TAALEEM HOLDINGS PJSC

Continued Solid Performance

for the 6-month period ended 28 February 2023

Dubai, United Arab Emirates, 4 April 2023

Taaleem Holdings PJSC ("Taaleem" or "the Company") is one of the largest K-12 Premium Schools operators in the UAE, and the first private education company to be listed on the Dubai Financial Market ("DFM") under (SYMBOL: TAALEEM) (ISIN: AEE01136T220).

FINANCIAL RESULTS – H1 2023*		
Total Enrolments	28,503 students	up 45.9% YoY
Revenue	AED 468.6 million	up 30.2% YoY
EBITDA	AED 167.8 million	up 18.7% YoY
EBITDA Adjusted**	AED 162.1 million	up 17.2% YoY
Net Profit	AED 119.5 million	up 19.5% YoY
Net Profit Adjusted**	AED 114.8 million	up 17.1% YoY
Financial position	Net Debt/EBITDA of -3.2x at the end of 6-month period 'Feb 23	

**Movement of P&L KPIs pertain to H1 FY22-23 vs H1 FY21-22*
***Excluding Jebel Ali School, Dubai Schools Nad al Sheba, TCG Barsha, Emirates Schools Establishment, New Projects (DBS Jumeira & DBS Mira), and one-off items (IPO related costs and non-operating income)*

Khalid Al Tayer, Chairman of Taaleem, commented:

'The company's focus on providing premium education at an affordable price point, investing in high-quality human resources, educational services, and schools' facilities have been instrumental in the growth we have witnessed during the first half of the year. This growth will continue with the launch of several new premium schools and the expansion of our role in government PPP initiatives. I am pleased to report that new initiatives are on track and will significantly contribute to our growth story over the next years.'

Alan Williamson, Chief Executive Officer of Taaleem, added:

'Taaleem's sustained growth and prudent management of expenses have resulted in a robust financial performance while sustaining our promise to the commitment of providing the highest quality education to our students. We are delighted to report that the significant growth in enrolment has continued during the first half of FY23, with a record

level of 28,503 students, a 45.9% YoY growth. The Premium Schools vertical contributed a significant 13.8% to this increase, while Government Partnerships vertical grew by 32.1%. I am delighted to report that our recruitment plans have attracted great global attention from the education community, and we are confident of recruiting the best talent available to lead our schools and new ventures.'

Financial Overview: Strong Growth Momentum

Enrolment

The growth is a result of the Company's continued focus on providing premium education at an affordable price point, continuously investing in high-quality human resources, educational services and in the schools' facilities. Taaleem's goal is to continue to expand and enhance its Government School PPP programs to provide all students in this partnership with a high-quality education that prepares them for success in the 21st century. By focusing on investing in educational technologies, developing a comprehensive curriculum, recruiting and training the best available educators, fostering a supportive learning environment, Taaleem is well-positioned to achieve this goal and provide future, additional Emirati students to this initiative with a world-class education.

During Q2 2023, +285 (vs Q1 2023) additional students (net) have enrolled with Taaleem, bringing the Group roll to a record level of 28,503 students at the end of H1 FY23, i.e., a growth of 45.9% vs H1 FY22. Premium Schools, the main vertical of the business, contributed 44.9% +128 (vs Q1 2023) to the increase, with 12,672 students at the end of H1 FY23, vs 9,970 a year before (+27.1%). The Government Partnerships vertical, with 8 new schools added to the portfolio from the academic year 2022-23 continued to expand robustly: the student roll grew by 65.5% YoY, amounting to 15,831 student's vs 9,567 in H1 FY22.

Revenue

In the 6-month period ended 28 February 2023, revenue reached AED 468.6 million, an increase of 30.2% as compared to the same period in the prior year. This growth momentum mainly resulted from organic growth (+11.1%), acquisition of JAS (+15%) & new government partnership schools (+4.1%), the further close of the physical capacity gap in the mature Premium school's portfolio, the ramp-up of the more recently developed Premium school and from the scale up of the Government Partnership programs.

EBITDA

The sustained growth of the company, combined with a continued discipline in the management of expenses, supported a strong increase of EBITDA by 18.7% to AED 167.8 million in H1 2023 as compared to the same period in the prior year. This generated an EBITDA margin of 35.8%, down by 350 bps YoY. The *adjusted EBITDA margin of 39.5% is higher, up by 110 bps YoY and reflects the strong underlying operational trend, excluding one-off costs related to the IPO.

Net Profit

In the 6-month period ended 28 February 2023, the Net Profit raised to AED 119.5 million, an increase by 19.5% as compared to the same period in the prior year. This resulted in a Net Profit margin of 25.5%, down by 230 bps YoY. The result reflects the growth in the EBITDA mentioned above, further supported by a material increase in net finance income driven by the remuneration of the IPO proceeds, and an early repayment of some bank borrowings, partially offset by additional depreciation costs from the previous year's investments. The *adjusted Net Profit margin of 28.0% is higher, up by 80 bps YoY and reflects the strong underlying operational trend, excluding one-off costs related to the IPO.

Financial Position

The Company's Net Debt/EBITDA ratio is -3.2x as of 28 February 2023. This situation reflects the imbalance between the cash and cash equivalents including deposits which far exceed the current bank borrowings position, which reduced during Q2 FY23. This will be the case until the capital is deployed as per the business strategy. The *adjusted

Net Debt / EBITDA ratio is 0.4x if the IPO proceeds are not considered for the purposes of the computation as of 28 Feb 2023.

** Excluding Jebel Ali School, Dubai Schools Nad al Sheba, TCG Barsha, Emirates Schools Establishment, New Projects (DBS Jumeira & DBS Mira), and one-off items (IPO related costs and non-operating income)*

FINANCIAL OVERVIEW

AED millions	Q2 2023	Q2 2022	Change %	H1 2023	H1 2022	Change %
Revenue	236.6	184.7	28.1%	468.6	360.0	30.2%
EBITDA	89.5	77.2	16.0%	167.8	141.4	18.7%
EBITDA Margin %	37.8%	41.8%	-4.0%	35.8%	39.3%	-3.5%
**Adjusted EBITDA Margin %*	*40.0%*	*40.8%*	*-0.8%*	*39.5%*	*38.4%*	*1.1%*
Net Profit for the Period	68.7	55.4	23.9%	119.5	100.0	19.5%
Net Profit Margin %	29.0%	30.0%	-1.0%	25.5%	27.8%	-2.3%
**Adjusted Net Profit Margin %*	*28.6%*	*29.4%*	*-0.8%*	*28.0%*	*27.2%*	*0.8%*

AED millions	Feb'23	Aug'22	Change %
Interest Bearing Loans and Borrowings	121.1	332.4	-63.6%
Net Debt	-535.6	104.4	-613.0%
***Adjusted Net Debt*	*66.8*	*104.4*	*-36.0%*

***Adjusted Net Debt excludes IPO Proceeds, plus Interest (AED 602.5M)*

RESULTS BY OPERATING SEGMENTS

Student enrolments	Q2 2023	Q2 2022	Change %	H1 2023	H1 2022	Change %
Premium schools	12,544	9,877	27.0%	12,672	9,970	27.1%
Government Partnerships	15,674	9,535	64.4%	15,831	9,567	65.5%
Total student enrolments	**28,218**	**19,412**	**45.4%**	**28,503**	**19,537**	**45.9%**

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H1 2023 Earnings Call

The financial results for Taaleem Holdings PJSC's H1 2023 will be presented starting at **3:00 p.m. Dubai time** and will be available via live streaming on the **13th of April 2023**. Please click here to register to the event.

About Taaleem

Taaleem Holdings PJSC is one of the largest K-12 Premium Schools operators in the UAE, and the first private education company to be listed on the Dubai Financial Market ("DFM") under (SYMBOL: TAALEEM) (ISIN: AEE01136T220).
Further information on Taaleem Holdings PJSC can be found at www.taaleem.ae

For further information, please contact: Investor Relations, Taaleem. Tel.: 050 114 2365 Email: IR@taaleem.ae