

# **Alef Education Holding PLC**

## **REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2024**

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## REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF

### ALEF EDUCATION HOLDING PLC

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Alef Education Holding Plc (the “Company”) and its subsidiary (together referred to as the “Group”) as at 30 September 2024, comprising of the interim condensed consolidated statement of financial position as at 30 September 2024, and the related interim condensed consolidated statement of comprehensive income for the three and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for nine month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

#### *Other matter*

The interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and related notes for the three-month and nine-month periods ended 30 September 2023 were not reviewed by an auditor and are presented for comparison purposes only.

For Ernst & Young Middle East (ADGM Branch)

Walid J Nakfour

30 October 2024  
Abu Dhabi, United Arab Emirates

# Alef Education Holding PLC

## Interim condensed consolidated statement of financial position As at 30 September 2024

		30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		2,192,046	2,540,005
Right of use asset		6,982,837	480,533
Intangible assets	4	144,794,279	79,898,352
Trade and other receivables	5	4,811,053	12,425,319
<b>Total non-current assets</b>		<b>158,780,215</b>	<b>95,344,209</b>
<b>Current assets</b>			
Trade and other receivables	5	301,182,321	154,947,624
Amounts due from related parties	7	-	109,755,488
Cash and bank balances	6	289,074,879	261,773,715
<b>Total current assets</b>		<b>590,257,200</b>	<b>526,476,827</b>
<b>TOTAL ASSETS</b>		<b>749,037,415</b>	<b>621,821,036</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	70,000,000	-
Shareholders' contribution		167,559,022	167,559,022
Statutory reserve		75,000	75,000
Retained earnings		418,456,436	346,786,283
<b>Total equity</b>		<b>656,090,458</b>	<b>514,420,305</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		14,873,809	12,921,328
Lease liability		3,934,615	241,965
<b>Total non-current liabilities</b>		<b>18,808,424</b>	<b>13,163,293</b>
<b>Current liabilities</b>			
Trade and other payables	8	36,892,139	94,008,382
Lease liability		3,137,071	229,056
Income tax liability	12	34,109,323	-
<b>Total current liabilities</b>		<b>74,138,533</b>	<b>94,237,438</b>
<b>Total liabilities</b>		<b>92,946,957</b>	<b>107,400,731</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>749,037,415</b>	<b>621,821,036</b>



Director



Chief Executive Officer

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

# Alef Education Holding PLC

## Interim condensed consolidated statement of comprehensive income For the three and nine month periods ended 30 September 2024



		Three-month period ended		Nine-month period ended	
		30 September 2024 (unaudited) AED	30 September 2023 (unaudited) AED	30 September 2024 (unaudited) AED	30 September 2023 (unaudited) AED
<b>INCOME</b>					
Education solution fees		166,219,012	163,797,160	495,408,457	491,292,077
IT set-up fees		18,000,125	9,852,700	18,000,125	9,852,700
IT maintenance fees		13,073,374	12,825,995	38,043,875	36,915,946
Revenue from contracts with customers	9	197,292,511	186,475,855	551,452,457	538,060,723
<b>EXPENSES</b>					
Salaries and other benefits		(30,406,359)	(30,708,864)	(81,957,324)	(89,541,121)
Technology expenses		(17,345,800)	(16,824,048)	(34,215,869)	(30,275,206)
Software licenses		(6,709,382)	(6,372,405)	(18,961,225)	(17,186,052)
Amortisation for intangible assets	4	(7,425,783)	(7,608,446)	(24,114,368)	(22,983,440)
Legal and professional fees		(3,730,262)	(6,004,320)	(11,673,866)	(17,095,630)
Depreciation on property and equipment		(452,253)	(384,301)	(1,271,097)	(2,877,122)
Lease expenses		(996,711)	(883,726)	(2,924,599)	(2,652,130)
Marketing expenses		(1,349,464)	(732,182)	(4,012,588)	(5,504,071)
Others		(1,151,552)	(1,208,964)	(2,931,322)	(2,609,260)
<b>Total expenses</b>		<b>(69,567,566)</b>	<b>(70,727,256)</b>	<b>(182,062,258)</b>	<b>(190,724,032)</b>
<b>OPERATING PROFIT FOR THE PERIOD</b>		<b>127,724,945</b>	<b>115,748,599</b>	<b>369,390,199</b>	<b>347,336,691</b>
Income from financial assets carried at fair value through profit or loss		-	1,343,396	-	144,310,605
Interest income		3,151,981	1,551,514	9,977,277	3,198,645
<b>PROFIT FOR THE PERIOD BEFORE TAX</b>		<b>130,876,926</b>	<b>118,643,509</b>	<b>379,367,476</b>	<b>494,845,941</b>
Income tax expense	12	(11,778,924)	-	(34,109,323)	-
<b>NET PROFIT FOR THE PERIOD</b>		<b>119,098,002</b>	<b>118,643,509</b>	<b>345,258,153</b>	<b>494,845,941</b>
Other comprehensive income		-	-	-	-
<b>TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>119,098,002</b>	<b>118,643,509</b>	<b>345,258,153</b>	<b>494,845,941</b>
Basic earnings per share (AED)	13	0.02	-	0.07	-

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

## Alef Education Holding PLC

### Interim condensed consolidated statement of changes in equity For the nine-month period ended 30 September 2024



	Share capital AED	Shareholders' contribution AED	Statutory reserve AED	Retained earnings AED	Total equity AED
Balance at 1 January 2023 (audited)	-	167,559,022	75,000	1,392,473,762	1,560,107,784
Total comprehensive income for the period	-	-	-	494,845,941	494,845,941
Balance at 30 September 2023 (unaudited)	-	167,559,022	75,000	1,887,319,703	2,054,953,725
Balance at 1 January 2024 (audited)	-	167,559,022	75,000	346,786,283	514,420,305
Issuance of share capital (note 14)	70,000,000	-	-	(70,000,000)	-
Total comprehensive income for the period	-	-	-	345,258,153	345,258,153
Dividend (note 15)	-	-	-	(203,588,000)	(203,588,000)
<b>Balance at 30 September 2024 (unaudited)</b>	<b>70,000,000</b>	<b>167,559,022</b>	<b>75,000</b>	<b>418,456,436</b>	<b>656,090,458</b>

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

## Alef Education Holding PLC

### Interim condensed consolidated statement of cash flows For the nine-month period ended 30 September 2024



		Nine-month period ended	
		30 September 2024	30 September 2023
		(unaudited) AED	(unaudited) AED
Notes			
<b>Operating activities</b>			
	Profit for the period before tax	379,367,476	494,845,941
<u>Adjustments for:</u>			
	Depreciation on property and equipment	1,271,097	2,877,122
	Depreciation on right of use asset	1,714,536	156,345
4	Amortisation of intangible assets	24,114,368	22,983,440
	Income from financial assets carried at fair value through profit or loss	-	(144,310,605)
	Interest expense on lease liability	269,607	27,690
	Provision for employees' end of service benefits	3,463,630	3,099,951
	Interest income	(9,977,277)	(3,198,645)
		<u>400,223,437</u>	<u>376,481,239</u>
<b>Working capital changes:</b>			
	Amounts due from related parties	353,154	(7,537)
	Trade and other receivables	(136,781,826)	(16,134,696)
	Amounts due to related parties	-	807,648
	Trade and other payables	(57,116,243)	25,722,003
		<u>206,678,522</u>	<u>386,868,657</u>
	Employees' end of service benefits paid	(1,511,149)	(1,943,861)
		<u>205,167,373</u>	<u>384,924,796</u>
<b>Investing activities</b>			
	Purchase of property and equipment	(923,138)	(924,598)
	Purchase of financial assets carried at fair value through profit or loss	-	(61,463,599)
	Proceeds from disposal of financial assets carried at fair value through profit or loss	-	148,821,526
	Dividend income from financial assets at fair value through profit or loss	-	14,866,098
	Receipt of amounts due from related parties	109,402,334	(504,797,761)
	Placement of term deposits with original maturity of more than three months	(120,000,000)	-
6		<u>(89,010,295)</u>	<u>(19,259,429)</u>
		<u>(100,531,099)</u>	<u>(422,757,763)</u>
<b>Financing activities</b>			
	Interest income received	8,138,672	3,198,645
	Payment of principal portion of lease liability	(1,885,782)	(258,931)
	Dividends paid	(203,588,000)	-
		<u>(197,335,110)</u>	<u>2,939,714</u>
	<b>Net cash flows (used in) from financing activities</b>	<u>(197,335,110)</u>	<u>2,939,714</u>
	<b>Net decrease in cash and cash equivalents</b>	<u>(92,698,836)</u>	<u>(34,893,253)</u>
	Cash and cash equivalents at the beginning of the period	261,773,715	171,437,937
	<b>Cash and cash equivalents at the end of the period</b>	<u>169,074,879</u>	<u>136,544,684</u>
6		<u>169,074,879</u>	<u>136,544,684</u>

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

## Alef Education Holding PLC

### Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2024



## 1 GENERAL INFORMATION

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

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

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

On 12 June 2024, the Company listed 20% of its share capital on Abu Dhabi Securities Exchange (“ADX”) as part of Initial Public Offering (“IPO”) (note 14).

The interim condensed consolidated financial statements were recognized for issue in accordance with a resolution of the Director on 30 October 2024.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting issued by International Accounting Standards Board (“IASB”).

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s consolidated financial statements as at 31 March 2024. In addition, results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

These interim condensed consolidated financial statements have been prepared on the historical cost basis.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (“AED”), which is the functional and the presentational currency of the Group.



## **2 BASIS OF PREPARATION (continued)**

### **2.2 Basis of consolidation**

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary. 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 period are included in the interim condensed 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 into 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.

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 interest;
- 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; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

**3.1 New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied by the Group in the preparation of the consolidated financial statements as at and for the period ended 31 March 2024, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of liabilities as Current or Non-current

**3.2 Significant accounting estimates and judgements**

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the period ended 31 March 2024.

**4 INTANGIBLES ASSETS**

	<b>30 September 2024 (unaudited) AED</b>	31 December 2023 (audited) AED
Balance at the beginning of the period / year	<b>79,898,352</b>	74,785,546
Additions during the period / year*	<b>89,010,295</b>	35,845,700
Amortisation during the period / year	<b>(24,114,368)</b>	(30,732,894)
Net book value at the end of the period / year	<b>144,794,279</b>	79,898,352

\* Included in additions during the period ended 30 September 2024 is the acquisition of education products called Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (Note 7).

Included in additions during the period ended 30 September 2024 is the acquisition of an education product called Abjadiyat for a total amount of AED 11.2 million.

On 29 March 2024, the Group signed a partnership agreement with a US-based developer, MetaMetrics® to develop an Arabic reading scale to improve the literacy skills of K-12 Arabic speakers in collaboration with 6 Arab speaking countries. The newly developed Arabic scale is being branded as “Miqyas Al-Dhad Scale”. Included in additions during the period ended 30 September 2024 is an amount of AED 4.4 million incurred towards its ongoing development.

**4 INTANGIBLES ASSETS (continued)**

Additions during the period ended 30 September 2024 also include AED 38.1 million representing the development of new products around assessments and pathways product lines. These include pathways products for Math, English, Arabic and Science along with an assessment solution. Moreover, the Group is supporting growth through internationalization and other key features.

**5 TRADE AND OTHER RECEIVABLES**

	<b>30 September 2024 (unaudited) AED</b>	31 December 2023 (audited) AED
Trade receivables	<b>200,871,026</b>	133,752,712
Advances	<b>23,795,482</b>	3,497,603
Prepayments	<b>15,010,110</b>	11,913,674
Retention receivable and other receivables	<b>61,861,402</b>	8,339,893
Refundable deposits	<b>4,275,473</b>	9,869,061
VAT receivable	<b>179,881</b>	-
	<b>305,993,374</b>	167,372,943
Current	<b>301,182,321</b>	154,947,624
Non-current	<b>4,811,053</b>	12,425,319
	<b>305,993,374</b>	167,372,943

The ageing analysis of trade receivables is as follow:

	<i>Total</i> AED	<i>Neither past due nor impaired</i> AED	<i>0-30 days</i> AED	<i>31-60 days</i> AED	<i>61-90 days</i> AED	<i>91-120 days</i> AED	<i>Above 120 days</i> AED
30 September 2024	<b>200,871,026</b>	<b>19,023,236</b>	<b>149,313</b>	<b>25,752</b>	<b>90,523,002</b>	<b>91,149,723</b>	-
31 December 2023	133,752,712	3,637,285	90,471,090	674,997	33,871,137	5,098,203	-

No provision for expected credit losses was recorded for trade receivables at 30 September 2024 (31 December 2023: nil).

## Alef Education Holding PLC

### Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)



#### 6 CASH AND BANK BALANCES

Cash and cash equivalents at the end of the period as shown in the interim condensed consolidated statement of cash flows comprise of:

	<b>30 September 2024 (unaudited) AED</b>	31 December 2023 (audited) AED
Cash on hand	20,603	6,606
Cash at bank	289,054,276	261,767,109
Cash and bank balances	<u>289,074,879</u>	<u>261,773,715</u>
Less: term deposits with original maturity of more than three months	<u>(120,000,000)</u>	-
Cash and cash equivalents	<u><u>169,074,879</u></u>	<u><u>261,773,715</u></u>

Included in cash at bank are bank deposits amounting to AED 240,000,000 (31 December 2023: AED 78,501) deposited with commercial banks and carry interest at prevailing market rates.

#### 7 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 interim condensed consolidated statement of financial position are as follows:

	<b>30 September 2024 (unaudited) AED</b>	31 December 2023 (audited) AED
<b>Amounts due from related parties</b>		
<i>Entities under common control</i>		
Capital Investments L.L.C.	-	109,402,334
SAAL Operating System - Sole Proprietorship L.L.C.	-	195,579
New Century Education - Sole Proprietorship L.L.C.	-	157,575
	<u>-</u>	<u>109,755,488</u>

Transaction with related parties are as follows:

	<b>Three-month period ended</b>		<b>Nine-month period ended</b>	
	<b>30 September 2024 (unaudited) AED</b>	30 September 2023 (unaudited) AED	<b>30 September 2024 (unaudited) AED</b>	30 September 2023 (unaudited) AED
Interest income from a related party	<u>-</u>	<u>1,551,514</u>	<u>2,636,820</u>	<u>3,198,645</u>
Revenue from contracts with customers	<u>44,497</u>	<u>44,497</u>	<u>231,444</u>	<u>133,492</u>

During the period ended 30 September 2024, the Group has purchased the business of Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (Note 4).

**7 RELATED PARTIES BALANCES AND TRANSACTIONS (continued)**

**Compensation of key management personnel**

	<b>Three-month period ended</b>		<b>Nine-month period ended</b>	
	<b>30 September 2024 (unaudited) AED</b>	<b>30 September 2023 (unaudited) AED</b>	<b>30 September 2024 (unaudited) AED</b>	<b>30 September 2023 (unaudited) AED</b>
Short term benefits	<u>1,865,159</u>	<u>1,620,140</u>	<u>5,621,027</u>	<u>5,097,119</u>
Employees' end of service benefits	<u>91,675</u>	<u>81,828</u>	<u>220,807</u>	<u>205,086</u>

**8 TRADE AND OTHER PAYABLES**

	<b>30 September 2024 (unaudited) AED</b>	<b>31 December 2023 (audited) AED</b>
Trade payables	<b>12,255,655</b>	16,649,944
Accrued expenses and other payables	<b>24,533,714</b>	36,689,925
Deferred revenues	-	12,640,807
Advances from customers	<b>102,770</b>	18,160,832
VAT payable	-	9,866,874
	<u><b>36,892,139</b></u>	<u>94,008,382</u>

**9 REVENUE FROM CONTRACTS WITH CUSTOMERS**

	<b>Three-months period ended</b>		<b>Nine-month period ended</b>	
	<b>30 September 2024 (unaudited) AED</b>	<b>30 September 2023 (unaudited) AED</b>	<b>30 September 2024 (unaudited) AED</b>	<b>30 September 2023 (unaudited) AED</b>
<b>Timing of revenue recognition</b>				
Revenue recognized over the time	<b>179,292,386</b>	176,623,155	<b>533,452,332</b>	528,208,023
Revenue recognised at the point in time	<u><b>18,000,125</b></u>	<u>9,852,700</u>	<u><b>18,000,125</b></u>	<u>9,852,700</u>
	<u><b>197,292,511</b></u>	<u>186,475,855</u>	<u><b>551,452,457</b></u>	<u>538,060,723</u>

*Geographical markets*

Revenue based on the geographical location of customers are as follows:

	<b>Three-months period ended</b>		<b>Nine-month period ended</b>	
	<b>30 September 2024 (unaudited) AED</b>	<b>30 September 2023 (unaudited) AED</b>	<b>30 September 2024 (unaudited) AED</b>	<b>30 September 2023 (unaudited) AED</b>
United Arab Emirates	<b>197,095,867</b>	186,461,291	<b>551,241,518</b>	538,026,171
United States of America	<b>136,219</b>	5,106	<b>139,394</b>	25,094
Indonesia	<b>60,425</b>	9,458	<b>71,545</b>	9,458
	<u><b>197,292,511</b></u>	<u>186,475,855</u>	<u><b>551,452,457</b></u>	<u>538,060,723</u>

## Alef Education Holding PLC

### Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)



#### 10 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 interim condensed 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.

As at and for the nine-month period ended 30 September 2024	Education solution AED	Support and services AED	Financial Investments AED	Unallocated AED	Consolidated AED
<b>Revenue from contracts with customers</b>	495,408,457	56,044,000	-	-	551,452,457
Depreciation on property and equipment	-	-	-	(1,271,097)	(1,271,097)
Amortisation of intangible assets	(24,114,368)	-	-	-	(24,114,368)
Other expenses	<u>(86,685,186)</u>	<u>(40,325,664)</u>	<u>-</u>	<u>(29,665,943)</u>	<u>(156,676,793)</u>
<b>Total expenses</b>	<b><u>(110,799,554)</u></b>	<b><u>(40,325,664)</u></b>	<b><u>-</u></b>	<b><u>(30,937,040)</u></b>	<b><u>(182,062,258)</u></b>
<b>Operating profit for the period</b>	<b>384,608,903</b>	<b>15,718,336</b>	<b>-</b>	<b>(30,937,040)</b>	<b>369,390,199</b>
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,977,277</u>	<u>9,977,277</u>
<b>Profit before tax</b>	<b><u>384,608,903</u></b>	<b><u>15,718,336</u></b>	<b><u>-</u></b>	<b><u>(20,959,763)</u></b>	<b><u>379,367,476</u></b>
<b>Assets</b>	<b><u>694,949,409</u></b>	<b><u>40,637,650</u></b>	<b><u>-</u></b>	<b><u>13,450,356</u></b>	<b><u>749,037,415</u></b>
<b>Liabilities</b>	<b><u>83,499,227</u></b>	<b><u>2,376,044</u></b>	<b><u>-</u></b>	<b><u>7,071,686</u></b>	<b><u>92,946,957</u></b>
<b>Other disclosures</b>					
<i>Capital expenditures</i>					
Purchase of property and equipment	-	-	-	923,138	923,138
Purchase of intangibles	<u>89,010,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,010,295</u>
<b>Total</b>	<b><u>89,010,295</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>923,138</u></b>	<b><u>89,933,433</u></b>

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2024 (continued)**

**10 REPORTING SEGMENTS (continued)**

For the nine month period 30 September 2023 & as at 31 December 2023	Education solution AED	Support and services AED	Financial Investments AED	Unallocated AED	Consolidated AED
Revenue from contracts with customers	491,292,077	46,768,646	-	-	538,060,723
Depreciation on property and equipment	-	-	-	(2,877,122)	(2,877,122)
Amortisation of intangible assets	(22,983,440)	-	-	-	(22,983,440)
Other expenses	(106,133,011)	(33,590,116)	-	(25,140,343)	(164,863,470)
<b>Total expenses</b>	<b>(129,116,451)</b>	<b>(33,590,116)</b>	<b>-</b>	<b>(28,017,465)</b>	<b>(190,724,032)</b>
Operating profit for the period	362,175,626	13,178,530	-	(28,017,465)	347,336,691
Income from financial assets carried at fair value through profit or loss	-	-	144,310,605	-	144,310,605
Interest income	-	-	-	3,198,645	3,198,645
<b>Profit before tax</b>	<b><u>362,175,626</u></b>	<b><u>13,178,530</u></b>	<b><u>144,310,605</u></b>	<b><u>(24,818,820)</u></b>	<b><u>494,845,941</u></b>
Assets at 31 December 2023	<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 at 31 December 2023	<u>96,965,586</u>	<u>9,964,124</u>	<u>-</u>	<u>471,021</u>	<u>107,400,731</u>
Other disclosures at 31 December 2023					
<i>Capital expenditures</i>					
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>
<b>Total</b>	<b><u>35,845,700</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,162,776</u></b>	<b><u>37,008,476</u></b>

**11 SEASONALITY OF RESULTS**

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed consolidated financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.

**12 INCOME TAX**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

***Current income tax***

The movement in the current taxation account is as follows:

	<b>30 September 2024 (unaudited) AED</b>	31 December 2023 (audited) AED
Balance at the beginning of the period / year	-	-
Income tax expense during the period / year	<b><u>34,109,323</u></b>	-
Balance at end of the period / year	<b><u>34,109,323</u></b>	-

At 30 September 2024, there were no amounts recognised directly to equity or in other comprehensive income.





## **Alef Education Holding PLC**

### **Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)**

#### **15 Dividend**

During the period, the Company's Board of Directors through a resolution dated 29 July 2024, approved and distributed an interim cash dividend amounting to AED 203.6 million.