrq –Dubai Road opposite Al Mafrq Hospital - Baniyas
5	Khalifa A City Branch	Normal Branch	94	Abu Dhabi	1	8:00 AM to 2:00 pm	8:00 AM to 12:00 PM	Khalifa A city, street # 16/21 south west.
6	Madinat Zayed Branch	Normal Branch	7	Abu Dhabi West (Gharbiya)	5	08:00 am to 02:00 pm	8:00 AM to 12:00 PM	Madinat Zayed City - Western Region
7	Oud Al Toba Branch	Normal Branch	54	Al Ain	2	08:00 am to 08:00 pm	8:00 AM to 12:00 PM	Oud Al Toba St., No.133
8	Al Tawaam Branch	Normal Branch	365	Al Ain	2	08:00 am to 08:00 pm	8:00 AM to 12:00 PM	Sheik Khalifa Bin Zayed St, 135th St, Opposite UAE university
9	Al Qusais Branch	Normal Branch	51	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Al Qusais Area -Al Wasl Building
10	Second of December Branch	Normal Branch	86	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Jumeirah beach street, Dubai
11	Sheikh Zayed Road Branch	Normal Branch	14	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Emarat Atrium Building, Sheikh Zayed Road
12	Nad Al Sheba Branch	Normal Branch	15	Dubai	3	10:00am to 05:00pm	04:00 PM to 10:00 PM	Avenue Mall - Nad Al Sheba - Nad Al Sheba 2 - Dubai
13	Dubai Internet City - Arenco Branch	Normal Branch	53	Dubai	3	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Arenco Tower, Dubai Internet City
14	Fujairah Branch	Normal Branch	6	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Shaikh Hamad Bin Abdulla Street
15	Ras Al Khaimah Branch	Normal Branch	11	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Opposite Al Manar Mall, Al Muntasir Road
16	Dibba Branch	Normal Branch	17	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Sheikh Zayed Street, Opposite Dibba Police Station - Fujairah

#	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday -Saturday)	Customer Timing (Friday)	Branch Address
17	Kalba Branch	Normal Branch	49	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Al Wahda Street - Khamis Khalfan Al Zahmi Building - Block No:19
18	Al Dhaid Branch	Normal Branch	38	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Al Dhaid Expo Center
19	Khorfakkan Branch	Normal Branch	22	East Coast	6	08: 00am to 02:00 pm	8:00 AM to 12:00 PM	Corniche Road, Banks Area
20	Umm Al Quwain Branch	Normal Branch	29	Sharjah North East Area	4	08: am to 02:00 pm	8:00 AM to 12:00 PM	Umm Al Quwain Union Coop
21	Sharjah Main Branch	Normal Branch	5	Sharjah North East Area	4	08: am to 02:00 pm	8:00 AM to 12:00 PM	Al Mussala Area opposite Etisalat building

Abu Dhabi Commercial Bank – Participating Branches

#	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday to Thursday & Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday to Thursday & Saturday)	IPO Subscription Timings (Friday)	Branch Address
1	Shahama Branch	Normal Branch	00153	Abu Dhabi		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Dubai Abu Dhabi Road, Near Bani Yas Coop , P.O.Box: 76122
2	Hazza Bin Zayed Stadium Branch	Normal Branch	00207	Abu Dhabi, Al Ain		08:00 AM - 07:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Hazza Bin Zayed Stadium, Al Ain
3	Zayed Town Branch	Normal Branch	00152	Abu Dhabi, Al Dhafra Region		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Zayed Town Main Street, Near Zayed Town Court, P.O.Box: 50013 Zayed Town
4	Al Riggah Branch	Normal Branch	00251	Dubai		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Al Riggah Road, Near Al Riggah Metro-Station, P.O.Box: 5550
5	Business Bay Branch	Normal Branch	00265	Dubai		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Business Bay, Al Khaleej Al Tejari, Dubai, Nearest landmark-Business bay metro station
6	Ajman Branch	Normal Branch	00321	Ajman		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Al Ittihad Street, Near Lulu centre, P.O.Box: 1843
7	Ras Al Khaimah Branch	Normal Branch	00341	Ras Al Khaimah		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Al Naeem Mall, New central business district, P.O.Box: 1633

#	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday to Thursday & Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday to Thursday & Saturday)	IPO Subscription Timings (Friday)	Branch Address
8	Fujairah Branch	Normal Branch	00331	Fujairah		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Hamed Bin Abdulla Street, Near ADNOC P.O.Box: 770 Fujairah
9	Ruwais Branch	Normal Branch	00154	Abu Dhabi, Al Dhafra Region		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Ruwais Housing Complex Sh. Zayed Road, Near Etisalat Office P.O.Box: 11851 Ruwais
10	Al Zahiya City Centre Branch	Mall Branch	00302	Sharjah		10:00 AM - 09:00 PM Monday to Thursday & Saturday	03:00 PM - 09:00 PM	10:00 AM - 03:00 PM Monday to Thursday & Saturday	No IPO Subscription on Friday	Sheikh Mohammed Bin Zayed Street, Al Zahia City Centre, Ground level, near Entrance A, P.O.Box: 23657
11	Reem Mall Branch	Mall Branch	00166	Abu Dhabi		10:00 AM - 09:00 PM Monday to Thursday & Saturday	03:00 PM - 09:00 PM	10:00 AM - 03:00 PM Monday to Thursday & Saturday	No IPO Subscription on Friday	Ground level, Al Reem Island, Abu Dhabi. P.O.Box: 939 Abu Dhabi
12	Al Nahyan Camp Branch	Normal Branch	00161	Abu Dhabi		08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	08:00 AM - 03:00 PM Monday to Thursday & Saturday	08:00 AM - 12:00 PM	Delma Street, Behind Al Nahyan Camp, Abu Dhabi P.O.Box: 939 Abu Dhabi

Al Maryah Bank – Participating Branches

#	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing (Monday - Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday - Saturday)	IPO Subscription Timings (Friday)	Branch Address
1	Al Maryah Community Bank, Innovation Hub			Abu Dhabi		Mon-Sat: 8AM to 5PM	Fri: 8AM to 3PM	Mon-Sat: 8AM to 5PM and 24x7 through Mbank app	Fri: 8AM to 3PM and 24x7 through Mbank app	Al Maryah Community Bank, Innovation Hub, 454 Shakhbout Bin Sultan Street, Abu Dhabi, UAE
2	Al Maryah Community Bank, Mall of the Emirates			Dubai		Mon-Sun: 10AM to 10PM	Mon-Sun: 10AM to 10PM	Mon-Sun: 10AM to 10PM and 24x7 through Mbank app	Mon-Sun: 10AM to 10PM and 24x7 through Mbank app	Al Maryah Community Bank, Level 1, Ski Dubai Entrance, Mall of the Emirates, Dubai, UAE
3	Al Maryah Community Bank, ADNOC HQ			Abu Dhabi		Mon-Thu: 8AM to 4PM	Fri: 8AM to 3PM	Mon-Thu 8AM to 4PM and 24x7 through Mbank app	Fri: 8AM to 3PM and 24x7 through Mbank app	Al Maryah Community Bank, ADNOC HQ, Corniche, Abu Dhabi, UAE
4	Al Maryah Community Bank, Capital Mall			Abu Dhabi		Mon-Sun: 10AM to 10PM	Mon-Sun: 10AM to 10PM	Mon-Sun: 10AM to 10PM and 24x7 through Mbank app	Mon-Sun: 10AM to 10PM and 24x7 through Mbank app	Al Maryah Community Bank, Mohammed Bin Zayed City, Mussaffah - Abu Dhabi, UAE

Annex 4 – Company’s Investments in the Subsidiaries¹ of the Company

Name	Percentage of Ownership	Country of Incorporation
Alef Education Consultancy LLC	100%	UAE
Arabic Scale Educational Consultancy LLC - OPC	100%	UAE

¹ Subsidiaries are entities in which the Company holds at least 50% of its share capital.

Annex 5 – Company’s Organization Chart

