

CL EDUCATE LIMITED

Communication to Shareholders

Dear Shareholders,

On 19 October 2026, the Boards of CL Educate Limited and its wholly owned subsidiary- DEXIT Global Limited (“DEXIT”) approved a Scheme of Amalgamation (the “Scheme”), under which DEXIT will merge into CL Educate Limited (the “Company”), with an appointed date fixed by the Boards of both the Companies.

We regard this as considerably more than just a legal consolidation. It is the second step in a journey that began twenty months ago, and it sets the direction for the next.

1. STEP ONE: THE ACQUISITION

When we acquired the digital examinations business from NSE Investments in February 2025, we stated that assessments would become a core pillar of the Group. The results since then support that position. In FY 2025-26, DEXIT grew business revenue by 9% to ₹223 Cr and operating EBITDA by 49% to ₹51 Cr. It conducts more than 11 million assessments a year and ranks among the four largest standalone digital assessment companies in the world. Client retention has been strong, with twenty renewals and eight extensions, alongside twenty new accounts.

Key Indicator	Figure
DEXIT business revenue, FY 2025-26	₹223 Cr (up 9%)
DEXIT operating EBITDA, FY 2025-26	₹51 Cr (up 49%)
Assessments conducted annually	More than 11 million
Acquisition cost	Approx. ₹260 Cr
Acquisition financing (borrowings)	₹210 Cr
Acquisition debt repaid to date	₹44 Cr

As you are aware, the acquisition cost approximately ₹260 Cr. It was financed through borrowings of ₹210 Cr, with the balance met from existing cash balances and internal accruals. Over the past twenty months, we have serviced the acquisition debt responsibly: ₹44 Cr has been repaid as per schedule, entirely from the internal accruals of Career Launcher, Kestone and DEXIT, in addition to timely payment of interest. We remain on track to become net debt free once again within the next three years.

Our intent from the outset was to acquire the business itself, so that the business and the financing raised to acquire it would reside in the same legal entity. Owing to factors outside our control, the transaction was completed as a purchase of the company instead. The merger corrects this and aligns the structure with what we had always intended.

2. WHY NOW: ENVIRONMENTAL AND STRUCTURAL TAILWINDS

The intention to place assessments at the centre of the Group's business was clear at the time of acquisition. Environmental and structural developments since then have confirmed and accelerated that direction. The key developments are as follows:

- AI is changing what must be measured, and how.
- Remote and AI-assisted proctoring takes the examination to the candidate.
- India is building digital public infrastructure for talent.
- Indian assessment companies can now compete globally.

3. FROM TEST-PREP TO TEST-OWNING

For three decades, Career Launcher has prepared young Indians for tests designed by others. With DEXIT at the centre, we now aim to design, deliver and certify the assessments themselves, across the whole life of a learner:

- in school, through diagnostics, aptitude and talent identification;
- at college entry and through college;
- at the workplace door, through hiring, employability and AI-proficiency certification; and
- through working life, in the in-service assessments used for certification, promotion and re-skilling, under the mySATHI initiative.

Career Launcher and Kestone remain strong brands with their own customers. Career Launcher becomes the learner-facing part of this lifecycle, increasingly institutional and AI-led. Kestone continues as a focused, technology-led marketing and customer-engagement business. Throughout, exam delivery will remain strictly separated from preparation, because integrity is what we sell.

4. STEP TWO: THE MERGER AND WHAT IT GIVES US

- **One balance sheet.** The business that generates the cash and the company that carries the acquisition financing become one entity, with no need for dividends or inter-company loans to move money between them. This provides a cleaner and faster path to reducing debt.
- **A simpler Group.** Fewer legal entities mean lower compliance costs, better utilisation of resources, improved sharing of technology resources and platforms, lower overheads, and a more efficient profit and loss statement and cash flow.
- **One platform for growth.** Governments, institutions and global partners will deal with a single, larger counterparty that owns its technology, its people and its customer relationships.

5. WHAT DOES NOT CHANGE

As DEXIT is wholly owned by CL Educate, this is a plain-vanilla merger. No consideration is payable and no new shares will be issued. Accordingly, no shareholder will be diluted, and the holdings of the promoter group and the public will remain exactly as they are today. For our clients and colleagues, it is business as usual.

The Scheme will now be filed with the National Company Law Tribunal, Mumbai Bench, and the other relevant authorities. The merger will take effect upon receipt of the required approvals, and we will keep you informed at each stage.

6. STEP THREE: WHAT COMES NEXT

The acquisition gave us the capability, and the merger gives us one platform. The next step is scale: AI-native assessment products, a deliberate move into global markets, and partnerships on India's talent infrastructure. We will remain disciplined about capital and open-minded about how best to create value from each of our businesses for you, our shareholders.

I thank you for your continued trust, and I thank our colleagues across Career Launcher, Kestone and DEXIT, whose work has made this possible.

Yours sincerely,

Satya Narayanan R

Founder & Chairman CL Educate Limited