Taaleem Holdings P.J.S.C. and its subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED 30 NOVEMBER 2023

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF TAALEEM HOLDINGS P.J.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Taaleem Holdings P.J.S.C. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the interim condensed consolidated statement of financial position as at 30 November 2023 and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and 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.

For Ernst & Young

Signed by:
Anthony O'Sullivan
Partner
Registration No: 687

11 January 2024

Dubai, United Arab Emirates

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 November 2023
(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Notes	***30 November 2023 AED (Unaudited)***	*31 August 2023 AED (Audited)*
ASSETS			
Non-current assets			
Property and equipment	5	**1,188,707,178**	1,168,872,964
Investment property		**10,725,504**	10,868,123
Intangible assets		**37,776,724**	38,445,326
Goodwill	4	**239,997,759**	239,997,759
Right-of-use assets	18(i)	**207,577,686**	211,434,597
Net investment in finance lease		**3,376,657**	3,623,459
Capital advances	5	**16,277,917**	18,894,549
		1,704,439,425	1,692,136,777
Current assets			
Fees and other receivables	6	**50,045,636**	47,761,008
Wakala deposits	7	**339,302,722**	475,147,917
Cash and cash equivalents	8	**250,938,658**	227,544,412
		640,287,016	750,453,337
TOTAL ASSETS		**2,344,726,441**	2,442,590,114
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	**1,000,000,000**	1,000,000,000
Statutory reserve	15	**542,459,941**	542,459,941
Own shares		**(11,537,059)**	(10,511,347)
Own shares reserve		**(35,004,645)**	(31,057,144)
Retained earnings		**108,586,900**	170,512,734
TOTAL EQUITY		**1,604,505,137**	1,671,404,184
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	9	**40,000,000**	27,000,000
Lease liabilities	18(ii)	**215,109,907**	215,798,988
Deferred income on government grant		**44,356,666**	44,939,998
Debentures payable		**18,114,520**	18,054,911
Retentions payable		**4,962,441**	1,978,934
Provision for employees' end of service benefits		**36,285,529**	32,969,372
Deferred tax liabilities	23	**27,694,215**	-
		386,523,278	340,742,203

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

Taaleem Holdings P.J.S.C. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 30 November 2023
(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Notes	*30 November 2023 AED (Unaudited)*	*31 August 2023 AED (Audited)*
Current liabilities			
Trade and other payables	10	**111,203,172**	117,617,340
Fees received in advance		**215,452,874**	291,906,141
Interest bearing loans and borrowings	9	**363,044**	219,909
Lease liabilities	18(ii)	**17,053,793**	18,367,004
Deferred income on government grant		**2,333,333**	2,333,333
Income tax provision	23	**7,291,810**	-
		353,698,026	430,443,727
TOTAL LIABILITIES		**740,221,304**	771,185,930
TOTAL EQUITY AND LIABILITIES		**2,344,726,441**	2,442,590,114

These interim condensed consolidated financial statements were approved by the Board of Directors on 11 January 2024 and signed on their behalf by:

DocuSigned by:
F150E7FE966B4F5...
....
Chairman

....
Vice Chairman

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three-month period ended 30 November 2023
(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Notes	*Three-month period ended 30 November (Unaudited)* **2023 AED**	*2022 AED*
REVENUE	11	**258,704,575**	231,940,408
FINANCE AND OTHER INCOME			
Rental income		**393,777**	388,344
Income from deferred government grant		**583,332**	583,334
Finance income		**7,827,474**	730,186
Other income		**5,829,780**	647,807
TOTAL FINANCE AND OTHER INCOME		**14,634,363**	2,349,671
EXPENSES			
Operating costs	12	**(133,488,178)**	(119,349,821)
General and administrative expenses	13	**(31,631,663)**	(35,896,330)
Amortisation of intangible assets		**(668,602)**	(668,602)
Depreciation on property and equipment	5	**(18,260,981)**	(17,028,544)
Depreciation on investment property		**(142,619)**	(142,619)
Amortisation of right-of-use assets	18 (i)	**(3,856,911)**	(3,452,594)
Finance costs		**(3,678,524)**	(6,893,141)
TOTAL EXPENSES		**(191,727,478)**	(183,431,651)
PROFIT FOR THE PERIOD BEFORE TAX		**81,611,460**	50,858,428
Current income tax expense	23	**(7,291,810)**	-
Deferred income tax expense	23	**(27,694,215)**	-
PROFIT FOR THE PERIOD		**46,625,435**	50,858,428
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**46,625,435**	50,858,428
Earnings per share Basic and diluted, profit for the period attributable to ordinary equity holders of the Company (in AED per share)	21	**0.05**	0.07

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 30 November 2023
(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

30 November 2022 (Unaudited)	*Share capital AED*	*Statutory reserve AED*	*Own shares AED*	*Own shares reserve AED*	*Retained earnings AED*	*Total AED*
As at 1 September 2022	750,000,000	63,297,202	-	-	120,674,141	933,971,343
Total comprehensive income for the period (Unaudited)	-	-	-	-	50,858,428	50,858,428
Issuance of share capital (Unaudited)	250,000,000	479,702,725	-	-	-	729,702,725
Dividends (Note 17) (Unaudited)	-	-	-	-	(67,500,000)	(67,500,000)
As at 30 November 2022 (Unaudited)	1,000,000,000	542,999,927	-	-	104,032,569	1,647,032,496

30 November 2023 (Unaudited)

	Share capital AED	*Statutory reserve AED*	*Own shares AED*	*Own shares reserve AED*	*Retained earnings AED*	*Total AED*
As at 1 September 2023	1,000,000,000	542,459,941	(10,511,347)	(31,057,144)	170,512,734	1,671,404,184
Total comprehensive income for the period (Unaudited)	-	-	-	-	46,625,435	46,625,435
Own shares (Unaudited)	-	-	(1,025,712)	(3,947,501)	-	(4,973,213)
Dividends (Note 17) (Unaudited)	-	-	-	-	(110,000,000)	(110,000,000)
Dividends on Own shares (Unaudited)	-	-	-	-	1,448,731	1,448,731
As at 30 November 2023 (Unaudited)	**1,000,000,000**	**542,459,941**	**(11,537,059)**	**(35,004,645)**	**108,586,900**	**1,604,505,137**

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 30 November 2023

(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Notes	***Three-month period ended 30 November (Unaudited)*** *2023 AED*	*2022 AED*
OPERATING ACTIVITIES			
Profit for the period before income tax		**81,611,460**	50,858,428
Adjustments for:			
Depreciation on property and equipment	5	**18,260,981**	17,028,544
Depreciation on investment property		**142,619**	142,619
Amortisation of right-of-use assets	18 (i)	**3,856,911**	3,452,594
Amortisation of intangible assets		**668,602**	668,602
Provision for employees' end of service benefits		**4,424,466**	4,289,065
Allowance for impairment on fees receivable	13	**855,426**	720,616
Gain on disposal of property and equipment		**(14,000)**	-
Finance income		**(7,827,474)**	(730,186)
Finance costs		**3,678,524**	6,893,141
Income from deferred government grant		**(583,332)**	(583,333)
Income from unwinding of debentures payable		**(177,759)**	(177,763)
Other non-cash items		**-**	860,690
Operating cash flows before changes in working capital		**104,896,424**	83,423,017
Changes in working capital:			
Change in fees and other receivables		**(3,140,054)**	(16,539,656)
Changes in restricted cash		**(29,422,126)**	(7,774,315)
Change in fees received in advance		**(76,453,267)**	(98,696,272)
Change in trade and other payables		**692,602**	6,082,633
Change in retentions payable		**2,983,507**	-
Cash flows used in operations		**(442,914)**	(33,504,593)
Payment of employees' end of service benefits		**(1,108,309)**	(927,648)
Net cash flows used in operating activities		**(1,551,223)**	(34,432,241)
INVESTING ACTIVITIES			
Additions to property and equipment - net	5	**(37,515,777)**	(11,933,007)
Proceeds from disposal of property and equipment		**14,000**	-
Receipt from sublessor		**295,508**	-
Capital advances		**2,616,632**	-
Changes in wakala deposits, net		**141,487,644**	(580,158,500)
Interest received		**2,136,318**	680,153
Net cash flows from / (used in) investing activities		**109,034,325**	(591,411,354)
FINANCING ACTIVITIES			
Proceeds from issue of shares, net		**-**	735,720,000
Acquisition of own shares (net)		**(4,973,213)**	-
Proceeds from bank borrowings	9	**13,000,000**	-
Repayment of bank borrowings		**-**	(6,857,143)
Payments towards lease liabilities	18 (ii)	**(5,443,454)**	(5,315,842)
Interest paid		**(436,283)**	(3,712,571)
Dividends paid	17	**(110,000,000)**	(67,487,174)
Repayment of debentures		**(5,658,032)**	(4,282,766)
Net cash flows (used in) / from financing activities		**(113,510,982)**	648,064,504
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		**(6,027,880)**	22,220,909
Cash and cash equivalents at the beginning of the period		**200,266,602**	227,986,388
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	**194,238,722**	250,207,297

The attached notes 1 to 25 form part of these interim condensed consolidated financial statements.

1 STATUS AND PRINCIPAL ACTIVITIES

Taaleem Holdings Private Joint Stock Company (the "Parent Company" or the "Company") was incorporated on 5 February 2007 and registered under trade license no. 591478 issued by the Department of Economic Development, Dubai, United Arab Emirates (UAE) dated 14 February 2007 as a Private Joint Stock Company in accordance with the requirements of UAE Federal Decree Law No. (32) of 2022. The registered address of the Parent Company is P.O Box 76691, Dubai, UAE.

Pursuant to the resolution passed in the extra-ordinary general meeting 29 August 2022, the shareholders had amongst others resolved the following:

(i) conversion of the legal status of the Company from a Private Joint Stock Company to a Public Joint Stock Company through an Initial Public Offering ("IPO").
(ii) to increase the Company's authorized share capital from AED 750 million to AED 1 billion (at par value) by way of issuance of new shares part of the IPO process.

On 22 November 2022, the Security and Commodities Authority ("SCA") (UAE) approved the Company's application for the offering and issuance of 250 million new shares representing 25% percent of the Company's authorised share capital (Note 15).

On 29 November 2022, the Company's shares became listed in the Dubai Financial Markets ("DFM") Stock Exchange, UAE. Pursuantly, the Company's status changed from "Private Joint Stock Company" to "Public Joint Stock Company". The legal formalities in this regard were completed on 29 November 2022.

The Company's subsidiaries (collectively referred to as the "Group") and their principal activities are as follows:

Name	*Percentage of equity interest*	*Country of incorporation*	*Principal Activities*
Taaleem LLC	100%	United Arab Emirates	Involved in setting up several schools.
Taaleem Management LLC***	100%	United Arab Emirates	Involved in providing licensing, administrative and technical services for structuring, developing, managing and operating schools.
Taaleem SPV Limited*	100%	United Arab Emirates	Involved in providing and investing in educational services.
Taaleem Holdings Sole Proprietorship LLC**	100%	United Arab Emirates	Investment and management of educational and commercial enterprises.
Madaares Operations Limited	100%	United Arab Emirates	General trading activities
Madaares Management Limited	100%	United Arab Emirates	General trading activities

* 100% Owned by two shareholders of the Company for its beneficial interest. Based on contractual arrangements between the Company and other shareholders, the Company has power to direct the relevant activities of these subsidiaries and derive full economic benefits (bear losses) from the operations of these subsidiaries. Hence, the Group considers that it controls certain subsidiaries.

** 100% owned by Taaleem SPV Limited.

*** Taaleem Management LLC includes operation of the Branch of Taaleem Management LLC (Branch).

The principal activities of the Group are providing and investing in educational services.

1 STATUS AND PRINCIPAL ACTIVITIES (continued)

School operations
Taaleem LLC is involved in management and operations of the following schools:
(a) Dubai British School ("DBS")
(b) American Academy for Girls ("AAG")
(c) Raha International School – Sole Proprietorship LLC ("RIS")*
(d) Greenfield International School ("GIS")
(e) Jumeira Baccalaureate School ("JBS")
(f) Uptown International School ("UIS")
(g) Dubai British Foundation Kindergarten ("DBF")
(h) Dubai British School Jumeirah Park ("DBS-JP")
(i) Raha International School Khalifa-A – Sole Proprietorship LLC ("RIS-KA")**
(j) Jebel Ali School ("JAS")
(k) Dubai British School Jumeira ("DBS-J")

The trade licenses of the Schools are legally held by Taaleem Management LLC and Taaleem Holdings Sole Proprietorship LLC.

*During the period ended 30 November 2023, Raha International School establishment has been converted to a Sole proprietorship LLC and is a fully owned subsidiary of Taaleem Management LLC.

**During the period ended 30 November 2023, Raha International School Khalifa A establishment has been converted to a Sole proprietorship LLC and is a fully owned subsidiary of Taaleem Holdings Sole proprietorship LLC.

Managed School operations
The Group has also entered into management and operation agreements to manage and operate certain other schools as follows:

a. With the Abu Dhabi Department of Education and Knowledge ("ADEK")

- During 2019, to manage and operate four charter schools in Abu Dhabi, UAE commencing from academic year 2019-20 for an initial period of 3 years. This agreement was renewed during 2022 for a successive 2 years upon completion of the initial period with an option for further extension by another 5 years.
- During 2020-21, the above mentioned management agreement was amended to manage and operate two additional charter schools in Abu Dhabi, UAE commencing from academic year 2021-22.
- Further, the Group entered into a new operating and management agreement dated 31 May 2022 with ADEK, (which superseded the original agreement) and incorporates a total of nine schools including the original six plus three new schools commencing from 1 September 2022 for an initial period of 2 years. The Group has an option to renew this agreement for 2 years upon completion of the initial period, with an option for further extension by another 5 years.
- During 2022-23, the above-mentioned agreement was amended to manage and operate one additional school in Abu Dhabi, UAE from Academic year 2023-24.
- The Group recognizes the management fees as an agent in relation to the arrangements with ADEK.

b. With The Executive Council ("TEC") and Knowledge Fund Establishment (KFE)

- During 2021, to manage and operate two schools of TEC in the Emirate of Dubai, Dubai Schools Al Barsha ("DSB") and Dubai Schools Mirdif ("DSM"), starting from the academic year 2021-22 for an initial period of 7 years, renewable on the same terms for two additional periods of 7 years each.

  The land and the buildings on which school is constructed is leased by TEC and not recharged to the Group. The Group will be responsible for operating maintenance required during the agreement period.
- Pursuant to the novation agreements entered into between the Group, TEC and Knowledge Fund Establishment (KFE) during 2022, all rights and obligations of TEC under the original agreement were novated to KFE.
- Further, KFE mandated the Group to manage and operate the 'Dubai Schools' Nad Al Sheba vide agreement dated 20 June 2022, from academic year 2022-23.
- The Group acts as a principal in relation to operation of the above schools as it derives full economic benefits and has control over the strategic and day to day operations of the schools.

1 STATUS AND PRINCIPAL ACTIVITIES (continued)

Managed School operations (continued)

c. With Emirates School Establishment ("ESE")

- During 2021-22, to manage and operate four schools in connection with the Ajyal (Generations) School ("Ajyal Schools") initiative by the Federal Ministry of Education, namely Al Maktoum School (Dubai), Al Qarayen School (Sharjah), Al Mataf School (Ras Al-Khaimah) and Al Furqan School (Eastern Sharjah) commencing from academic year 2022-23. The Group will act as an agent in relation to the arrangement with ESE.

- During 2022-23, the Group was awarded to manage and operate four additional schools namely LBHS School (Fujairah), WAHS School (Eastern Sharjah), OBAS School (Ajman) and SMGS School (Sharjah) from academic year 2023-24.

The above schools are collectively referred to as the "Schools". The Group acts as an agent in relation to the arrangement with ESE.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three-month period ended 30 November 2023 have been prepared in accordance with IAS 34 "*Interim Financial Reporting*".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 August 2023.

The preparation of interim condensed consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group's interim condensed consolidated financial statements are largely consistent with the annual consolidated financial statements for the year ended 31 August 2023 and should be read in conjunction thereof.

The Group's operations is subject to cyclical fluctuations during the financial year due to the academic break during the summer months, typically from July to August. Whilst revenue from tuition and other fees are recognised by the Group's management over the academic term (i.e. typically 10 months), the underlying costs of school operations are over the full financial year (i.e. 12 months). Accordingly, the interim period revenue and earnings of each quarter is not necessarily indicative of the results that may be achieved for any other quarter or the full financial year ending 31 August 2023. In particular, the Group's financial results for the last quarter of the financial year will reflect lower revenue against costs for the entire quarter.

These interim condensed consolidated financial statements have been presented on the historical cost basis, except otherwise stated.

The Group's management have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the financial resources to continue in business for the foreseeable future. Further, Group's management and Board of Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the interim condensed consolidated financial statements continue to be prepared on the going concern basis.

The interim condensed consolidated financial statements are presented in the United Arab Emirates Dirham (AED), which is the Company's functional currency, unless otherwise stated.

3 ACCOUNTING POLICIES

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 August 2023, except for the accounting policy on current income tax (note 3.2) and the adoption of new standards effective as of 1 January 2023 which had no significant impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued as at the date of the authorisation of these interim condensed consolidated financial statements but is not yet effective. Management has assessed the implication of adopting the new standards which are not yet effective and concluded that there are no significant impact on the interim condensed consolidated financial statements of the Group.

3.2 Accounting policy on Current Income Tax

Current income tax computation is performed as per the requirement of 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 UAE.

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 interim condensed 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.

4 GOODWILL AND BUSINESS COMBINATION

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
Acquisition through business combination:		
- Taaleem LLC and Taaleem Management LLC (referred together as "Taaleem acquisition") [Note (a) below]	**204,932,063**	204,932,063
- Jebel Ali School [Note (b) below]	**35,065,696**	35,065,696
	239,997,759	239,997,759

(a) Taaleem acquisition:

On 1 September 2007, the Group entered into a sale and purchase agreement with Taaleem LLC and Taaleem Management LLC, whereby, all the shares of Taaleem LLC and Taaleem Management LLC were acquired by the Company. Pursuant to this Agreement, Taaleem LLC and Taaleem Management LLC became wholly owned subsidiaries of the Company.

(b) Acquisition of Jebel Ali School (JAS)

On 26 May 2022, the Group had entered into the following agreements:

a) agreement with the Board of Trustees of Jebel Ali School for transfer of the school operations (on an "as-is" basis).

b) a tripartite agreement with the Board of Trustees of Jebel Ali School and Emirates REIT for
   - settlement of the outstanding rental payments as of the date of acquisition towards the land and school building, and
   - acquisition of the underlying land and the school building.

4 GOODWILL AND BUSINESS COMBINATION (continued)

b) Acquisition of Jebel Ali School (JAS) (continued)

The total consideration for the acquisition was AED 233.5 million. Of this, AED 200 million was settled at the time of acquisition and the balance amount AED 33.5 million had been agreed to be settled during the year 2022-23. Accordingly, fair value of purchase consideration as of acquisition date i.e. 26 May 2022 was considered as AED 231.9 million. There were no non-controlling interests arising on this acquisition and no contingent considerations. The Group's management has settled AED 33.5 million towards such acquisition during the year 2022-23.

The fair value of net assets acquired amounted to AED 166,734,304. The excess of the fair value of the purchase consideration amounting to AED 231,900,000 was recognised as follows as on the date of acquisition:

	AED
- Student relationships	30,100,000
- Goodwill	35,065,696
	65,165,696

The Group's management has revisited the underlying assumptions used to determine the recoverable amount of goodwill and other intangible assets as at 31 August 2023 (Audited), and concluded that there were no indicators of impairment as at 30 November 2023 (Unaudited).

5 PROPERTY AND EQUIPMENT

During the three-month period ended 30 November 2023 (Unaudited), the additions to property and equipment amounted to AED 37,515,777 (three-month period ended 30 November 2022 (Unaudited): AED 11,933,007). The depreciation expense for the three-month period ended 30 November 2023 (Unaudited) amounted to AED 18,260,981 (three-month period ended 30 November 2022 (Unaudited): AED 17,028,544).

There were no significant disposals during the three-month period ended 30 November 2023 and 2022.

The Group's management has assessed and concluded there were no indicators of impairment as at 30 November 2023.

Capital advances

a) During 2022-23, the Group had paid advances of AED 21,862,950 (Audited) towards the construction and development of the school building and premises for Dubai British School, Jumeira.

   Of this, an amount of AED 4,491,632 has been transferred to capital work-in-progress during the three-month period ended 30 November 2023 (Unaudited) (31 August 2023(Audited): AED 2,968,401). As at 30 November 2023 (Unaudited), advances amounted to AED 14,402,917 (31 August 2023 (Audited): AED 18,894,549). The school construction and development is expected to be completed during the year 2023-24.

b) During the period ended 30 November 2023 (Unaudited), the Group has paid advance of AED 1,875,000 towards the construction of additional classrooms in Greenfield International School ("GIS"). The construction and development activities are expected to be completed during the year 2023-24.

6 FEES AND OTHER RECEIVABLES

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
Fees and other receivables	**14,864,501**	9,735,744
Less: allowance for impairment of fees and other receivables	**(6,477,659)**	(7,073,147)
Net fees and other receivables	**8,386,842**	2,662,597
Prepayments*	**12,591,000**	12,090,222
VAT receivables	**20,299,865**	18,399,907
Deposits and advances	**8,767,929**	14,608,282
	50,045,636	47,761,008

As at 30 November 2023 (Unaudited), fees and other receivables with a nominal value of AED 6,477,659 (31 August 2023 (Audited): AED 7,073,147) were impaired.

*Prepayments mainly includes AED 9.5 million (Unaudited) (31 August 2023 (Audited): AED 10.4 million) paid towards staff accommodation.

7 WAKALA DEPOSITS

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
Wakala deposits*	**379,311,264**	545,260,785
(Less): Wakala deposits – original maturity less than 3 months (Note 8)	**(40,008,542)**	(70,112,868)
	339,302,722	475,147,917

*Out of the total IPO proceeds, Wakala deposits were placed with a financial institution in UAE with an original maturity period between 1 - 12 months and bearing interest at commercial rates. During the three-month period ended 30 November 2023 (Unaudited), the Group has earned an interest income amounting to AED 6,218,593 from Wakala deposits (three-month period ended 30 November 2022 (Unaudited): AED 444,792).

8 CASH AND CASH EQUIVALENTS

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
Cash in hand	**70,262**	62,109
Cash at banks	**79,391,265**	57,369,435
Sukuk deposits* (Note 14)	**131,468,589**	100,000,000
Wakala deposits (Note 7)	**40,008,542**	70,112,868
	250,938,658	227,544,412
(Less): Restricted cash**	**(56,699,936)**	(27,277,810)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	**194,238,722**	200,266,602

8 CASH AND CASH EQUIVALENTS (continued)

*Out of the total IPO proceeds, Sukuk deposits were placed with a financial institution in UAE which are callable on demand with an initial lock-in period of 30 days and bears interest at commercial rates. During the three-month period ended 30 November 2023 (Unaudited), the Group has earned an interest income amounting to AED 1,468,589 from sukuk deposits (three-month period ended 30 November 2022 (Unaudited) AED 157,158).

**The cash and cash equivalents disclosed above and in the interim condensed consolidated statement of cash flows include AED 56,699,936 (Unaudited) (31 August 2023 (Audited): AED 27,277,810) which are held by the subsidiaries of the Company (i.e. Taaleem Sole Proprietorship LLC and Taaleem Management LLC). These bank balances are held for the restricted purpose of managing the operations of the ADEK and ESE charter schools and therefore not available for use by the Group for its own school operations.

9 INTEREST BEARING LOANS AND BORROWINGS

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
As at beginning of the period/year	**27,219,909**	332,422,210
Add: finance costs charged for the period / year	**-**	12,687,456
Add: Borrowing cost capitalized during the period / year	**579,418**	607,676
Add: loans drawn down	**13,000,000**	54,000,000
Less: finance costs paid for the period / year	**(436,283)**	(13,943,536)
Less: loans repaid during the period / year	**-**	(358,553,897)
As at the end of the period / year	**40,363,044**	27,219,909
Less: Current portion	**(363,044)**	(219,909)
Non-current portion	**40,000,000**	27,000,000

All loans and borrowings are obtained in AED.

During the three-month period ended 30 November 2023 (Unaudited), the Group had drawn down an additional borrowing of AED 13,000,000 for the purpose of construction activities of school building and premises of Dubai British School Jumeira. The amount is repayable in a bullet payment due in April 2026.

The financing carried a profit payable on a quarterly basis at the rate of 3 months Emirates Inter Bank Offer Rate (EIBOR) plus a profit mark-up per annum (2023 (Audited): 3 months EIBOR plus a profit mark-up per annum).

During the period, the Group has capitalised borrowings costs amounting to AED 579,418 (Unaudited) (31 August 2023 (Audited): AED 607,676) as a part of qualifying assets. The weighted average rate used to capitalise such borrowing costs was 3 months EIBOR plus a profit mark-up per annum.

As at 30 November 2023 (Unaudited), there were no significant changes in the mortgages and securities pledged against the bank borrowings as compared to the disclosures provided in the annual consolidated financial statements for the year ended 31 August 2023.

10 TRADE AND OTHER PAYABLES

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
Trade payables	**84,162,922**	78,301,439
Other payables and accruals	**26,404,578**	32,515,092
Debentures payable	**18,705,192**	24,810,720
Dividends payable	**45,000**	45,000
	129,317,692	135,672,251
Less: Long-term debentures payable	**(18,114,520)**	(18,054,911)
	111,203,172	117,617,340

11 REVENUE

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Gross tuition fees	**257,072,562**	231,515,720
(Less): Discounts	**(4,789,933)**	(4,365,289)
Net tuition fees	**252,282,629**	227,150,431
Management fees	**4,346,126**	3,064,998
Application fees (on initial admission)	**428,346**	448,530
Other operating income	**1,647,474**	1,276,449
	258,704,575	231,940,408

Set out below is the disaggregation of the Group's revenue:

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Timing of revenue recognition		
Services transferred over time	**257,761,245**	231,017,451
Services transferred at a point in time	**943,330**	922,957
Total revenue from contracts with customers	**258,704,575**	231,940,408

The revenue is entirely earned in United Arab Emirates.

12 OPERATING COSTS

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Staff costs and other benefits	**124,868,242**	113,186,103
School supplies	**4,301,089**	2,520,139
Lease rent and service charges	**1,221,920**	1,055,783
Bank charges	**906,321**	578,543
Others	**2,190,606**	2,009,253
	133,488,178	119,349,821

13 GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Staff costs and other benefits	**7,596,637**	6,824,964
Repairs and maintenance	**7,322,639**	5,520,488
Water and electricity charges	**5,729,840**	6,172,247
Janitorial and security	**2,664,024**	2,446,392
Legal and professional expenses	**2,223,147**	2,993,117
Marketing and advertisement	**1,801,078**	669,313
Board remuneration, compensation and other benefits (Note 14)	**1,130,000**	7,350,000
Impairment loss on fees receivables	**855,426**	720,616
Printing and stationery	**755,405**	568,867
Travel and communication	**570,837**	420,240
Office rent	**251,470**	155,510
Others (insurance, bank charges etc.)	**731,160**	2,054,576
	31,631,663	35,896,330

14 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties includes the Group’s shareholders, directors and other entities businesses, which are controlled directly or indirectly by the shareholders and directors, and entities over which they exercise significant management influence (hereinafter referred to as “affiliates”) and key management personnel of the Group. Pricing policies and terms of these transactions are approved by the Group’s management.

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Significant related party transactions

Significant transactions entered with related parties during the period are as follows:

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Entities with significant influence:		
National Bonds Corporation ("NBC")		
Profit from sukuk deposits	**1,468,589**	157,158
Cash dividends paid	**(24,599,865)**	(15,552,012)
Knowledge Fund ("KF")		
Rent payment	**(92,346)**	(92,346)

Compensation to key management personnel

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Short-term employee benefits	**1,426,280**	1,368,600
Provision for employees' end of service benefits	**30,895**	29,401
Tuition fee discounts	**133,819**	74,117
Executive Committee and Audit Committee compensation	**287,500**	375,000
Board remuneration, compensation and other benefits (Note 13)	**1,130,000**	7,350,000
	3,008,494	9,197,118

(b) Related party balances

Due from related parties

Entities with significant influence:

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
National Bonds Corporation		
Sukuk deposits (Note 8)	**131,468,589**	100,000,000
Knowledge Fund		
Other receivables	**999,678**	138,140

Terms and conditions of transactions with related parties
Except for the interest-bearing loans and borrowings (secured), wakala and sukuk deposits (unsecured), other outstanding balances at the period-end are unsecured, interest free and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 November 2023 (Unaudited), the Group has not recognised any provision for expected credit losses relating to amounts owed by the related parties (31 August 2023 (Audited): Nil).

15 SHARE CAPITAL

	30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
Authorised, issued and fully paid up capital:		
1,000,000,000 ordinary shares of AED 1 each (Note 1)	**1,000,000,000**	1,000,000,000

The total proceeds received from the IPO subscription were AED 750,000,000. Of this, AED 250,000,000 has been recorded as an increase in share capital and the balance amounting to AED 500,000,000 attributable to the premium on issuance of new shares has been classified as part of statutory reserve in accordance with Article 196 of the UAE Federal Decree Law No (32) of 2021 before deducting IPO transaction costs amounting to AED 20,297,275 that were directly attributable to issuance of such new shares.

16 OWN SHARES

During 2022-23, the Group had engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Group's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility.

At 30 November 2023 (Unaudited), the Market Maker held 11,537,059 (31 August 2023 (Audited): 10,511,347) of the Company's shares on behalf of the Group at par value and the Group recorded the premium paid over and above par value as own shares reserve of AED 33.86 million (31 August 2023 (Audited): AED 33.02 million), which is classified under equity as at 30 November 2023.

Further, a net loss of AED 1.14 million (Unaudited) has been recognised during the period ended 30 November 2023 (Unaudited) and netted off against own shares reserves (31 August 2023 (Audited): net gain of AED 1.96 million). The balance payable to liquidity provider as at 30 November 2023 (Unaudited) amounts to AED 0.09 million (31 August 2023 (Audited) : receivable of AED 3.4 million).

17 DIVIDENDS

During the shareholder's meeting dated 31 October 2023, the shareholders approved a dividend of AED 0.11 per share amounting to AED 110,000,000 (2022: Dividend of AED 0.09 per share amounting to AED 67,500,000 on 28 October 2022). Of this, dividend amounting to AED 110,000,000 was paid during the three-month period ended 30 November 2023(Unaudited) (2022: of this, dividend amounting to AED 67,455,000 was paid during the three-month period ended 30 November 2022 (Unaudited)).

18 LEASES

i. Right-of-use assets

During the three-month period ended 30 November 2023 and 2022 (Unaudited), there were no significant additions to right-of-use assets. The amortization charge for the three-month period ended 30 November 2023 (Unaudited) amounted to AED 3,856,911 (three-month period ended 30 November 2022 (Unaudited): AED 3,452,594).

There are no significant lease modifications during the three-month period ended 30 November 2023 and 2022 (Unaudited).

18 LEASES (continued)

ii. Lease liabilities

During the three-month period ended 30 November 2023 and 2022 (Unaudited), there were no significant lease liabilities that were contracted by the Group. The finance costs for the three-month period ended 30 November 2023 (Unaudited) amounted to AED 3,441,162 (three-month period ended 30 November 2022 (Unaudited): AED 2,672,598).

The Group has made payments of AED 5,443,454 towards lease liabilities during the three-month ended 30 November 2023 (Unaudited) (three-month ended 30 November 2022 (Unaudited): AED 5,315,842).

19 GUARANTEES, CONTINGENCIES AND CAPITAL COMMITMENTS

		30 November 2023 AED (Unaudited)	*31 August 2023 AED (Audited)*
(a)	Capital commitments	**116,775,947**	127,489,321
(b)	Bank guarantee	**284,112,552**	209,695,692

As at 30 November 2023 (Unaudited), the Group's capital commitments related to its on-going construction of Dubai British School, Jumeira, Dubai, UAE and Greenfield International School, Dubai, UAE.

Bank guarantee mainly pertains to the following:

(i) guarantees issued by the Group in favor of Abu Dhabi Department of Education and Knowledge in relation to the management agreement entered by the Group.
(ii) guarantees issued by the Group in favor of Emirates Schools Establishment in relation to the underlying management agreement for operation of schools.
(iii) guarantees issued by the Group in favor of Knowledge Fund Establishment in relation to the construction of Dubai British School, Jumeira.

20 SEGMENT INFORMATION

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Group has determined the chief operating decision maker to be its Chief Executive officer who undertakes such decision in consultation with the Board of Directors. The Group has a single reportable segment classified as "School operations" which encompasses the management, operation and related ancillary activities related to the day-to-day function of all the schools under the purview of the chief operating decision maker.

The determination of the Group's operating segment is based on the information which is reported to chief operating decision maker for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements. Transactions between segments, if any, are conducted at mutually agreed terms and conditions and are fully eliminated on consolidation.

Geographic segments
As at 30 November 2023 (Unaudited), all of the business activities and operations of the Group are conducted in UAE.

20 SEGMENT INFORMATION (continued)

Primary segment information
Segmental information is presented below:

Three-month period ended 30 November 2023 (In AED) (Unaudited):

	School operations	***Corporate head office***	***Consolidated***
Revenue			
External customers	**258,704,575**	**-**	**258,704,575**
Finance and other income			
Finance income	**7,827,474**	**-**	**7,827,474**
Other income	**5,829,780**	**-**	**5,829,780**
Income from deferred government grant	**583,332**	**-**	**583,332**
Expenses			
Staff costs and other benefits	**(131,038,599)**	**(1,426,280)**	**(132,464,879)**
Operating and administrative expenses	**(31,237,462)**	**(1,417,500)**	**(32,654,962)**
Depreciation, impairment and amortization	**(22,929,113)**	**-**	**(22,929,113)**
Finance costs	**(3,678,524)**	**-**	**(3,678,524)**
Segmental profit	**84,061,463**	**(2,843,780)**	**81,217,683**

Three-month period ended 30 November 2022 (In AED) (Unaudited):

	School operations	*Corporate head office*	*Consolidated*
Revenue			
External customers	231,940,408	-	231,940,408
Finance and other income			
Finance income	730,186	-	730,186
Other income	647,807	-	647,807
Income from deferred government grant	583,334	-	583,334
Expenses			
Staff costs and other benefits	(118,642,467)	(1,368,600)	(120,011,067)
Operating and administrative expenses	(27,510,084)	(7,725,000)	(35,235,084)
Depreciation, impairment and amortisation	(21,292,359)	-	(21,292,359)
Finance costs	(6,893,141)	-	(6,893,141)
Segmental profit	**59,563,684**	**(9,093,600)**	**50,470,084**

Corporate head office is not an operating segment and comprises mainly administrative and payroll costs relating to the certain key management personnel which are not monitored separately and not attributed to the “School operations” segment.

20 SEGMENT INFORMATION (continued)

Primary segment information (continued)
Segmental information is presented below: (continued)

Three-month period ended 30 November 2022 (In AED) (Unaudited): (continued)

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Reconciliation of profit		
Segment profit	**81,217,683**	50,470,084
Rental income	**393,777**	388,344
Profit for the period before tax	**81,611,460**	50,858,428

Other segment information
Segment assets and liabilities comprise all assets and liabilities reflected in the interim condensed consolidated statement of financial position as at 30 November 2023 (Unaudited) and 31 August 2023 (Audited). This is entirely attributable to the "School operations" segment. All such assets (including capital expenditure) and liabilities are relating to the Group's operations in UAE.

21 EARNINGS PER SHARE

Basic earnings per share based on the weighted average number of shares outstanding during the period are as follows:

	Three-month period ended 30 November (Unaudited)	
	2023 AED	*2022 AED*
Profit for the period	**46,625,435**	50,858,428
Weighted average number of shares in issue outstanding during the period*	**988,162,015**	755,494,505
Earnings per share – basic (AED)	**0.05**	0.07

*the weighted number of ordinary shares takes into account the weighted average effect of changes in own shares during the period.

22 FAIR VALUE MEASUREMENT

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents and fees and other receivables. Financial liabilities consist of interest-bearing loans and borrowings, trade and other payables and debenture payables.

The fair value of interest-bearing loans and borrowings bear commercial rate of interest which gets re-priced at regular intervals and approximates its carrying amount. For debentures payable, the Group's management assessed the fair value using the discounted cash flow analysis and reflected such value as at the reporting date. The fair value of the other financial assets and liabilities approximate their carrying values at the end of the reporting period largely due to the short-term maturities of these instruments.

23 CURRENT INCOME TAX AND DEFERRED TAX

With the introduction of corporate tax in the United Arab Emirates, the Group is subject to corporate income tax at 9% on the taxable profits. The major components of income tax expense in the interim condensed consolidated statement of comprehensive income are:

	Three-month period ended 30 November 2023 AED (Unaudited)
Current income tax	
Current income tax expense	**7,291,810**
Deferred tax	
Deferred income tax expense relating to origination and reversal of temporary differences	**27,694,215**
Income tax expense reported in the interim condensed consolidated statement of comprehensive income	**34,986,025**

Following is the reconciliation of current income tax expense and accounting profit:

	Three-month period ended 30 November 2023 AED (Unaudited)
Accounting profit for the period before tax	**81,611,460**
At the UAE statutory tax rate of 9% charged during the period	**7,345,031**
Adjustments in respect of standard deduction as per the Law	**(67,500)**
Non-deductible expense for tax purpose:	
Entertainment expense (50% allowed as per the Law)	**10,609**
Fines and penalties (disallowed as per the Law)	**3,670**
At the effective current income tax rate of 8.9%	**7,291,810**

The deferred tax liability comprises of the following temporary differences:

	30 November 2023 AED (Unaudited)
Goodwill	**21,599,798**
Other intangible assets	**3,399,905**
Other fair value adjustments (mainly relates to property, plant and equipment)	**2,694,512**
As at 30 November	**27,694,215**

23 CURRENT INCOME TAX AND DEFERRED TAX (continued)

The deferred tax liability comprises of the following temporary differences: (continued)

	Three-month period ended 30 November (Unaudited)
Reconciliation of deferred tax liability:	
Deferred tax expense during the period	**27,694,215**
As at 30 November 2023	**27,694,215**

The deferred tax liability is recognised due to one-off recognition of deferred tax expense of AED 27,694,215 in respect to consolidation adjustments on historical business combinations undertaken in UAE.

For the purpose of determining income tax expense for the period, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The Group has not identified any material risks or uncertainties in the structure from a corporate tax perspective and will continuously monitor further developments that could impact the tax profile of the Group.

24 SUBSEQUENT EVENTS

There were no significant events subsequent to the period-end that requires either adjustments or disclosures in the interim condensed consolidated financial statements.

25 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the presentation adopted in these interim condensed consolidated financial statements. Such reclassifications do not affect the previously reported interim condensed condensed consolidated statement of comprehensive income.