táaleem
inspiring young minds

ANNUAL REPORT
**2025-2026**




# INVESTING IN EDUCATION:

## DELIVERING PROMISES, ENRICHING FUTURES

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# INTRODUCTION

01

# CHAIRMAN'S FOREWORD



## A defining year for Taaleem

It is with great pride that I introduce Taaleem's Integrated Annual Report for the 2025/26 academic year. This was a year of significant progress, as Taaleem continued its evolution from a respected school operator into a diversified education group of growing scale and reach.

Against a backdrop of changing market sentiment and wider regional uncertainty, the Group remained focused on its purpose. We continued to grow responsibly, delivering high-quality education for the families and communities we serve while creating long-term value for the shareholders who have placed their trust in us.

On behalf of the Board, I am pleased to report that Taaleem enters the year ahead from a position of strength, with a clear strategy and strong momentum as it begins its next phase of growth.

## A diversified education platform

Taaleem today is a diversified education group encompassing premium K–12 schools, government partnership schools and, through our majority interest in Kids First Group, a leading premium early-years network across the UAE and Qatar.

We have developed this breadth with clear intent, recognising the benefits that scale, diversification and greater integration bring to our students, families and shareholders. Our nurseries welcome families at the beginning of a child's educational journey, while the strength of the wider Group enables us to invest consistently in educational quality, attract exceptional educators and operate with increasing efficiency.

For the Board and leadership team, this scale brings an equally clear responsibility: to provide effective strategic oversight and allocate capital with discipline. We remain focused on directing investment towards opportunities that can deliver attractive, sustainable returns while upholding the highest standards of transparency and governance.

## Reflections on a year of progress

I am particularly encouraged by the Group's performance over the past year. Our premium schools, which remain at the heart of Taaleem, continued to experience strong demand, while our newer campuses are building enrolment steadily as more families choose Taaleem for the quality of education we provide.

Where we have invested ahead of demand, absorbing the initial costs of opening and establishing new schools, we have done so with a clear understanding of the long-term value these investments can generate as enrolment grows and campuses mature.

We remain firmly committed to a considered and disciplined approach to capital allocation, one that supports our ambitions for growth while translating today's investment into sustainable, long-term value.

## A clear ambition for growth

Taaleem has already created significant new capacity across its portfolio, providing a strong foundation for growth as recently opened and expanded schools build enrolment and mature. At the same time, we continue to invest selectively in the next generation of premium and super-premium schools, creating further opportunities for sustainable growth and long-term value.

Our entry into the super-premium segment is reflected in our partnership with Harrow School, through which Taaleem holds exclusive rights to develop and operate Harrow International Schools across the GCC. The opening of Harrow International School Dubai on 31 August 2026 marked an important milestone in the evolution of our portfolio and the beginning of this partnership's presence in the region. Harrow International School Abu Dhabi will follow, while our exclusive GCC rights provide scope for further expansion over time.

Alongside these ambitions, we continue to advance our premium development pipeline, including Dubai British School Ghaf Woods, further extending Taaleem's reach and future capacity.

Throughout this expansion, we have remained disciplined in the way we fund growth and manage the balance sheet, ensuring that our ambitions are pursued with sound financial judgement and a clear focus on long-term resilience.

# The resilience of our people and platform reinforces our confidence in the enduring demand for high-quality education in the UAE.

## Resilience through a period of uncertainty

No account of the year would be complete without acknowledging the regional developments that affected our wider community. Throughout this period, our priority remained the safety and wellbeing of our students, employees and families, working in close coordination with the relevant authorities. Across our schools, our teams responded with agility, moving between on-campus and remote learning where circumstances required. Where operations were temporarily affected, particularly within our early-years portfolio, our teams acted decisively to support families and restore services as conditions permitted.

The subsequent recovery of our early-years portfolio, together with continued strong demand across our schools, reinforces my confidence in the resilience of the Group and in the enduring demand for high-quality education in the UAE. Registration for the 2026/27 academic year progressed in line with our expectations, with more than 15,300 families choosing to return to Taaleem for another year. This provides further confidence in the strength of our educational offering and the underlying demand across our markets.

The UAE remains one of the region's most attractive education markets, supported by favourable demographic trends, sustained population growth, forward-looking government policy and a regulatory environment that encourages quality. Combined with strong demand from families for excellent education, these conditions leave Taaleem well positioned to grow and reinforce our confidence in the Group's long-term prospects.

## Sustainability and governance

Our responsibilities extend well beyond financial performance. As an education group, our greatest impact lies in the students we educate, the people we employ and develop, and the communities we serve. During the year, we continued to strengthen our approach to sustainability measurement and ESG disclosure, while upholding the high standards of governance, ethical conduct and transparency that underpin the trust placed in Taaleem by families, employees, regulators and shareholders.

A particular milestone this year was the completion of the Group's first comprehensive climate risk assessment, covering both physical and transition risks through 2030 and 2050. This work strengthens our ability to plan for the long-term resilience of our campuses and reflects our continued commitment to embedding sustainability considerations into how we manage the Group.

## Looking ahead

Taaleem enters the year ahead with clear ambition, a diversified portfolio, considerable capacity to support its next phase of growth and a disciplined approach to capital allocation. Above all, we are supported by an exceptional team united by a commitment to delivering outstanding educational outcomes for every student and family we serve.

On behalf of the Board, I extend my sincere thanks to our management team, educators and employees for their dedication; to our families for the trust they place in us; to our regulators and partners for their continued collaboration; and to our shareholders for their confidence in Taaleem.

As we look ahead, we do so with confidence in the strength of the Group, the clarity of our strategy and the opportunities before us. We remain firmly focused on fulfilling our educational purpose and creating sustainable, long-term value for all our stakeholders.



**Khalid Al Tayer**
Chairman of the Board

# AT A GLANCE

## Delivering transformative learning experiences that inspire young minds across the UAE

Founded in 2003, Taaleem has grown to become one of the UAE's largest and most established K-12 education providers and the first private education company to list on the Dubai Financial Market. From its origins as a school operator, Taaleem has evolved into a diversified education group with a growing portfolio spanning early childhood, premium K-12 education and government partnership schools. Today the Group continues to add capacity, enter new segments, and extend into the super-premium tier through its development pipeline.

Our purpose is rooted in the belief that high-quality education has the power to shape futures. This guides how we develop and operate our schools, invest in new capacity, attract and retain exceptional educators, and deploy capital to support sustainable growth and lasting educational impact.

Our portfolio comprises three complementary verticals. Our premium K-12 schools form the core of the Group and deliver the British, IB, French and American curricula across a growing network of established and ramping campuses. This is complemented by a strong development pipeline that is expanding Taaleem's capacity and extending the reach of its premium education offering. This progression from established to ramping to development gives the Group multiple avenues to grow enrolment and earnings over the coming years.

Through our government partnerships, we support the UAE's national education priorities by operating schools under public-private partnership programmes, combining Taaleem's educational and operational expertise with the strategic objectives of government partners.

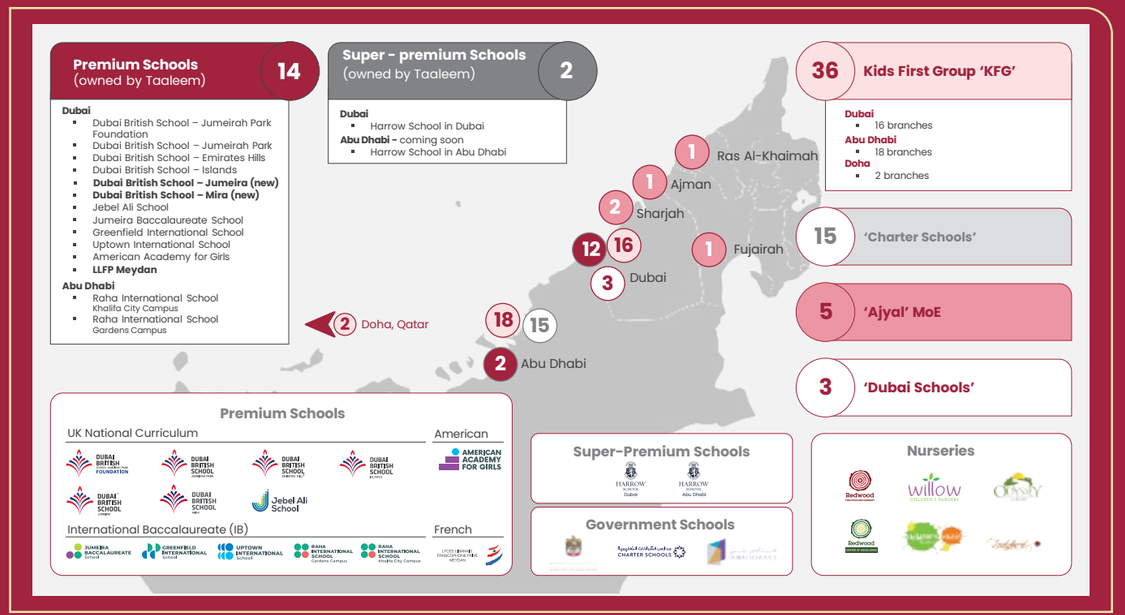
In the early-years segment, our majority interest in Kids First Group provides Taaleem with a leading premium nursery network across the UAE and Qatar. This breadth allows us to serve a broad and diverse community of families at every stage of a child's education while building durable, long-term value for our investors.

Across the Group, our schools and nurseries are supported by highly qualified educators and leaders who create the nurturing, inclusive and ambitious learning environment in which our students flourish. We recognise the individual talents and aspirations of every child and measure success not only through academic achievement, but also through the skills, character and confidence our students develop to succeed beyond the classroom.





## EXPANDING OUR FOOTPRINT ACROSS THE UAE




### mission

To inspire our students to identify their passions and talents. We will encourage them to develop holistic skills, knowledge and character so that they can compete successfully on the global stage and become responsible world citizens.

### vision

To be the most respected provider of early childhood, primary and secondary education in the Gulf region.

# TAALEEM AT A GLANCE

## Financial KPIs
Consolidated

AED**1,312.9**mn

**Operating Revenue**
(up 15.6% y-o-y)

AED**334.3**mn

**EBITDA**
(up 5.2% y-o-y | 25.5% margin)

**25.5%**

**EBITDA margin**
(-2.5 pts y-o-y)

AED**127.2**mn

**Net profit**
(down 22.0% y-o-y | 9.7% margin)

AED**0.13**

**Earnings per share**
(down 18.8% y-o-y)

## Operational KPIs
Schools (K-12)

**42,069**

**Total Number of Students**
(up 1.7% y-o-y)

**77.3%**

**Portfolio utilisation**
(+2.2 pts y-o-y)

**14**

**Premium Schools**

**23**

**Government Partnership Schools**

### Early years (Kids First Group)

**4,642**

**Total Number of Students**
(down 6.6% y-o-y)

**72.6%**

**Portfolio utilisation**
(-10.4 pts y-o-y)

**36**

**Total Number of nurseries**

## Our portfolio at a glance

Our premium schools are at the heart of Taaleem's growth strategy, combining established schools with high utilisation and strong operating performance, ramping campuses with significant capacity for future growth, and a development pipeline that will further expand the Group's premium education footprint.

This core premium portfolio is complemented by a leading early-years business through Kids First Group and a focused portfolio of government partnership schools that supports the UAE's national education priorities. These complementary verticals provide Taaleem with a diversified education group, multiple avenues for growth and a strong foundation for sustainable long-term value creation.

Across the Group, we educate students of more than 90 nationalities through four international curricula, supported by 1,754 teachers. A full review of our portfolio of premium schools is provided in the Our Portfolio section on page 62.



## PREMIUM SCHOOLS

### UK NATIONAL CURRICULUM

#### ESTABLISHED

- Dubai British School Jumeirah Park
- Dubai British School Jumeirah Park Foundation
- Dubai British School Emirates Hills
- Dubai British School Islands
- Jebel Ali School

#### RAMPING

- Dubai British School Mira
- Dubai British School Jumeira

### INTERNATIONAL BACCALAUREATE (IB) CURRICULUM

- Uptown International School
- Greenfield International School
- Raha International School Khalifa City Campus
- Raha International School Gardens Campus
- Jumeira Baccalaureate School

### FRENCH CURRICULUM

- Lycee Libanais Francophone Privé Meydan

### AMERICAN CURRICULUM

- American Academy for Girls

## SUPER-PREMIUM SCHOOLS

- Harrow School Dubai — First academic year 2026/27
- Harrow School Abu Dhabi — COMING SOON

## KFG NURSERIES

- Redwood Montessori Nursery
- willow Children's Nursery
- Odyssey Nursery
- Redwood Center of Excellence
- Children's Oasis Nursery
- Ladybird Nursery

## GOVERNMENT SCHOOLS

- مدارس الشراكات التعليمية Charter Schools
- وزارة التربية والتعليم Ministry of Education
- مدارس دبي Dubai Schools

# MILESTONES

From a single education venture founded in 2003 to a diversified education group listed on the Dubai Financial Market, Taaleem's journey has been one of purposeful growth. The milestones below trace that trajectory, with particular emphasis on the recent developments since our listing and on the updates of the 2025/26 academic year.

## Founding Years and Initial Vision

### 2003–2008

- Beacon Education was founded in 2003, with commercial operations commencing shortly afterwards.
- Launched its first three premium schools, Dubai British School (DBS) Emirates Hills, the American Academy for Girls, and Uptown International School, followed by Raha International School, Gardens Campus.
- The National Bonds Corporation invested in the business and established Madaares, with a mandate to launch and operate world-class K-12 schools, and Greenfield International School was launched.

## Establishing the Taaleem brand

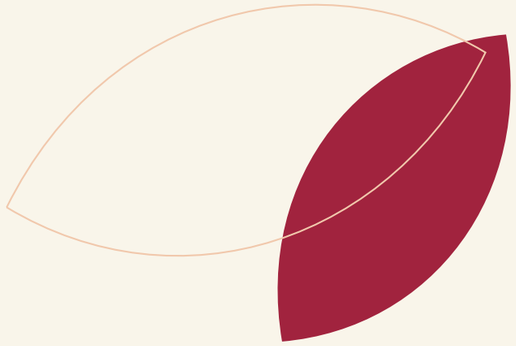
### 2008-2020

- Beacon Education was rebranded as Taaleem in 2008.
- Expanded the premium portfolio with the launch of Jumeira Baccalaureate School, DBS Jumeirah Park Foundation, and DBS Jumeirah Park.
- Entered the government partnership segment, being awarded the operation of Abu Dhabi Charter Schools by the Department of Education and Knowledge, and launched Raha International School, Khalifa City Campus.

## Expanding our footprint and listing on the DFM

### 2021–2024

- Awarded the operation of schools under the Dubai Schools public-private partnership (Dubai Schools-PPP) and further Abu Dhabi Charter Schools.
- Became the first private education provider to be listed on the Dubai Financial Market, and was subsequently awarded further Dubai Schools-PPP and Abu Dhabi Charter Schools, together with Ajyal schools under a service agreement with the Ministry of Education.
- Acquired Jebel Ali School as part of the Group's inorganic growth strategy, entered into a master agreement with Harrow International Schools Limited, and opened DBS Jumeira.



## Laying the foundations for the year

### 2024–2025

- Expanded Greenfield International School, adding meaningful premium capacity ahead of the new academic year.
- Acquired Lycée Libanais Francophone Privé Meydan, Taaleem's first French curriculum school, and signed land leases in Dubai and Abu Dhabi to develop two super-premium schools under the Harrow brand.
- Finalised the acquisition of a majority interest in Kids First Group, a leading regional early-years operator.
- Completed the expansion of DBS Emirates Hills through DBS Islands and the construction of DBS Mira, creating significant additional premium capacity for the 2025/26 academic year.
- Renewed the Abu Dhabi Charter Schools contract for a further three-year term and advanced the planned handover of Ajyal schools with the Ministry of Education, streamlining the government partnership portfolio, while the Dubai Schools-PPP delivered strong enrolment growth.

## Delivering Growth and Building Future Capacity

### 2025–2026

- Opened Dubai British School Mira (DBS Mira) and brought Dubai British Schools Islands (DBS Islands) into operation, adding significant new premium capacity in high-demand Dubai catchments and supporting continued enrolment growth across the premium portfolio.
- Completed the planned handover of the remaining Ajyal schools to the Ministry of Education, concluding Taaleem's participation in the programme as scheduled.
- Continued to expand the Kids First Group network across the UAE and Qatar, strengthening Taaleem's presence in premium early-years education and extending the Group's reach across the education journey.
- Opened Harrow International School Dubai, the Group's first super-premium school, on 31 August 2026, with 400 confirmed registrations exceeding the original business-plan target.
- Progressed the Group's next wave of premium and super-premium developments, including Harrow International School Abu Dhabi, scheduled to open in September 2027, and DBS Ghaf Woods, scheduled for September 2028, further extending Taaleem's future capacity and providing a visible runway for continued growth.
- Completed the Group's first comprehensive climate risk assessment, covering physical and transition risks through 2030 and 2050, and published Taaleem's first Communication on Progress under the UN Global Compact.

# 2025–2026 HIGHLIGHTS

## Overview

Taaleem delivered another year of disciplined, profitable growth in FY2025/26, advancing its strategy as a diversified education group while navigating a more uncertain regional environment with resilience. Growth was led by the premium segment, where new and expanded campuses supported strong enrolment growth, complemented by the continued development of the early-years portfolio and a more focused government partnership portfolio. The year demonstrated the strength of Taaleem's diversified portfolio, with recently added capacity providing further runway for growth as newer campuses ramp up and mature. As this capacity fills, it is expected to convert into sustained enrolment and earnings growth, translating the Group's expansion into durable value for shareholders.

### Financial Highlights

Taaleem delivered growth in revenue and profitability during the year, supported by strong premium enrolment, additional capacity and the continued ramp-up of recently opened and expanded schools. Notably, growing demand outpaced the significant new capacity added during the year, lifting utilisation across the premium portfolio. Newly opened and expanded schools continued to absorb start-up and ramp-up costs during the year, reflecting Taaleem's investment ahead of growth. These costs are recognised ahead of the revenue these campuses will generate as enrolment builds over several years, which temporarily weighed on margins during the period. As utilisation rises towards maturity, these schools are expected to make a progressively greater contribution to Group profitability, supporting the wider operating leverage of the Group.

**1,312.9 AED mn**

**Operating Revenues**
(up 15.6% y-o-y)

**334.3 AED mn**

**EBITDA and Margin**
(up 5.2% y-o-y | 25.5% margin)

**127.2 AED mn**

**Net Profit After Tax**
(down 22.0% y-o-y | 9.7% margin)

**61,070 AED**

**Average Gross Tuition Fees**
(up 3.7% y-o-y)

### Operational Highlights

Operationally, the year was characterised by the successful addition of new premium capacity and continued strong demand across Taaleem's schools. This demand is reflected in our enrolment: nearly 18,572 students chose a Taaleem premium school this year. This represents a further vote of confidence in our schools, our teachers and the education we provide to families. The opening of Dubai British School Mira and the expansion of Dubai British School Emirates Hills, through DBS Islands, added significant capacity in high-demand Dubai catchments, supporting the Group's premium growth strategy. Together they brought approximately 2,200 new seats on stream during the year, extending Taaleem's premium British curriculum provision in areas of strong and sustained family demand. DBS Mira opened with capacity for 1,800 students and is filling grade by grade as it ramps towards maturity, while the DBS Islands expansion added a further 400 seats at an established, high-performing campus.

Within government partnerships, the planned handover of four Ajyal schools, alongside the addition of Al Kharran Primary School from Aldar, further focused the portfolio, while Taaleem continued to play an important role in supporting the UAE's national education priorities. Our track record across all three major public-private partnership programmes underlines the trust placed in the Group as a partner of choice in national education.

Through Kids First Group, the Group's early-years portfolio maintained its broad presence across the UAE and Qatar, with encouraging demand signals as we move into the new academic year, including strong summer camp registrations and September enrolment ahead of the same point last year. This continued momentum, underpinned by the strength of the KFG brands, reaffirms our conviction in the long-term potential of the early-years segment and in the business we have built.

**18,572**

**Students**
(up 11.1% y-o-y)
new student additions of 704 across Taaleem.

**77.3%**

**Blended utilisation across the network.**

**2,274 Additional premium seats**

**Led by the launch of DBS Mira and DBS Islands.**

**36 Nurseries**

**Across the UAE and Qatar through Taaleem's majority interest in Kids First Group**

## Strategic Highlights

Strategically, Taaleem continued to strengthen the foundations of its next phase of growth. The Group expanded its premium capacity, progressed its entry into the super-premium segment through the Harrow partnership, continued to develop its early-years portfolio through Kids First Group and further focused its government partnership portfolio. Together, these initiatives reinforce Taaleem's strategy of combining the ramp-up of recently added capacity with disciplined investment in future growth.



### Launched DBS Mira

Adding capacity for up to **1,800** students and extending Taaleem's premium British curriculum offering in Dubai.

### Expanded DBS Emirates Hills

Through DBS Islands, creating additional capacity of **400** seats in a high-demand catchment.

### Developed the early-years portfolio

Through Kids First Group across the UAE and Qatar.

### Advanced the premium development pipeline

Including DBS Ghaf Woods and the Group's future capacity expansion plans.

### Opened Harrow International School Dubai

On 31 August 2026, with **400** confirmed registrations secured ahead of launch, marking Taaleem's entry into the super-premium segment under its exclusive GCC partnership with Harrow School.

# STRATEGIC REPORT

02

# CEO'S NOTE



## Building on our momentum

The 2025/26 academic year marked another important chapter in Taaleem's journey, defined by disciplined growth, resilient operating performance, and continued progress in building a diversified, platform-scale education group. As we advance our strategy of investing in, developing and operating high-quality education assets, we have remained focused on delivering outstanding educational outcomes while creating sustainable long-term value for our shareholders. A diversified education platform.

## Executing with discipline

We delivered solid growth across our financial and operational metrics during the year. Operating revenue rose 15.6% year-on-year to AED 1,312.9 million, EBITDA reached AED 334.3 million at a margin of 25.5%, and net profit after tax was AED 127.2 million. This performance was achieved during a period of significant capital deployment, as we absorbed the planned start-up and ramp-up costs of newly opened and expanded schools alongside higher finance costs associated with acquisitions and expansions. This reflects the J-curve that characterises new-school economics: profitability is initially suppressed as costs are incurred ahead of full enrolment, then strengthens as utilisation matures. We therefore expect these schools to make a growing contribution to Group profitability over time, increasingly revealing the operating leverage embedded in our platform.

## Driving growth in the premium segment

Our premium schools remained the principal engine of growth and value creation, contributing the substantial majority of operating revenue. Premium enrolment grew 11.1% to 18,572 students and we added 2,274 seats of new capacity, supported by strong demand in high-growth Dubai catchments. Growth was led by the launch of Dubai British School (DBS) Mira and the expansion of DBS Emirates Hills, known as DBS Islands, and was reinforced by the continued ramp-up of newer and recently expanded campuses, including DBS Jumeira, Greenfield International School and Raha International School Khalifa City. Average gross tuition fees rose 3.7%, reflecting fee uplifts approved by KHDA and ADEK and the natural progression of students into higher grade bands, while our student-to-teacher ratio remained stable, consistent with our commitment to protect the quality of the classroom as we scale. Our British curriculum schools continued to lead our growth, complemented by positive momentum across our IB schools, the continued integration of our French curriculum school, Lycée Libanais Francophone Privé Meydan, and a stable American curriculum offering.

## Expanding the platform

The year also advanced our ambition to build Taaleem into a broader education platform. Through our 95% interest in Kids First Group, we have expanded into a leading premium early-years platform across the UAE and Qatar, extending Taaleem's presence into the earliest stage of a child's education journey. During the year, we expanded the network further with the opening of two new nurseries, while the business demonstrated resilience and recovery following the temporary disruption experienced during the period.

Within our government partnership vertical, we advanced the planned transition of our Ajyal schools in coordination with the Ministry of Education and renewed our Abu Dhabi Charter Schools contract for a further three-year term, while Dubai Schools, our public-private partnership, delivered strong enrolment growth. Although capacity in this vertical reduced by design, the transition has resulted in a more focused portfolio, while we continue to support the UAE's national education priorities through our long-term government partnerships.

## Allocating capital for growth

Having invested significantly in acquisitions, new schools and additional capacity in recent years, our focus is now twofold: driving utilisation and returns from the capacity already created, while continuing to invest selectively in the next generation of premium and super-premium developments. We assess each investment against clear return criteria, funding requirements and the strength of our balance sheet, maintaining discipline as we pursue the opportunities ahead.

The clearest expression of our growth ambition is our partnership with Harrow, one of the most respected

# The year demonstrated the resilience and adaptability of our operating model and the strength of the teams across our platform

names in education, for which Taaleem holds the rights across the GCC. Harrow International School Dubai has now opened, marking our entry into the super-premium segment with approximately 400 students already registered for its first academic year. Harrow International School Abu Dhabi will follow, further extending our super-premium development pipeline. Alongside this, we continue to advance our premium development pipeline, including DBS Ghaf Woods, planned to open in September 2028.

In total, we have added approximately 7,000 premium seats in recent years, with a further 1,800 seats committed through to AY2027/28, providing clear visibility on our medium-term growth.

## Operating with resilience

The year also demonstrated the resilience and adaptability of our operating model. Throughout periods of regional uncertainty, the safety and wellbeing of our students, employees and families remained our top priority. Across our schools, established digital infrastructure and operational protocols enabled us to transition between on-campus and remote learning where required, maintaining continuity of learning and engagement. Where our early-years operations were temporarily affected, our teams responded decisively, supporting families through the disruption and driving a strong recovery as operations resumed.

Our ability to respond quickly while continuing to execute our growth plans reinforces our confidence in the resilience of the platform. Teacher retention remained strong at 91%, with attrition below international norms. Registration for the coming academic year is progressing in line with our expectations, with approximately 20,000 registrations secured to date, reflecting the underlying demand for high-quality education across our markets.

Our focus remains firmly on the factors within our control: delivering against our growth plan, maintaining operational excellence, allocating capital with discipline and communicating with the market clearly and consistently. We believe sustained operational and financial delivery, supported by transparent reporting and strong governance, provides the strongest foundation for long-term shareholder value creation.

## Outlook

Taaleem enters the year ahead with considerable momentum. We have significant capacity already in place with further potential to mature, a clear pipeline of premium and super-premium developments, an expanding early-years platform, and a focused government partnership portfolio. Together, these provide multiple avenues for growth while preserving the diversification and resilience of our business.

Our priorities remain clear: drive enrolment and utilisation across recently added capacity, successfully scale our Harrow International Schools, progress our future development pipeline, maintain educational excellence and deploy capital with discipline.

I would love to extend my sincere thanks to the Board of Directors and the shareholders for their investment and trust, and to our students, parents and staff for their continued support. Together, we will continue to build an organisation that delivers outstanding education and sustainable long-term value for all our stakeholders.

**Alan Williamson**
Chief Executive Officer of Taaleem

# INVESTMENT CASE

Taaleem offers investors exposure to a resilient and structurally supported education market in the UAE through a diversified, platform-scale education group with a proven track record of disciplined growth. Our financial performance demonstrates the strength of this model, while our investment case is built around seven mutually reinforcing pillars that underpin our potential for sustainable long-term value creation.

## WHY INVEST IN TAALEEM?

### Strong and improving financial performance

Taaleem has delivered consistent revenue growth, supported by strong premium enrolment, additional capacity and the continued ramp-up of recently opened and expanded schools. Operating revenue increased 15.6% during the year to AED 1,312.9 million, while EBITDA reached AED 334.3 million at a margin of 25.5%. Newly opened and expanded campuses continue to carry start-up and ramp-up costs, providing the potential for an increasing contribution to profitability as enrolment builds and utilisation matures.

**1,312.9** AED mn
**Operating Revenues**
(up 15.6% y-o-y)

**334.3** AED mn
**EBITDA**
(up 5.2% y-o-y)

**25.5%**
**EBITDA margin**
(down 2.5 pts y-o-y)

**127.2** AED mn
**Net profit after tax**
(down 22.0% y-o-y)

### Leadership in the premium segment

Premium K-12 schools are Taaleem's core growth and value driver, contributing the substantial majority of operating revenue. Across 14 premium schools spanning the British, IB, French, and American curricula, premium enrolment grew 11.1% during the year at an average gross tuition fee of AED 61,070. High utilisation across the mature portfolio and a stable student-to-teacher ratio reflect both the strength of demand and our disciplined operational management.

**14**
**Premium schools**

**18,572**
**Premium enrolment**

**77.9%**
**Premium utilisation**

**61,070**
**Average gross tuition fee**

### Resilient, structurally supported demand

Demand for high-quality education in the UAE remains underpinned by favourable demographic trends, continued population growth and the importance families place on quality education. Taaleem's performance through periods of regional uncertainty has demonstrated the resilience of its operating model, with strong demand across its schools and recovery within the early-years portfolio following temporary disruption. These characteristics, combined with the recurring nature of education demand, support visibility over the Group's revenue base. The structural drivers of the market are examined in the Our Market section.

*Premium Schools*
**14**
**Schools**

**18,572**
**Students**
(+11.1% YoY)

**77.9%**
**Utilisation**
(+0.4 pts YoY)

*Early Years – KFG*
**36**
**Nurseries**

**4,642**
**Students**
(-6.6% YoY)

**72.6%**
**Utilisation**
(-10.4 pts YoY)

*Government Partnerships*
**23**
**Schools**

**23,497**
**Students**
(-4.7% YoY)

**76.8%**
**Utilisation**
(+3.3 pts YoY)

### Embedded growth from existing capacity

Taaleem has invested ahead of demand to create significant capacity across its premium portfolio. Recently opened, acquired and expanded campuses provide substantial headroom for enrolment growth as they ramp towards maturity, complementing the high utilisation and established earnings contribution of the mature-school portfolio. This creates a visible pathway for growth from capacity already in place, alongside the Group's future development pipeline.

*Mature Schools*
**12**
**Schools**

**21,574**
**Seats**

**81%**
**Utilisation**

*Established earnings base*

*Ramping Schools*
**2**
**Schools**

**2,274**
**Seats**

**48.6%**
**Utilisation**

*Embedded enrolment growth*

*Development/Pipeline*
**3**
**Schools**

**5,400**
**Future Seats**

*Future capacity growth Harrow Dubai | Harrow Abu Dhabi | DBS Ghaf Woods*

## A scalable, multi-vertical platform

Taaleem operates across complementary verticals: premium K-12 schools, government partnership schools, and, through its 95% interest in Kids First Group, a leading premium early-years platform across the UAE and Qatar. Within its K-12 portfolio, the Group combines a highly utilised mature-school base with recently opened and expanded campuses that offer significant ramp-up potential. This is complemented by a growing premium and super-premium development portfolio. Harrow International School Dubai opened on 31 August 2026, with Harrow International School Abu Dhabi and DBS Ghaf Woods to follow. Together, these platforms provide Taaleem with a diversified base of operations and multiple avenues for sustained capacity, enrolment and long-term growth.

| Premium | Super-premium | Early Years | Government Partnership |
|---|---|---|---|
| *Core growth engine* | *New market segment* | *Core growth engine* | *Strategic partnerships* |
| Established and ramping schools | Harrow | Kids First Group | Dubai and Abu Dhabi |
| *Capacity* | *Capacity* | *Capacity* | *Capacity* |
| 23,848 | 3,600 | 6,397 | 30,599 |
| seats | seats | seats | seats |



## Disciplined capital allocation and balance-sheet strength

Disciplined capital allocation underpins Taaleem's growth strategy. Having invested significantly in acquisitions, new schools and additional capacity in recent years, the Group is focused on driving utilisation and returns from the capacity already created while continuing to invest selectively in the next generation of premium and super-premium developments. Each investment is assessed against expected return criteria, funding requirements and balance sheet capacity, with a continued focus on maintaining financial flexibility as the Group pursues its growth ambitions.

| 584.4 AED mn | 29.9 AED mn | 1,239.0 AED mn | 3.75x |
|---|---|---|---|
| Growth CAPEX | Maintenance CAPEX | Net debt | Net debt / EBITDA |

## Sustainable and responsible value creation

As an education group, Taaleem's long-term impact extends beyond financial performance to the students it educates, the people it employs and develops, and the communities it serves. The Group continues to strengthen its approach to environmental and social responsibility, governance and ESG disclosure, supported by a commitment to transparency, ethical conduct and responsible long-term growth.

**ZERO**
Confirmed incidents of corruption

**66.9%**
Female representation at senior-to-executive levels

**13,588 GJ**
Renewable energy generated

**580,424 AED**
Scholarships and hardship support



# OUR MARKET

The United Arab Emirates remains one of the world's most attractive markets for private education, supported by a resilient, diversifying economy, sustained population growth, favourable demographics and a long-term national commitment to educational excellence. As a global hub for business, investment and international talent, the UAE continues to attract professionals and families seeking high-quality education, reinforcing structural demand across the private K-12 market and, increasingly, the premium and super-premium segments.

## A Resilient and Defensive Education Market

Education has long ranked among the most defensive categories of household expenditure. Throughout a period of elevated regional disruption, Taaleem maintained operational continuity across its K-12 portfolio, transitioning between on-campus and remote learning as circumstances required, while demand and fee collection remained resilient.

The wider private education sector demonstrated similar resilience. More than 95% of students continued to attend on-site learning across Dubai's private schools during the period, and school leaders expressed strong confidence in the sector's trajectory.[12] Independent analysis by Redseer reached the same conclusion, classifying education among the essential, minimally impacted categories of UAE consumer spending, with an expected recovery period of under one year, in contrast to discretionary and tourism-driven sectors.[42] Government policy moved quickly in support: Dubai's AED 2.5 billion incentive package included a freeze on private school fees for 2026-27, a freeze on scheduled school rent increases, deferred rental payments and the temporary suspension of contractual penalty clauses, with similar measures introduced across the other emirates and by the Central Bank of the UAE.[12][31]

Taaleem's operating performance through the year reinforces this defensive profile. Teacher retention was maintained at approximately 91%, with compensation preserved in full; attrition directly attributable to the disruption was limited to approximately 9% of the workforce, and the annual teacher confirmation cycle ran in line with previous years.[41] Fee collection tracked at approximately 99.6%, within normal seasonal patterns, protected structurally by term-in-advance billing. Permanent withdrawal requests remained limited, with no discernible pattern of leavers by school, curriculum or nationality.[37]

The enrolment base itself adds a further layer of defensiveness. UAE Nationals and Arab students with strong local ties account for approximately 40% of enrolment, Indian, Pakistani and other international students a further 36%, and British, Canadian, American and Australian students the remaining 24%, a distribution that limits concentration in any single cohort and reduces exposure to relocation-driven attrition.

**91%**

**Teacher retention through the period**

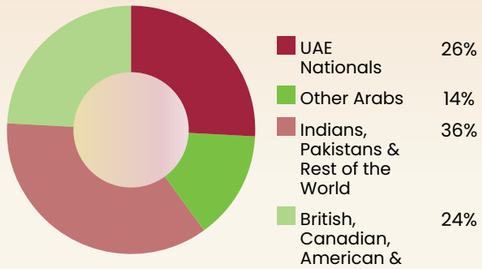
**99.6%**

**Fee collection, within normal seasonal patterns**

**95%**

**Students attending on-site learning across Dubai private schools during the period [12]**

**ENROLMENT MIX BY NATIONALITY**




## An Increasingly Established Resident Population

The increasing permanence of the UAE's international resident population provides an important structural underpinning for private education demand. Long-term residency initiatives, rising home ownership and the country's continued attractiveness as a destination for employment, investment and family life are encouraging residents to establish deeper and longer-term roots in the UAE. These trends support greater visibility over demand for high-quality education and reinforce the long-term growth outlook for the private K-12 market. This growing permanence is reinforced by the deeper financial, professional and social ties that families are establishing in the UAE. S&P Global Ratings found no evidence of meaningful permanent emigration and noted that the government's visa reforms provide stability and incentives to stay for residents and property owners alike.[31] Consumer research conducted by Redseer during the most acute phase of the disruption reported that 96% of temporarily departing residents intended to return, with employment, taxation and lifestyle factors cited above security concerns, and resident spending per capita declined by less than 1%.[42] A survey of 708 expatriates conducted in April and May 2026, in which Western European nationals represented 57% of respondents, found that 94% intended to remain in the UAE for the foreseeable future.[43] Several structural factors underpin this stability.

[12] Dubai Media Office / KHDA, KHDA confirms no fee increase for Dubai's private schools in 2026-2027 academic year, May 2026.
[42] Redseer Strategy Consultants, Impact of the Gulf Conflict on UAE Consumer Economy, Research Briefing, April 2026 (publicly released).
[31] S&P Global Ratings, Credit FAQ: How The UAE Is Adapting To And Recovering From The Effects Of The Middle East War, 22 June 2026.
[41] The National, UAE school leaders optimistic for new academic year, 25 July 2026.
[37] Taaleem Holdings PJSC, 9M 2025/26 Earnings Call, 14 July 2026.

[12] Dubai Media Office / KHDA, KHDA confirms no fee increase for Dubai's private schools in 2026-2027 academic year, May 2026.
[31] S&P Global Ratings, Credit FAQ: How The UAE Is Adapting To And Recovering From The Effects Of The Middle East War, 22 June 2026.
[42] Redseer Strategy Consultants, Impact of the Gulf Conflict on UAE Consumer Economy, Research Briefing, April 2026 (publicly released).
[43] ARCET Global / QuestionPro, UAE Expat Monitor, fieldwork April-May 2026.

## Rising Home Ownership Supporting Long-Term Residency

A structural change is underway in the UAE's resident base, as expatriates increasingly move from renting to home ownership. Average length of residency in Dubai rose to 10.5 years in 2025, from 7.5 years in 2024, with nearly 60% of residents indicating an intention to remain for more than ten years; of the approximately 59,000 first-time property investors who entered the Dubai market in the first half of 2025, 45% were existing UAE residents [40]. Government policy supports this trend: Dubai's First-Time Home Buyer Programme has enabled more than 3,200 residents to purchase first homes, generating over AED 5 billion in transactions with nearly 45,000 registrations in under a year, [35] and property ownership above AED 2 million confers ten-year Golden Visa residency.[34]

Within the residential market, while transaction activity moderated during the period[31], end-user demand held: the second quarter of 2026 was the third highest on record by volume, tenant enquiries rose 20% year-on-year, and first-time buyer activity continued.[46] Property ownership increasingly reflects long-term residence rather than short-term investment.Long-Term Residency: A Structural Commitment to Stay

The UAE's residency architecture has evolved from transient employment visas towards long-duration, family-inclusive residence, and the strength of this shift was most visible under stress. In the first half of 2026, Dubai issued approximately 66,000 Golden Visas and more than one million new residence permits.[33] More than 167,000 golden residencies have been granted to the families of specialised talents and over 100,000 to the families of real estate investors, extending ten-year security of residence across entire households, of which schooling is the central pillar.[34] New-arrival momentum is also recovering: residency visa medical testing in Dubai, a leading indicator of expatriate hiring, had returned to approximately 80% of pre-war levels by end-June 2026, with full recovery anticipated by the fourth quarter.[44]

## A Deepening Education Ecosystem

The UAE's expanding education ecosystem further supports its attractiveness as a long-term destination for families. Alongside a well-established private K-12 sector, the country continues to broaden its higher-education offering, enabling students to pursue increasingly diverse educational pathways within the UAE. Dubai's private higher-education sector enrolled more than 42,000 students in AY2024/25, representing growth of 20% year on year, while international student enrolment increased by 29%. The Dubai Education 33 (E33) strategy aims to further strengthen this position through its 'City of Students' ambition, including a target for international students to represent 50% of the higher-education enrolment by 2033. Together, the depth of provision from early years through to higher education strengthens the UAE's proposition as a destination where families can establish long-term educational pathways for their children. Redseer's analysis of the UAE's recovery identifies contractual commitments, including leases and school terms, among the factors associated with the return of temporarily departed residents.[42] The full education pathway, from nursery to degree, can now be completed in-country.




[31] S&P Global Ratings, Credit FAQ: How The UAE Is Adapting To And Recovering From The Effects Of The Middle East War, 22 June 2026.

[34] GDRFA Dubai, as reported by Gulf News, Dubai Issues 167,000 Golden Visas to skilled families, 15 May 2026.

[35] Gulf News, Dubai homebuyers get wider choice after Dh5 billion first-home sales, 8 June 2026.

[40] Betterhomes, Future Living Report 2025, and Dubai Land Department H1 2025 data, as reported by Khaleej Times, Dubai residents put down roots as average tenure surges to over a decade, 18 December 2025.

[42] Redseer Strategy Consultants, Impact of the Gulf Conflict on UAE Consumer Economy, Research Briefing, April 2026 (publicly released).

[43] ARCET Global / QuestionPro, UAE Expat Monitor, fieldwork April-May 2026.

[46] Betterhomes, Q2 2026 Dubai Residential Market Report, 20 July 2026.

[33] GDRFA Dubai, H1 2026 figures, as reported by Khaleej Times, Dubai issues over 1 million residency permits, 66,000 Golden Visas in first half of 2026, July 2026.34 GDRFA Dubai, as reported by Gulf News, Dubai Issues 167,000 Golden Visas to skilled families, 15 May 2026.

[34] GDRFA Dubai, as reported by Gulf News, Dubai Issues 167,000 Golden Visas to skilled families, 15 May 2026.

[42] Redseer Strategy Consultants, Impact of the Gulf Conflict on UAE Consumer Economy, Research Briefing, April 2026 (publicly released).

[44] AGBI, Dubai visa data points to recovery in expatriate hiring, 2 July 2026. 43 ARCET Global / QuestionPro, UAE Expat Monitor, fieldwork April-May 2026.

## Strong Economic Fundamentals Supporting Population Growth

The UAE's strong and increasingly diversified economy provides an important foundation for continued population growth and private education demand. Non-oil growth has averaged approximately 7% over the past five years, supported by continued investment across a broad range of sectors. Dubai also ranked first globally for greenfield foreign direct investment projects for the fifth consecutive year in 2025, accounting for 7% of global projects and generating 38,918 FDI-related jobs, an increase of 18.8% year on year.[47] Continued investment and employment creation reinforce the UAE's attractiveness to international professionals and families, supporting the long-term growth of the private education market.

## A Track Record Through Prior Cycles, Extended in FY2025/26

The UAE's private K-12 market has a consistent record of growth through periods of disruption, expanding by 9% in Dubai through the 2008 global financial crisis and by 14% in Dubai and 16% in Abu Dhabi through the 2016/17 slowdown.[38] FY2025/26 followed the same pattern: re-enrolment for 2026-27 tracked at or close to target across operators, with demand redirected within the UAE rather than reduced.[41] Taaleem's own forward indicators, set out at the close of this section, are consistent with this record, including Harrow International School Dubai, which welcomed approximately 400 registered students for its inaugural academic year ahead of its business plan of approximately 370, at the super-premium price point.

**10.5**

**Years Average Length of Residency in Dubai, 2025 (up from 7.5 years in 2024) [40]**

**~66,000**

**Golden Visas Issued in Dubai in H1 2026, Amid Regional Uncertainty [33]**

**96%**

**Temporarily Departing Residents Indicated an Intention to Return [42]**

**AED 5bn +**

**Transactions Under Dubai's First-Time Home Buyer Programme Since July 2025 [35]**

[33] GDRFA Dubai, H1 2026 figures, as reported by Khaleej Times, Dubai issues over 1 million residency permits, 66,000 Golden Visas in first half of 2026, July 2026.

[35] Gulf News, Dubai homebuyers get wider choice after Dh5 billion first-home sales, 8 June 2026.

[38] L.E.K. Consulting, The Private K-12 Opportunity in the Middle East (Special Report).

[41] The National, UAE school leaders optimistic for new academic year, 25 July 2026.

[42] Redseer Strategy Consultants, Impact of the Gulf Conflict on UAE Consumer Economy, Research Briefing, April 2026 (publicly released).

[47] Dubai Department of Finance / Dubai Department of Economy and Tourism, Dubai Ranks No.1 Globally for Greenfield FDI Projects for Fifth Consecutive Year in 2025, 23 June 2026.



## A Resilient and Diversified Economic Backdrop

The UAE entered FY2025/26 from a position of economic strength, with real GDP growing by 6.2% in 2025, supported by non-oil growth of 6.8%. [15][45] While regional developments have resulted in greater near-term uncertainty and a wider range of economic forecasts for 2026, the UAE's underlying growth fundamentals remain supported by continued economic diversification, investment and expanding hydrocarbon production capacity. Medium-term expectations remain positive, with S&P Global Ratings forecasting average real GDP growth of approximately 6% over 2027–2029.[31]

The UAE's financial strength provides additional resilience, supported by substantial sovereign assets and strong fiscal buffers. Major international rating agencies maintained high investment-grade sovereign ratings with stable outlooks during the period, reflecting the country's capacity to navigate external pressures while continuing to invest in its long-term development priorities. Non-oil business activity also continued to expand during the period, reinforcing the underlying resilience of the diversified economy.

Contained inflation, alongside measures that protect household affordability, preserves families' spending power and supports sustained demand for quality education. Inflation is projected at approximately 2.3% in 2026, moderating to 1.9% in 2027 [17], while the decision to maintain private-school fees at existing levels across the UAE for AY2026/27 provides additional visibility and affordability support for families.[12] Together, population growth, economic resilience and continued government commitment to education support the long-term fundamentals of the UAE's private education market.

**6.2%**

**UAE Real GDP Growth, 2025 [15]**

**~6%**

**Forecast Average UAE Real GDP Growth, 2027-2029 [31]**

**Aa2 / AA / AA**

**UAE Sovereign Ratings Affirmed with Stable Outlooks During the Period (Moody's / S&P / Fitch) [31][45]**

**0%**

**Private School Fee Increase Permitted in Dubai and Abu Dhabi for AY2026/27, Supporting Family Affordability [12]**

[12] Dubai Media Office / KHDA, KHDA confirms no fee increase for Dubai's private schools in 2026-2027 academic year, May 2026.35 Gulf News, Dubai homebuyers get wider choice after Dh5 billion first-home sales, 8 June 2026.

[15] Federal Competitiveness and Statistics Centre (FCSC), Press Releases.

[17] Gulf News, UAE economy to slow to 1.7% in 2026 before rebounding, says Central Bank, June 2026.

[31] S&P Global Ratings, Credit FAQ: How The UAE Is Adapting To And Recovering From The Effects Of The Middle East War, 22 June 2026.

[45] Moody's Ratings and Fitch Ratings affirmations, as reported by The National, UAE retains high Moody's ratings and stable outlook on 'strong shock-absorption', 13 June 2026 (Moody's Aa2/stable; Abu Dhabi assets ~300% of GDP; UAE 2025 GDP USD 517bn, non-oil +6.8%); Fitch Ratings, UAE affirmed at AA/stable, 22 May 2026.

## A Large, Youthful and International Population Base

Demand for private education in the UAE is underpinned by favourable demographics and sustained population growth. The country's population reached an estimated 11.35 million in 2025, of which expatriates account for approximately 88.5%[1][2], and had risen to approximately 11.57 million by May 2026.[3] Dubai, Taaleem's primary market, had a population of around 3.95 million, roughly 92% expatriate[4], while Abu Dhabi, its second core market, continues to draw skilled professionals and families as its economy diversifies, deepening demand across both emirates. Approximately 26% of the population is aged 0-19 [5], providing a deep and consistently renewing base for education demand.

The composition of this population is as important as its scale. The UAE recorded the world's largest net inflow of millionaires in 2025, with an estimated 9,800 high-net-worth individuals relocating to the country.[6] The continued inflow of affluent international residents supports demand for high-quality premium education and provides a favourable backdrop for the development of the super-premium segment. With an established premium portfolio spanning the British, IB, French and American curricula, alongside its expansion into super-premium education through Harrow, Taaleem is well positioned to serve the evolving needs of the UAE's diverse and growing international population.

### UAE and Dubai Population and Expatriate Share

**UAE - Population 2025**



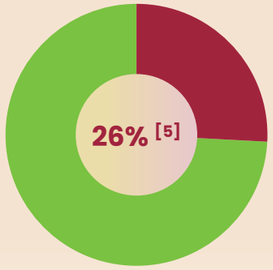
11.35 million
(~88.5% expatriate) [1][2]

**Dubai Population (2025)**



3.95 million
(~92% expatriate) [4]

**Population Aged 0-19:**




#1 global destination for millionaire migration, **9,800 HNWI** inflows in 2025 [6]

[1] Worldometer, United Arab Emirates Population 2025.
[2] Global Media Insight, UAE Population Statistics 2025.
[3] Global Media Insight, UAE Population Statistics 2026 (population of 11.57 million as at May 2026).
[4] Global Media Insight, Dubai Population Statistics 2025.
[5] United Nations Population Fund (UNFPA), World Population Dashboard, United Arab Emirates.
[6] Henley & Partners, Henley Private Wealth Migration Report 2025, June 2025.



## Private Provision at the Heart of the UAE's K-12 Landscape

Private education plays a central role in the UAE's K-12 landscape, with the country historically maintaining private penetration of approximately 75%; Dubai and Abu Dhabi rank among the region's largest and fastest-growing private K-12 markets by tuition revenue.[38] The UAE private K-12 market was valued at USD 10.34 billion in 2025 and is forecast to nearly double to USD 19.02 billion by 2031, representing a 10.69% CAGR.[7][8]

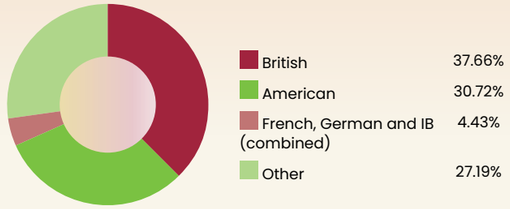
Demand is supported by the UAE's large international resident population, with expatriate students representing approximately 90.55% of private K-12 enrolment in 2025. At the same time, enrolment among Emirati families is expected to continue growing as more families choose private, internationally accredited education.[7] The British curriculum remains the most widely enrolled pathway representing approximately 37.66% of the market [7], providing a supportive backdrop for Taaleem's established British-curriculum portfolio.

The sector is closely regulated by KHDA in Dubai and ADEK in Abu Dhabi, whose inspection frameworks, curriculum approvals, teacher licensing and fee mechanisms support high standards of quality, transparency and accountability. Public-private partnership models, including the 'Dubai Schools', 'Ajyal Schools' and Abu Dhabi 'Charter Schools' programmes demonstrate the important role private operators play in supporting government education priorities. Taaleem's participation across these programmes reflects its extensive experience in partnering with government entities to deliver high-quality education at scale.

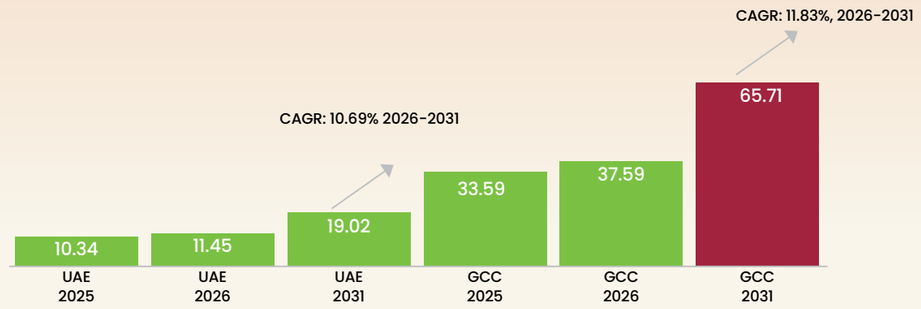
**UAE Private K-12 Enrolment by Nationality, 2025 [7]**




**UAE Private K-12 Market Share by Curriculum, 2025 [7]**




**UAE and GCC Private K-12 Education Market Size and Growth (USD, billion) [7][8]**




[7] Mordor Intelligence, UAE Private K-12 Education Market Size & Share Analysis (2026-2031). 2 Global Media Insight, UAE Population Statistics 2025.
[8] Mordor Intelligence, GCC Private K-12 Education Market Size & Share Analysis (2026-2031).
[38] L.E.K. Consulting, The Private K-12 Opportunity in the Middle East (Special Report).

## Government Vision and a Quality-Focused Regulatory Framework

Education remains a central pillar of the UAE's national development agenda. Guided by long-term frameworks such as UAE Centennial 2071, the government continues to prioritise significant investment in education infrastructure, teacher development, curriculum reform and technology. Federal education expenditure totalled approximately AED 10.9 billion in FY2025[9], with AED 16.9 billion allocated under the FY2026 federal budget[48], reflecting the continued strategic importance of education to the country's long-term development.[10]

In Dubai, the Education Strategy E33 targets at least 100 new private schools by 2033 [11]; six opened during AY2025/26, with more than 30 further applications under KHDA review.[12] In Abu Dhabi, ADEK licensed two new private schools and seven nurseries for AY2025/26, bringing the landscape to 220 private schools and 233 nurseries [13], and in 2026 set out a refreshed private-education strategy built around national identity, student wellbeing, future-focused skills and teacher excellence.[14]

Both KHDA and ADEK operate comprehensive regulatory and inspection frameworks designed to promote educational quality, transparency and continuous improvement. These frameworks assess areas including academic outcomes, leadership, student wellbeing and inclusion, while established mechanisms govern areas such as school expansion and tuition-fee adjustments. Inspection regimes such as ADEK's Irtiqa'a programme link ratings to tangible outcomes [19], with schools across the sector improving their ratings year on year, and stronger performance opening greater fee and expansion flexibility. For operators such as Taaleem, this quality-focused regulatory environment reinforces the importance of consistently strong educational outcomes, experienced leadership and sustained investment in students, teachers and school communities.

## The Forces Powering Sustained Market Growth

### New Communities Creating Demand for New Classrooms

Residential expansion across Dubai and Abu Dhabi continues to create demand for new school capacity as new communities develop and mature. Dubai's Education 33 strategy targets 49,000 additional affordable school seats by 2033, alongside plans for 100 new private schools, while land parcels totalling more than 1.5 million square feet supported the creation of approximately 10,000 extra seats in 2024 alone.[7] As population growth extends into new residential catchments, demand for conveniently located, high-quality education is expected to grow alongside these communities. With new school development subject to regulatory approval and land availability, operators with established brands, regulatory experience and a track record of successfully developing and operating schools are well positioned to participate in this growth.[35]

### AI and Innovation Reshaping the Classroom

Digital learning tools are moving from pilot programmes to a point of competitive differentiation. ADEK's 'AI for Teachers' initiative is training Abu Dhabi educators to use AI across lesson planning, marking and classroom delivery [18], and regulators in both emirates have signalled future-ready and digital skills as strategic priorities. Operators with the scale and capital to invest consistently in staff training and classroom technology are best positioned to keep pace.

**1.7M → 2.3M**

**UAE School-Age Population, 2024e-2029f [20]**

**~1.24M**

**Enrolled Students in UAE Private K-12 Schools, 2023 [20]**

**2,800**

**New Schools Required Across the GCC by 2029 [20]**

### Rising Demand for High-Quality Education and a Shift to Private, Premium Provision

Dubai's private schools have posted consecutive years of strong enrolment growth, climbing a record 12% in 2023/24 to 365,572 students [21] and a further 6% in 2024/25 to 387,441 [11], with the British curriculum holding the largest share at around 37% .[11] Taaleem has participated strongly in this growth, with enrolment across its British-curriculum schools increasing by 22.9% year on year to 7,309 students at FY2025/26, supported by new capacity and continued demand across its established and ramping schools.

Within that private base, demand continues to move upmarket. Over the past decade, the share of schools charging annual tuition above AED 60,000 has risen from around 10% to approximately 25% of the market, with schools above AED 80,000 now accounting for around 9% [20], supported by rising household incomes and sustained inflows of highly skilled expatriate families.[8][20] This sustained shift reinforces a favourable long-term outlook for premium providers such as Taaleem and strengthens the case for its expansion into the super-premium segment.



[9] Ministry of Finance, UAE Federal Budget.

[10] Dubai Media Office / Ministry of Finance, UAE Ministry of Finance launches Federal Budget Yearbook 2026, 13 March 2026. 4 Global Media Insight, Dubai Population Statistics 2025.

[11] KHDA / Dubai Media Office, Dubai's private school sector records 6% enrolment growth in the 2024-25 academic year, January 2025.

[12] Dubai Media Office / KHDA, KHDA confirms no fee increase for Dubai's private schools in 2026-2027 academic year, May 2026.

[13] ADEK, Abu Dhabi's Education Landscape Expands with 7 New Nurseries and 2 Private Schools, October 2025.

[14] ADEK, ADEK's Ongoing Engagement with Schools to Strengthen Academic Excellence and National Identity, January 2026.

[19] ADEK, Abu Dhabi Private Schools Demonstrate Steady Improvement, October 2025.

[48] UAE Ministry of Finance, Federal Budget Yearbook 2026 (Community Edition), "Investing in People, Securing the Future", Section 2.3 Education, March 2026.

[8] Mordor Intelligence, GCC Private K-12 Education Market Size & Share Analysis (2026-2031).

[11] KHDA / Dubai Media Office, Dubai's private school sector records 6% enrolment growth in the 2024-25 academic year, January 2025.

[18] Zawya, 'AI for Teachers' Program Empowers Abu Dhabi's Educators, March 2025.

[20] Alpen Capital, GCC Education Industry Report 2025, May 2025.

[21] SchoolsCompared.com, KHDA Announce Record Breaking Student Enrolment.

## Limited Supply of High-Quality School Capacity

Across the GCC, continued population and enrolment growth is creating a significant requirement for additional education capacity. Student enrolment is projected to increase from approximately 14 million students in 2024 to 15.5 million by 2029, implying the need for more than 2,800 additional schools, with private-school enrolment expected to grow faster than enrolment in public provision.[20] Within the UAE, population growth, the development of new residential communities and continued demand for premium education are creating capacity requirements in specific locations and market segments.

Supply is particularly concentrated at the upper end of the market. Dubai has a relatively limited number of schools operating at annual tuition levels above AED 90,000, while the equivalent high-fee segment in Abu Dhabi also remains comparatively small.[23] Against continued inflows of affluent international families and growing demand for differentiated premium education [6], this creates opportunities for established operators to introduce high-quality capacity targeted at the premium and super-premium segments. Taaleem is positioned to participate in this opportunity through its established premium portfolio and its expansion into super-premium education through Harrow International School Dubai and Harrow International School Abu Dhabi.

## High Barriers to Entry, Deep Advantages for Incumbents

Entering and scaling in the UAE's private K-12 sector requires significant capital, regulatory expertise, access to strategically located sites and the ability to build lasting trust with families. These structural barriers support the competitive position of established operators with proven brands, operating experience and a track record of educational delivery, a position Taaleem is well placed to hold.



[6] Henley & Partners, Henley Private Wealth Migration Report 2025, June 2025.

[20] Alpen Capital, GCC Education Industry Report 2025, May 2025.

[23] KHDA & ADEK, based on a pool of schools across Abu Dhabi and Dubai with tuition fees ranging from AED 50k to 90k | British, French, IB and American schools.

### Brand Equity and Family Trust

A reputation built on consistently excellent outcomes and parent experiences supports enrolment growth and long-term demand.

### Capital Requirements

Premium school development requires substantial upfront investment in land, campus infrastructure, technology and faculty well before operational maturity.

### Regulatory Expertise

School development and operation require extensive regulatory engagement, approvals, inspections and ongoing compliance, creating advantages for operators with established institutional experience.

### Access to Strategic Locations

Suitable education sites in attractive and growing residential catchments can be limited, making access to appropriately located land an important competitive advantage.

### Academic Quality and Talent

Strong academic frameworks, accreditation, experienced leadership and the ability to attract and retain high-quality educators are critical to sustaining educational outcomes and reputation.

### Local Market Knowledge and Execution

Experience across curricula, communities and catchments provides valuable insight into demand, pricing and family preferences, supporting disciplined investment and expansion decisions.

Taaleem's established portfolio, recognised school brands, long-standing regulatory relationships, experienced education teams and track record of developing, acquiring and operating schools provide a strong foundation from which to pursue further growth. Its presence across Dubai and Abu Dhabi, combined with experience across multiple curricula and education verticals, further strengthens the Group's ability to identify and execute opportunities in attractive education markets.

## Dubai: A Global Benchmark for Private Education

Dubai operates a large, sophisticated and internationally diverse private-school market. In AY2024/25, its 227 private schools taught 387,441 students, including 33,210 Emirati students, across 17 curricula, up 6% year-on-year.[11] The market continued to expand in AY2025/26 with six new schools opening, including Taaleem's Dubai British School Mira, bringing the total number of private schools to 233 and adding more than 11,700 seats. With more than 30 additional applications under KHDA review [12][24], Dubai's private education market continues to attract investment and expand capacity in response to a growing and diverse population.

## Curriculum Mix and Preferences

The UK curriculum leads Dubai's enrolment mix at around 37%, ahead of the Indian (26%), American (14%) and IB (7%) pathways; among Emirati families specifically, the American curriculum is the most popular choice, followed by the UK and IB [11]. Taaleem's diversified portfolio spans the British, IB, American and French curricula, enabling the Group to serve a broad and internationally diverse student population while maintaining a particularly strong position in the market-leading British curriculum segment.

## Fee Segments and Positioning

Fee-setting in Dubai operates within a transparent KHDA-administered framework. The Education Cost Index for AY2025/26 was set at 2.35%, down from 2.6% the prior year.[25] For AY2026/27, private-school fees will remain unchanged as part of broader measures introduced to support affordability for families and the education sector.[12]

Taaleem maintains a strong position within the premium segment of Dubai's private-school market and is expanding into super-premium education with the opening of Harrow International School Dubai in AY2026/27. Demand at the upper end of the market continues to be supported by the UAE's growing affluent resident population, sustained demand for high-quality international education and the continued development of premium residential communities [20].

**6%**

**YoY Dubai Private K-12 Enrolment Growth, AY2024/25 [11]**

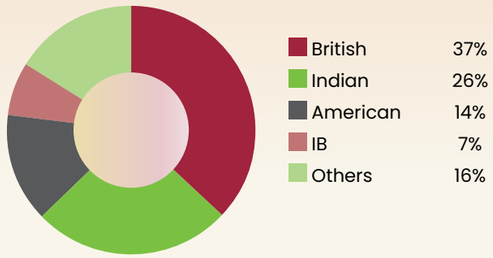
**33,210**

**Emirati Students in Dubai Private Schools, AY2024/25 [11]**

**+11,700**

**New School Seats Added in AY2025/26 [24]**

### DUBAI K-12 CURRICULA DISTRIBUTION BY ENROLMENT [11]




[11] KHDA / Dubai Media Office, Dubai's private school sector records 6% enrolment growth in the 2024-25 academic year, January 2025.

[12] Dubai Media Office / KHDA, KHDA confirms no fee increase for Dubai's private schools in 2026-2027 academic year, May 2026.

[20] Alpen Capital, GCC Education Industry Report 2025, May 2025.

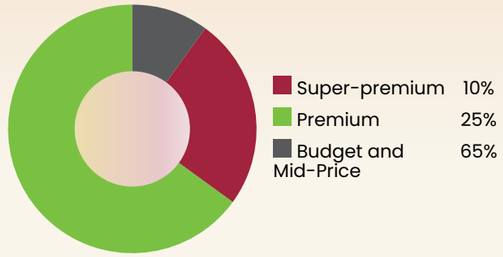
[24] Dubai Media Office / KHDA, Dubai to welcome 25 new private education institutions during 2025-26 academic year, 24 August 2025.

[23] KHDA & ADEK, based on a pool of schools across Abu Dhabi and Dubai with tuition fees ranging from AED 50k to 90k | British, French, IB and American schools.

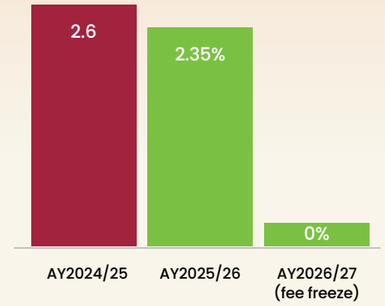
[25] KHDA, Education Cost Index set at 2.35% for Dubai's for-profit private schools in 2025-26 academic year, 2 May 2025.



### ENROLMENT BY SEGMENT
AY2024/25




### KHDA EDUCATION COST INDEX PROGRESSION
AY2024/25 to AY2026/27 [25][12]




## Abu Dhabi: A Private Education Market Gathering Momentum

Abu Dhabi's private education market continues to expand, supported by population growth, economic diversification and the emirate's ability to attract skilled professionals and families. New capacity was added during AY2025/26, with two new private schools contributing 3,610 seats and seven new nurseries adding 929 places [13], reflecting continued investment in the emirate's education infrastructure.

Enrolment momentum in Abu Dhabi has also remained strong, with private-school enrolment increasing by 12.9% in AY2024/25.[26]

This growth has been supported by the emirate's strong economic fundamentals, continued population growth and the inflow of skilled professionals and their families, alongside sustained demand for high-quality private education from Emirati families.

**220**

**Private Schools in Abu Dhabi [13]**

**233**

**Licensed Nurseries in Abu Dhabi [13]**

**14**

**Curricula Offered Across the Emirate [13]**

**+2 / +7**

**New Private Schools / Nurseries, AY2025/26 [13]**

[13] ADEK, Abu Dhabi's Education Landscape Expands with 7 New Nurseries and 2 Private Schools, October 2025.

[26] Market Research Abu Dhabi, 100 New Schools & Premium Learning: Abu Dhabi's Education Future, May 2025.

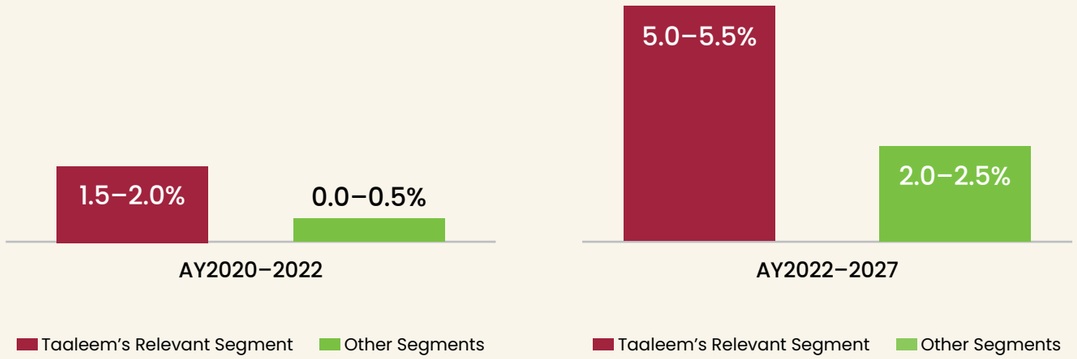
## Curriculum Diversity and Premium Positioning

Abu Dhabi's 220 private schools span 14 curricula [13], reflecting the diversity of the emirate's international and national family population and providing families with a broad range of educational pathways. British, American and IB curricula form an important part of this international offering, supporting demand for globally recognised qualifications.

ADEK operates a regulated fee framework under which permitted tuition-fee adjustments consider factors including the Education Cost Index (ECI) and school inspection ratings. For AY2025/26, the ECI was set at 2.1%, with the framework providing differentiated fee-adjustment parameters according to school ratings. This reinforces the importance of educational quality and strong inspection outcomes within Abu Dhabi's private-school market.

Taaleem's Abu Dhabi schools are positioned within the premium segment, while the planned development of Harrow Abu Dhabi will extend the Group's presence into the super-premium segment and further strengthen its position in this growing market.

### ABU DHABI K-12 ENROLMENT CAGR BY PRICE SEGMENT




## Early Childhood Education: A Complementary Growth Platform

Early childhood education represents a complementary growth opportunity within the UAE education market, supported by relatively low penetration and favourable demographic and socioeconomic trends. Of approximately 473,000 children under the age of five in the UAE, around 22% are served by nurseries and early learning centres [27], indicating significant headroom for participation to increase over time. In Dubai, more than 29,600 children enrolled across 312 centres as of June 2025, representing growth of 8% year-on-year.[28] Demand is supported by continued population growth, rising dual-income households and increasing workforce participation, alongside government initiatives aimed at strengthening early childhood provision.

Through its majority interest in Kids First Group (KFG), Taaleem has established a scaled premium early-years platform across the UAE and Qatar. The platform saw enrolment recover quickly during the year, with strong underlying demand driving a rapid return to growth. New enrolments were healthy, summer camp demand exceeded plan, and the kindergarten and foundation sections were fully enrolled heading into the new academic year, underlining the strength of the KFG brands and the loyalty of the families they serve.

KFG operates 36 nurseries with three further community-based locations opening in September 2026, supporting continued expansion of the network. Its predominantly leased, asset-light operating model provides a scalable platform for growth within a fragmented early-years market.

Beyond its standalone growth potential, KFG strengthens Taaleem's broader education platform by enabling the Group to engage families from the earliest stage of a child's education and creating opportunities to support progression into Taaleem's K-12 schools over time. This extends Taaleem's relationship with families across a greater proportion of the education journey and creates potential strategic and operational synergies across the Group.

### Early Childhood Education in the UAE

**Children Under 5 in the UAE**

**473,000**

2023 [27]

**Share Served by Professional ECE**

**22%**

2023 [27]

**Dubai ECC Enrolment, June 2025**

**+29,600**

children,

**+8%**

YoY[28]

**KFG Platform**

**36**

nurseries across the UAE and Qatar

**+3** opening September 2026

[13] ADEK, Abu Dhabi's Education Landscape Expands with 7 New Nurseries and 2 Private Schools, October 2025.

[27] Taaleem, KFG Acquisition IR Presentation, June 2025.

[28] KHDA / Dubai Media Office, Dubai's early childhood sector sees continued growth with 8% rise in enrolment, October 2025.

## Public-Private Partnerships: A Proven Track Record

Public-private partnerships (PPPs) remain an important component of the UAE's education landscape, combining government oversight with the operating expertise of established private education providers to support the delivery of high-quality, accessible education. Through these partnerships, governments can leverage private-sector capabilities while maintaining strong governance, accountability and educational standards.

Taaleem has built an established track record in the government partnership segment, through its participation in Abu Dhabi's Charter Schools, Dubai Schools-PPP and the Ministry of Education's Ajyal Schools programmes. During AY2025/26, the Group continued to operate across the three partnership models while completing the planned transition of the Ajyal portfolio by year-end. This leaves Taaleem with a more focused government partnership platform centred on its long-term partnerships in Dubai and Abu Dhabi.

**Dubai Schools:** Taaleem operates three Dubai Schools in partnership with The Executive Council and the Knowledge Fund Establishment. The portfolio continued to scale under its tuition-based model in AY2025/26, with enrolment increasing 35.1% year-on-year to 4,509 students following the expansion of all three campuses in the previous academic year.

**Abu Dhabi 'Charter Schools':** Taaleem operates its Charter Schools and Nurseries portfolio in partnership with ADEK, delivering high-quality education to Emirati students. During AY2025/26, the portfolio served 15,836 students at 93.2% utilisation. The operating contract was renewed for a further three-year term commencing in AY2025/26, reflecting continued confidence in Taaleem's capabilities and providing greater visibility over this important government partnership.

**MoE Ajyal Schools:** Taaleem completed its participation in the Ajyal Schools programme as planned at the end of AY2025/26, with the remaining schools transitioning to the Ministry of Education. The planned handover marked the completion of Taaleem's role in the programme and further focused the Group's government partnership portfolio on its Dubai Schools and Abu Dhabi Charter Schools operations.



**3**

**Dubai Schools operated by Taaleem**

**5**

**Ajyal Schools operated during the year**

**15**

**Abu Dhabi Charter Schools and Nurseries operated by Taaleem**

## What This Market Means for Taaleem

Taken together, these dynamics define a market driven by durable demand, a growing need for high-quality education capacity, high barriers to entry, and a regulatory framework centred on educational quality and sector stability. Taaleem's performance during FY2025/26 demonstrates how these structural characteristics translate into growth opportunities across the Group's platform.

### Anchored Demand Translates into Revenue Visibility

The increasing permanence of the UAE's resident population, supported by long-term residency, rising home ownership and the breadth of the in-country education pathway, provides a supportive foundation for education demand. For Taaleem this is reinforced by strong student retention, forward enrolment and advance collections ahead of each academic year. Combined with term-in-advance billing and a diversified student base, these characteristics provide visibility over the Group's recurring revenue base.

### Available Capacity Provides a Visible Growth Runway

High utilisation across Taaleem's mature premium schools demonstrates the strength of demand for its established brands, while recently opened and expanded campuses provide capacity for further enrolment growth as they ramp towards maturity. Beyond this embedded capacity, Taaleem's development pipeline extends the Group into new premium and super-premium catchments, including Harrow International School Dubai, which opened on 31 August 2026 with approximately 400 students enrolled, Harrow International School Abu Dhabi and DBS Ghaf Woods. Together, existing capacity and committed developments provide a visible runway for continued premium enrolment growth. With eight of the Group's fourteen premium schools at 90-100% capacity [37], the shortage of high-quality places benefits Taaleem in two respects: waiting-list demand supports enrolment growth and pricing power at maturity, while the scarcity value of a secured seat reinforces retention.

### An Enrolment-Led Growth Model

Taaleem's growth model is primarily driven by enrolment, capacity expansion and the maturation of recently opened and expanded schools, reducing reliance on fee increases as the principal source of growth. As younger schools ramp up, increasing utilisation and student progression into higher grade levels provide additional drivers of revenue growth. This model enables Taaleem to pursue growth through a combination of existing capacity, new developments and disciplined expansion across its portfolio.

[37] Taaleem Holdings PJSC, 9M 2025/26 Earnings Call, 14 July 2026

## A Platform Aligned with Structural Demand Trends

Taaleem's diversified platform is aligned with several of the UAE education market's most important structural trends: continued demand for British and international curricula; growth in premium and super-premium education [20]; increasing participation by Emirati families in private education [7][11]; expansion of early-years provision; and continued government partnership opportunities. Through KFG, Taaleem engages families from the earliest stage of a child's education, while its premium K-12 portfolio provides multiple curriculum pathways and its government partnerships extend the Group's reach across the wider education landscape.

The Group's premium and super-premium development pipeline further positions Taaleem to participate in demand arising from population growth, new residential communities and the continued expansion of the UAE's affluent international resident base.

Together, these market characteristics support Taaleem's long-term growth strategy: driving utilisation across existing capacity, scaling recently opened schools, selectively developing new campuses, expanding the early-years platform and maintaining strong government partnerships. Taaleem enters its next phase of growth with an established platform positioned to capture attractive long-term opportunities across the UAE education market.

**20,000**

**Premium-School Enrolment Tracking for AY2026/27 (vs. 18,572 at AY2025/26 year-end) [37]**

**8 of 14**

**Premium Schools at 90-100% Capacity [37]**

**60%**

**Term 1 collections at KFG in line with normal seasonal collection trends.**

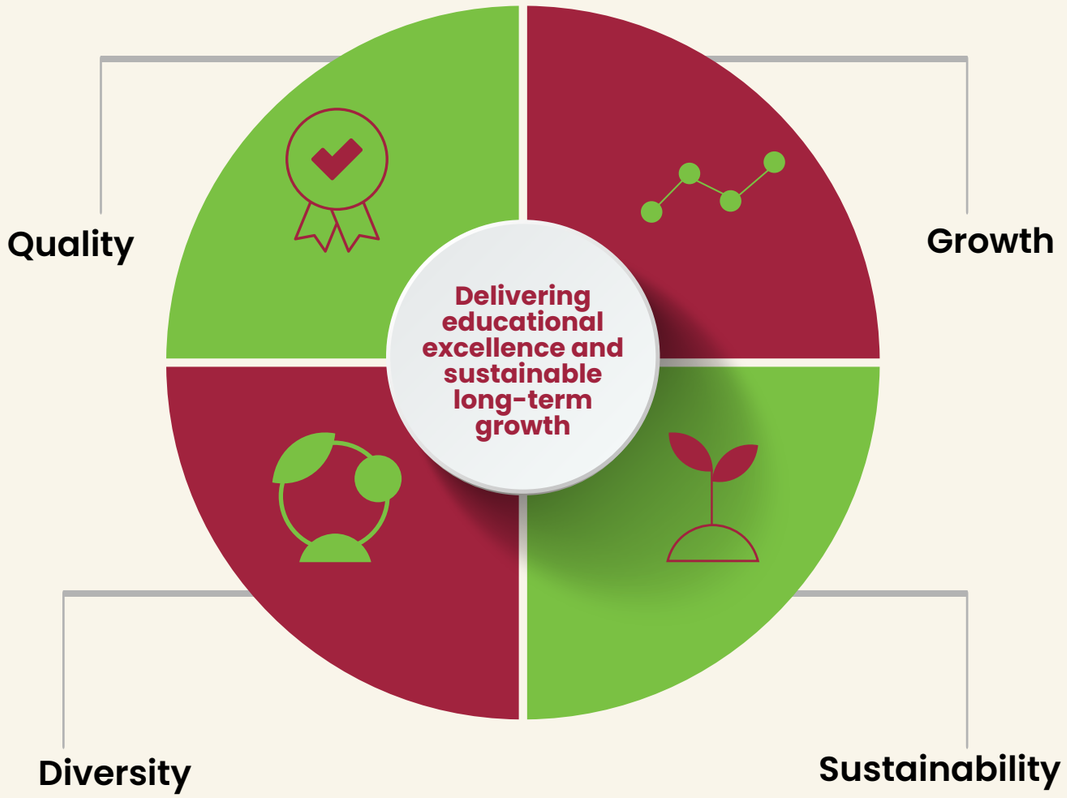
**400**

**Harrow Dubai Inaugural Intake vs. ~370 Business Plan, Two Months Before Opening [37]**

[7] Mordor Intelligence, UAE Private K-12 Education Market Size & Share Analysis (2026-2031).
[11] KHDA / Dubai Media Office, Dubai's private school sector records 6% enrolment growth in the 2024-25 academic year, January 2025.
[20] Alpen Capital, GCC Education Industry Report 2025, May 2025.
[37] Taaleem Holdings PJSC, 9M 2025/26 Earnings Call, 14 July 2026
[25] KHDA, Education Cost Index set at 2.35% for Dubai's for-profit private schools in 2025-26 academic year, 2 May 2025.

# OUR BUSINESS MODEL AND STRATEGY

Taaleem invests in, develops, and operates high-quality education assets with a strategy focused on delivering educational excellence while creating sustainable long-term value. Across our complementary verticals: premium K-12 schools, government partnership schools and premium early-years education, we combine operational expertise with disciplined capital allocation to strengthen our existing portfolio and invest selectively in future growth. Our strategy is built around four reinforcing pillars: Quality, Growth, Diversity and Sustainability. Together, these pillars shape how we allocate capital, run our schools and pursue growth.




**Disciplined capital allocation and operational excellence.**

## Quality

Quality is the foundation of everything we do. We are committed to educational standards that meet the expectations of students, parents, regulators, and partners. Our schools operate within rigorous academic frameworks across the British, IB, French, and American curricula, and are subject to the oversight of regulators such as KHDA and ADEK.

We invest continually in our people, through professional development for teachers and leaders, while fostering a culture of innovation and continuous improvement. During the year, our established digital infrastructure and operational protocols allowed us to maintain continuity of learning, enabling our schools to transition between on-campus and remote learning where required. We maintained a disciplined approach to staffing as enrolment grew, supporting the quality and consistency of the learning experience across our schools.

This is most evident at Harrow International School Dubai, where we appointed approximately 100 teachers from over 11,000 applications. The strength of interest enabled a highly selective process, allowing us to assemble an outstanding founding team and establish a high standard of teaching from the outset.

### ACCREDITATION

- British Schools in the Middle East (BSME)
- New England Association of Schools and Colleges
- International Baccalaureate Organisation
- Agence pour l'Enseignement Français à l'Étranger (AEFE)
- British Schools Overseas
- ISO 45001
- Council of International Schools (CIS)
- Council of British International Schools (COBIS)

**91.0%**

**Teacher retention**

**13.1x**

**Student-to-teacher ratio**

## Growth

Our growth strategy combines the ramp-up of capacity already created with disciplined investment in the next generation of premium and super-premium developments. We focus on increasing utilisation across our existing portfolio, accelerating recently opened and expanded schools towards maturity, and selectively developing new capacity in attractive locations and segments.

During the year, premium enrolment grew 11.1% and we added 2,274 seats of new capacity, led by the launch of Dubai British School (DBS) Mira and the expansion of DBS Emirates Hills, known as DBS Islands. Recently opened and expanded campuses continued to ramp up, providing further headroom for enrolment growth as utilisation matures.

We are expanding our early-years platform through our 95% interest in Kids First Group. The opening of two new nurseries during the year further extended the Group's presence across the UAE and Qatar, providing an additional avenue for growth and diversification across the education journey. Within Government partnerships, our strategy is focused on delivering high-quality education in support of national priorities through long-term partnerships with government entities. During the year, we commenced the new three-year term of our Abu Dhabi Charter Schools contract, covering the 2025/26 to 2027/28 academic years, continued the planned transition of the Ajyal schools and delivered strong enrolment growth across the Dubai Schools public-private partnership.

Alongside the ramp-up of existing capacity, we continue to invest selectively in future premium and super-premium growth. Harrow International School Dubai opened on 31 August 2026 under our exclusive GCC partnership with Harrow School, with Harrow International School Abu Dhabi to follow. Our premium development pipeline also includes DBS Ghaf Woods, planned to open in September 2028. Together, these developments provide further visibility over Taaleem's future capacity and growth runway.



## Diversity

Diversity is central to our identity. Our schools bring together students of more than 90 nationalities across British, IB, French and American curricula, fostering global citizenship and intercultural understanding while providing families with a broad choice of educational pathways.

Our commitment to diversity also extends to inclusion. We are committed to inclusive education and to ensuring that students with Special Educational Needs and Disabilities (SEND) receive the individualised support they need to participate fully and thrive within our schools.

Across our schools, approximately 11% of students receive SEND support, in line with and slightly above the 8 to 10% benchmark advocated by the KHDA. This provision is delivered by a dedicated inclusion workforce of 84 inclusion teachers, 120 inclusion support staff and 38 mental health counsellors across the Group. During the year, 67% of our schools were rated Very Good or Outstanding for inclusion and care and support under the inspection framework, and 87% of inspected schools were rated at least Good across all areas of inclusion and wellbeing.

We also strengthened consistency through the launch of our first group-wide Inclusion Dashboard, standardised SEND definitions, and the opening of a dedicated Alternative Provision at Uptown International School for students needing a more personalised pathway.

## Sustainability

Sustainability is integral to how we operate and create long-term value. As an education group, our impact extends across the students we educate, the people we employ and develop, the communities we serve and the environments in which we operate. We are committed to responsible environmental practices, positive social impact and high standards of governance, transparency and ethical conduct.

During the year, Taaleem published its first Communication on Progress under the United Nations Global Compact, reaffirming our commitment to internationally recognised principles on human rights, labour, environment and anti-corruption. We also introduced a unified Group-wide Child Protection and Safeguarding Policy across all our schools, supported by over 200 employees trained to advanced Level 3 Designated Safeguarding Lead standard, reflecting our continued focus on the wellbeing and protection of the students in our care. Our full FY2025/26 sustainability performance, initiatives and measurable outcomes are presented in the Sustainability section of this report.

# MANAGEMENT DISCUSSION & ANALYSIS

**1,312.9** AED mn

**Revenue**
(up 15.6% y-o-y)

**334.3** AED mn

**EBITDA**
(up 5.2% y-o-y)

**25.5%**

**EBITDA margin,**
(-2.5 pts y-o-y)

**127.2** AED mn

**Net profit after tax**
(down 22.0% y-o-y)

**0.13** AED

**EPS**
(down 18.8% y-o-y)

**1,641.6** AED mn

**Debt**
(up 23.7% y-o-y)

**1,239.0** AED mn

**Net debt**
(up 43.7% y-o-y)

## Revenue and enrolment

Operating revenue grew 15.6% to AED 1,312.9 million, driven primarily by the premium vertical, which contributed the substantial majority of total operating revenue. Premium revenue rose 12.4%, supported by an 11.1% increase in premium enrolment to 18,572 students and a 3.7% increase in average gross tuition fees. Fee growth reflected uplifts approved by KHDA and ADEK across the mature portfolio together with the natural progression of students into higher grade bands, partly offset by the mix effect of newly opened schools, where lower-grade cohorts are onboarded at entry-level fee points. The government partnership vertical grew 37.8%, led by the continued scale-up of Dubai Schools, Taaleem's tuition-based public-private partnership, which carries a higher revenue per student than the broader partnership portfolio. Notably, this revenue growth was achieved despite a planned reduction in government partnership capacity, underlining that this growth is led by enrolment and pricing quality rather than by footprint alone.

## Profitability and EBITDA evolution

EBITDA was AED 334.3 million, at a margin of 25.5%, with EBITDA per student rising 3.4% to AED 7,947 as the network scaled and operating efficiency improved. The premium vertical remained the principal source of earnings, while the government partnership vertical delivered a meaningful improvement in its EBITDA contribution as the higher-margin Dubai public-private partnership scaled. The blended margin moderated by 2.5 percentage points over the year, a movement that reflects the planned absorption of start-up and ramp-up costs at newly opened and expanded schools rather than any weakening of the underlying business. This pattern is characteristic of the J-curve that shapes new-school economics, in which costs are incurred ahead of full enrolment; as utilisation builds across recently launched campuses, Taaleem expects margin to recover and the operating leverage embedded in the platform to come through. Net profit after tax was AED 127.2 million, at a margin of 9.7%, with the year-on-year movement reflecting higher finance costs associated with funding its expansion, the ramp-up costs noted above, and a one-off revenue-recognition timing adjustment arising from the Ministry of Education's revised academic calendar. Profitability strengthened progressively over the year as newly added capacity matured, delivering a strong cumulative outcome.

## Utilisation across the holding

Utilisation improved across the holding company, with blended utilisation rising to 77.3%. In the premium vertical, utilisation reached 77.9% as enrolment growth outpaced the rate at which new capacity was added, even though newly opened schools begin their lives at lower initial occupancy and dilute the blended figure in the near term. In the government partnership vertical, the planned handover of selected schools reduced capacity but improved utilisation to 76.8%, leaving a more efficient and higher-quality portfolio. Taken together, rising enrolment and disciplined capacity management point to meaningful operating leverage as the more recently opened schools fill, since the incremental student carries a high contribution margin once a campus is established.

## The early-years platform

Taaleem's 95% interest in Kids First Group is accounted for as an equity investment under IAS 28. After purchase price allocation (PPA) adjustments, KFG contributed a share of loss of AED 4.3 million for the year, narrower than the AED 10.8 million loss recorded in FY2024/25, which reflected only the post-acquisition summer period. Performance during the year was affected by a temporary disruption to nursery operations linked to regional developments, with enrolment declining before beginning a steady recovery, supported by improving parent confidence and strong summer camp registrations. Kids First Group operates an asset-light, low capital intensity nursery network across the UAE and Qatar, a model that generates high-margin earnings with limited capital intensity and minimal depreciation, allowing operating profit to convert efficiently into net income and capital to be recycled quickly. Beyond its direct earnings contribution, the platform strengthens the wider economics by introducing families to Taaleem at the earliest stage and feeding enrolment into its K-12 schools, which supports long-term enrolment visibility across the portfolio.

## Accounting policy: useful life of buildings

During the prior financial year, Taaleem revised the estimated useful life of its owned school buildings from 30 to 50 years, better reflecting the long economic life of these purpose-built assets and aligning depreciation with the durable nature of its property portfolio. The change is non-cash and continues to support retained earnings and, in turn, the Group's capacity to fund growth and deliver returns to shareholders over time, with the favourable impact expected to increase as additional owned assets are added to the Group's portfolio.

## Capital allocation, balance sheet and cash flow

Following an acquisition-led investment cycle, Taaleem's capital expenditure has shifted decisively towards organic development and is expected to moderate as its major projects complete. Capital expenditure for the year was AED 614.3 million, predominantly expansionary and directed at new schools and capacity additions, with maintenance capital expenditure remaining modest. Total assets stood at AED 4,538.7 million and shareholders' equity at AED 1,752.5 million. Net debt was AED 1,239 million, reflecting drawdowns to fund the expansion pipeline alongside the deployment of cash reserves during the year. Leverage remained comfortably within covenant thresholds throughout the year. Taaleem manages its capital structure with discipline, balancing continued investment in growth against the need to preserve liquidity, financial flexibility and a resilient balance sheet, so that the next phase of growth can be funded without compromising the Group's financial position.

## Outlook

Looking to the year ahead, Taaleem expects capital intensity to normalise as utilisation improves and recently opened schools mature, which should support stronger cash generation. Management's financial priorities are to bring new capacity to full utilisation, to invest selectively in technology and in the development pipeline, and to maintain a disciplined approach to funding. Full-year guidance was updated during the year to reflect the temporary impact of regional disruption on the early-years platform, together with the one-off revenue-recognition timing adjustment noted above; neither factor alters management's confidence in the underlying strength of the K-12 business or its long-term growth strategy. Harrow International School Dubai opened on 31 August 2026 with strong early registration momentum and faculty recruitment complete ahead of launch, marking the start of the next phase of premium growth, with further capacity additions expected to follow across the medium term as the committed pipeline is delivered.



# OUR PORTFOLIO

## Portfolio at a glance

### 14 Premium Schools

#### UK National Curriculum

- DUBAI BRITISH SCHOOL JUMEIRAH PARK
- DUBAI BRITISH SCHOOL JUMEIRAH PARK FOUNDATION
- DUBAI BRITISH SCHOOL EMIRATES HILLS
- DUBAI BRITISH SCHOOL JUMEIRA
- DUBAI BRITISH SCHOOL MIRA
- DUBAI BRITISH SCHOOL ISLANDS
- Jebel Ali School

#### IB Curriculum

- GREENFIELD INTERNATIONAL School
- JUMEIRA BACCALAUREATE School
- RAHA INTERNATIONAL SCHOOL Khalifa City Campus
- RAHA INTERNATIONAL SCHOOL Gardens Campus
- UPTOWN INTERNATIONAL School

#### French Curriculum

- LYCEE LIBANAIS FRANCOPHONE PRIVÉ MEYDAN

#### American Curriculum

- AMERICAN ACADEMY FOR GIRLS

### 2 Super-Premium Schools

#### UK National Curriculum

- HARROW SCHOOL Dubai
- HARROW SCHOOL Abu Dhabi — COMING SOON

### 36 KFG Nurseries

#### Montessori

- Redwood MONTESSORI NURSERY
- Children's Oasis

#### UK EYFS

- willow CHILDREN'S NURSERY

#### Reggio Emilia

- ODYSSEY NURSERY
- Ladybird

#### IB PYP

- Redwood CENTER OF EXCELLENCE

### 23 Government Partnership Schools

- مدارس دبي DUBAI SCHOOLS
- وزارة التربية والتعليم MINISTRY OF EDUCATION
- مدارس الشراكات التعليمية CHARTER SCHOOLS

**4**
**Curricula**

**1,754**
**Teachers**

| | Capacity | Enrolled |
|---|---|---|
| Premium K-12 Schools | 23,848 (+10.5% YoY) | 18,572 Students (+11.1% YoY) |
| KFG Nurseries | 6,397 (+6.8% YoY) | 4,642 Students (-6.6% YoY) |
| Government Partnership Schools | 30,599 (-8.8% YoY) | 23,497 Students (-4.7% YoY) |

# Premium K-12 schools

Premium K-12 schools are the core driver of value, contributing most of the operating revenue across the British, IB, French and American curricula.

Premium enrolment, average gross tuition fees and utilisation are set out at segment level in the Management Discussion and Analysis section.

**14**
**Premium Schools**

**18,572**
**Enrolment**

**77.9%**
**Utilisation**

**61,070**
**Average Gross Tuition Fee**

**330.2**
**EBITDA Contribution**







# British Curriculum Schools

## Dubai British School - Jumeirah Park

DUBAI BRITISH SCHOOL JUMEIRAH PARK

**28,614 sqm**
Campus Size

**Y1 to Sixth Form**
Grades Served

**6-18**
Age Group Served

**Outstanding**
Rating by KHDA & BSO

**1,840**
Student capacity

**100%**
Utilisation

**Accreditations and memberships**

Member of BSME and BSO; BSO accreditation Outstanding

**Awards**

Platinum Award, Best Place to Work survey; winner of MENA Schools Excellence Awards for Staff Wellbeing; White Rose Education Champion for Mathematics





### FACILITY HIGHLIGHTS

- Art and Music Studios
- Science Laboratories
- Sports Halls
- Astroturf Pitches
- Design Technology Suite
- ICT and Technology Labs
- Food Technology Lab
- Drama and Dance Studio
- Performing Arts Auditorium
- Eight-Lane Indoor Swimming Pool
- Tennis Courts







# British Curriculum Schools

## Dubai British School - Jumeirah Park Foundation

DUBAI BRITISH SCHOOL JUMEIRAH PARK FOUNDATION

**5,856 sqm**
Campus Size

**FS1 & FS2**
Grades Served

**3-5**
Age Group Served

**Outstanding**
KHDA, latest published cycle

**308**
Student capacity

**100%**
Utilisation

### Accreditations and memberships

Member of BSME; Early Excellence and BSO accreditation Outstanding

### Awards

Early Excellence Award; Platinum, Best Schools to Work survey




## FACILITY HIGHLIGHTS

- Multi-Purpose Indoor Hall
- State-of-the-Art Classrooms
- Shaded Swimming Pool
- Health Centre
- Shaded Outdoor Play Area
- Solar Panels
- Outdoor Bicycle Track
- Library
- Sensory Room
- Specialist Music Room









# British Curriculum Schools

## Dubai British School - Emirates Hills

DUBAI BRITISH SCHOOL EMIRATES HILLS

**19,247 sqm**
Campus Size

**Year 3 to Sixth Form**
Grades Served

**9-18**
Age Group Served

**Outstanding**
KHDA, latest published cycle

**1,168**
Student capacity

**94.1%**
Utilisation

### Accreditations and memberships

Member of BSME and BSO; BSO accreditation Outstanding; BTEC approved centre; Member of the Alliance for Sustainable Schools

### Awards

Gold, Best Schools to Work survey





## FACILITY HIGHLIGHTS

- Art and Music Studios
- Science Laboratories
- STEAM Laboratory
- Library
- Performing Arts Auditorium
- Swimming Pool
- Sports Hall
- Astroturf Pitches
- Outdoor Play Areas
- Fitness Gym
- Sixth Form centre
- Cafeteria









# British Curriculum Schools

## Dubai British School - Islands

DUBAI BRITISH SCHOOL ISLANDS

**7,068 sqm**
Campus Size

**Rising 3s to Year 2**
Grades Served

**3-8**
Age Group Served

**Outstanding**
KHDA, latest published cycle

**418**
Student capacity

**98.8%**
Utilisation





### FACILITY HIGHLIGHTS

- A Purpose-built early-years learning spaces
- Swimming pol
- Sports facilities
- Outdoor play areas
- Parent café
- Inclusion support rooms
- Medical clinic









# British Curriculum Schools

## Dubai British School - Jumeira

DUBAI BRITISH SCHOOL JUMEIRA

**25,000 sqm**
Campus Size

**3s to Sixth Form***
Grades Served

**2-18**
Age Group Served

**Not yet inspected**

**1,852**
Student capacity

**45.8%**
Utilisation

### Accreditations and memberships

Member of BSME and BSO

### Awards

LEED Gold (Leadership in Energy and Environmental Design); Platinum, Best Schools to Work survey; Highly commended, Identity Design Awards




*The grades operating are FS1-Y7

### FACILITY HIGHLIGHTS

- Modern Classrooms
- Black Box Auditorium
- Interactive Learning Spaces
- Knowledge Hub
- Library
- Swimming Pools
- Tennis Courts
- Natural Grass Pitch
- Gym
- Sixth Form Centre










# British Curriculum Schools

## Dubai British School - Mira

DUBAI BRITISH SCHOOL MIRA

**28,481 sqm**
Campus Size

**FS1 to Sixth Form***
Grades Served

**3-18**
Age Group Served

**Not yet inspected**
New school (launched AY2025/26)

**1,856**
Student capacity

**37.5%**
Utilisation

*The grades operating are FS1-Y6






## FACILITY HIGHLIGHTS

- Food Tech Lab
- Indoor Swimming Pool
- FS Breakout Area
- Outdoor Play Areas
- Outdoor Football Pitch
- Sports Halls
- Libraries
- Black Box Theatre
- Fitness Gym
- Science Lab
- Music Room










# British Curriculum Schools

## Jebel Ali School

Jebel Ali School

**33,032 sqm**
Campus Size

**FS1 to Sixth Form**
Grades Served

**3-18**
Age Group Served

**Inspection rating**
Very Good (KHDA); Outstanding (BSO)

**2,086**
Student capacity

**99.9%**
Utilisation

**Accreditations and memberships**
Member of BSME; BTEC approved centre

**Awards**
MENA Excellence in Early Years Education Award



### FACILITY HIGHLIGHTS

- Indoor and Outdoor Sports Facilities
- Indoor Multi-Purpose Hall
- Outdoor Football Pitch
- Swimming Pools
- Performing Arts Auditorium
- Art and Music Studios
- Thrive Centre (Inclusion Suite) and Sensory Rooms
- Science Laboratories
- ICT and Technology Labs
- Design and Food Technology Rooms
- STEAM Room
- Fitness Gym
- Sixth Form Centre









# British Curriculum Schools

## Dubai British School - Ghaf Woods (Coming soon)

DUBAI BRITISH SCHOOL
GHAF WOODS

**Under Construction**

**FS1 to Sixth Form**
Grades Served

**3-18**
Age Group Served

**1,800**
Student capacity



# International Baccalaureate (IB) Schools

## Greenfield International School

GREENFIELD INTERNATIONAL School

**42,078 sqm**
Campus Size

**Pre-KG to Grade 12**
Grades Served

**3-18**
Age Group Served

**Very Good**
(KHDA, latest published cycle)

**2,136**
Student capacity

**91.5%**
Utilisation

### Accreditations and memberships

Accredited by CIS and NEASC; fully accredited IB World School; BTEC approved

### Awards

Silver, Best School to Work





## FACILITY HIGHLIGHTS

- ICT Labs
- Science Laboratories
- Food Technology Lab
- Performing Arts Auditorium
- Music and Drama Studios
- Arts Studios
- Sports Hall
- Astroturf Pitches
- Swimming Pool
- Tennis and Netball Courts
- Fitness Gym









# International Baccalaureate (IB) Schools

## Uptown International School

UPTOWN INTERNATIONAL School

**62,428 sqm**
Campus Size

**Pre-KG to Grade 12**
Grades Served

**6 months to 18**
Age Group Served

**Very Good**
(KHDA, latest published cycle)

**2,150**
Student capacity

**71.5%**
Utilisation

### Accreditations and memberships

Fully accredited IB World School; BTEC approved centre

### Awards

Gold, Best Schools to Work survey; UAE Digital Sustainability Stamp; awarded the Wellbeing Award for Schools




### FACILITY HIGHLIGHTS

- Science Laboratories
- Arts Studios
- ICT and Technology Labs
- Food and Design Technology Lab
- Indoor Swimming Pool
- Astroturf Pitches
- Fitness Gym
- Tennis Courts
- Padel Courts
- Outdoor Play Areas










# International Baccalaureate (IB) Schools

## Jumeira Baccalaureate School

JUMEIRA BACCALAUREATE School

**31,426 sqm**
Campus Size

**Pre-KG to Grade 12**
Grades Served

**3-19**
Age Group Served

**Very Good**
(KHDA, latest published cycle)

**1,730**
Student capacity

**94.8%**
Utilisation

### Accreditations and memberships

Fully accredited IB World School; Member of IBO and the TASS group; CIS re-accreditation completed; KiVa-approved centre for the anti-bullying programme

### Awards

Silver, Best Schools to Work survey






## FACILITY HIGHLIGHTS

- ICT Labs
- Science Laboratories
- Dance Studio
- Music Hall
- Arts Studio
- Design Technology Suite
- Multi-purpose Sports Halls
- Full-Size Grass Field
- Swimming Pool
- Roof Top Tennis Courts
- Padel Courts









# International Baccalaureate (IB) Schools

## Raha International School, Gardens Campus

RAHA INTERNATIONAL SCHOOL
Gardens Campus

**46,802 sqm**
Campus Size

**K to 12**
Grades Served

**3-18**
Age Group Served

**Very Good**
(ADEK, 2025/26 cycle)

**2,244**
Student capacity

**99.1%**
Utilisation

### Accreditations and memberships

Member of IBO and CIS; fully accredited IB World School

### Awards

Silver, Best Schools to Work survey; won Best Inclusive School at the MENA Schools Excellence Awards




## FACILITY HIGHLIGHTS

- Science Laboratories
- Performing Arts Auditorium with Orchestra Pit
- Digital and Product Design Studios
- Music and Drama Suite
- Arts Studios
- Sports Hall
- Football Pitches
- Swimming Pool and Training Pool
- Tennis Courts
- Library
- Early Years Playground









# International Baccalaureate (IB) Schools

## Raha International School, Khalifa City Campus

RAHA INTERNATIONAL SCHOOL
Khalifa City Campus

**35,035 sqm**
Campus Size

**Pre-KG to Grade 12**
Grades Served

**3-18**
Age Group Served

**Good**
(ADEK, latest published cycle)

**3,040**
Student capacity

**65.4%**
Utilisation

### Accreditations and memberships

Member of IBO and CIS; fully accredited IB World School

### Awards

ADEK Standardised Benchmark Assessment Award




## FACILITY HIGHLIGHTS

- Indoor Swimming Pools
- Tennis Courts
- Fully Equipped Gymnasium
- Football Pitches and Sports
- Science Labs
- Product And Digital Design Studios
- Diploma Programme Suite (Oasis)
- Libraries
- Early Years Playground
- Cafeteria
- Fully Equipped Drama Studio









# French Curriculum Schools

## Lycée Libanais Francophone Privé Meydan

LYCEE LIBANAIS
FRANCOPHONE PRIVÉ
MEYDAN

**35,700 sqm**
Campus Size

**Pre-K to Grade 12**
Grades Served

**3-18**
Age Group Served

**Very Good**
(KHDA, latest published cycle)

**2,070**
Student capacity

**65.6%**
Utilisation

### Accreditations and memberships

AEFE accreditation (Agence pour l'Enseignement Français à l'étranger)

### Awards

Award for Sustainable Design; award-winning architecture by Dorsch Gruppe



### FACILITY HIGHLIGHTS

- Green Campus Buildings
- Solar Panels
- Environmentally Friendly Design
- Auditorium
- Sports Halls
- Full-Size Football Field
- Playgrounds
- Tiered Facilities
- Science and Technology Labs
- Music Rooms
- Art Rooms
- Libraries
- Hydroponic and Glass House Plantation









# American Curriculum Schools

## American Academy for Girls

AMERICAN ACADEMY FOR GIRLS

**12,051 sqm**
Campus Size

**Pre-K to Grade 12**
Grades Served

**3-18**
Age Group Served

**Good**
(KHDA, latest published cycle)

**950**
Student capacity

**58.8%**
Utilisation

### Accreditations and memberships

Accredited by CIS and NEASC

### Awards

Platinum, Best Schools to Work survey




### FACILITY HIGHLIGHTS

- Science Laboratories
- Music Suite
- Sports Hall
- Cafeteria
- Outdoor Play Areas
- Art Studios
- Astroturf Pitch
- Swimming pool
- Library
- Sensory rooms









# Super-premium schools: the Harrow partnership

Taaleem holds the rights to the Harrow brand across the GCC. Harrow International School Dubai, the Group's first super-premium school, has now opened with registrations ahead of the business plan, and will be followed by Harrow International School Abu Dhabi. A further premium campus is planned at Ghaf Woods. Together these projects anchor Taaleem's premium growth pipeline, with approximately 7,000 premium seats added in recent years and a further 1,800 seats expected through to AY2027/28.

## Harrow International School Dubai

### Newly operating: first academic year AY2026/27

HARROW INTERNATIONAL SCHOOLS

**50,000 sqm**
Campus Size

**FS1 to Sixth Form***
Grades Served

**3 -18**
Age Group Served

**Not yet inspected**
(New school)

**1,800**
Student capacity

**22.0%**
Utilisation

**Accreditations and memberships**

Operated under Taaleem's GCC rights to the Harrow brand

*The grades operating are FS1-G6



# Harrow International School Abu Dhabi
(Coming soon)

HARROW INTERNATIONAL SCHOOLS
Abu Dhabi

**70,369 sqm**
Campus Size
(Under Construction)

**FS1 to Sixth Form**
Grades Served

**3-18**
Age Group Served

**1,800**
Student capacity



# Government partnerships

Taaleem operates government partnership schools under long-term agreements with public sector entities, including the Department of Education and Knowledge in Abu Dhabi (Charter Schools), the Knowledge Fund Establishment (Dubai Schools) and the Ministry of Education (Ajyal Schools). Within this vertical, the Dubai public-private partnership delivered strong enrolment growth during the year. The Abu Dhabi Charter Schools contract was renewed for a further three-year term, and the Ajyal portfolio was streamlined through planned handovers with the Ministry of Education, alongside the addition of Al Kharran Primary School from Aldar. Although capacity in this vertical reduced, utilisation improved to 76.8%, reflecting a more efficient and higher-quality portfolio.

**23,497**

Total Students Enrolled
(-4.7% y-o-y)

**76.8%**

Utilisation
(+3.3 pts y-o-y)

**15.0%**

Revenue Contribution
(+2.4 pts y-o-y)

**23**

Total PPP Schools

**3**

Dubai Schools (PPP)

**15**

Abu Dhabi Charter Schools

**5**

MoE Ajyal Schools

مـــدارس دبـــي
DUBAI SCHOOLS

مدارس الشراكات التعليمية
CHARTER SCHOOLS

وزارة التربية والتعليم
MINISTRY OF EDUCATION



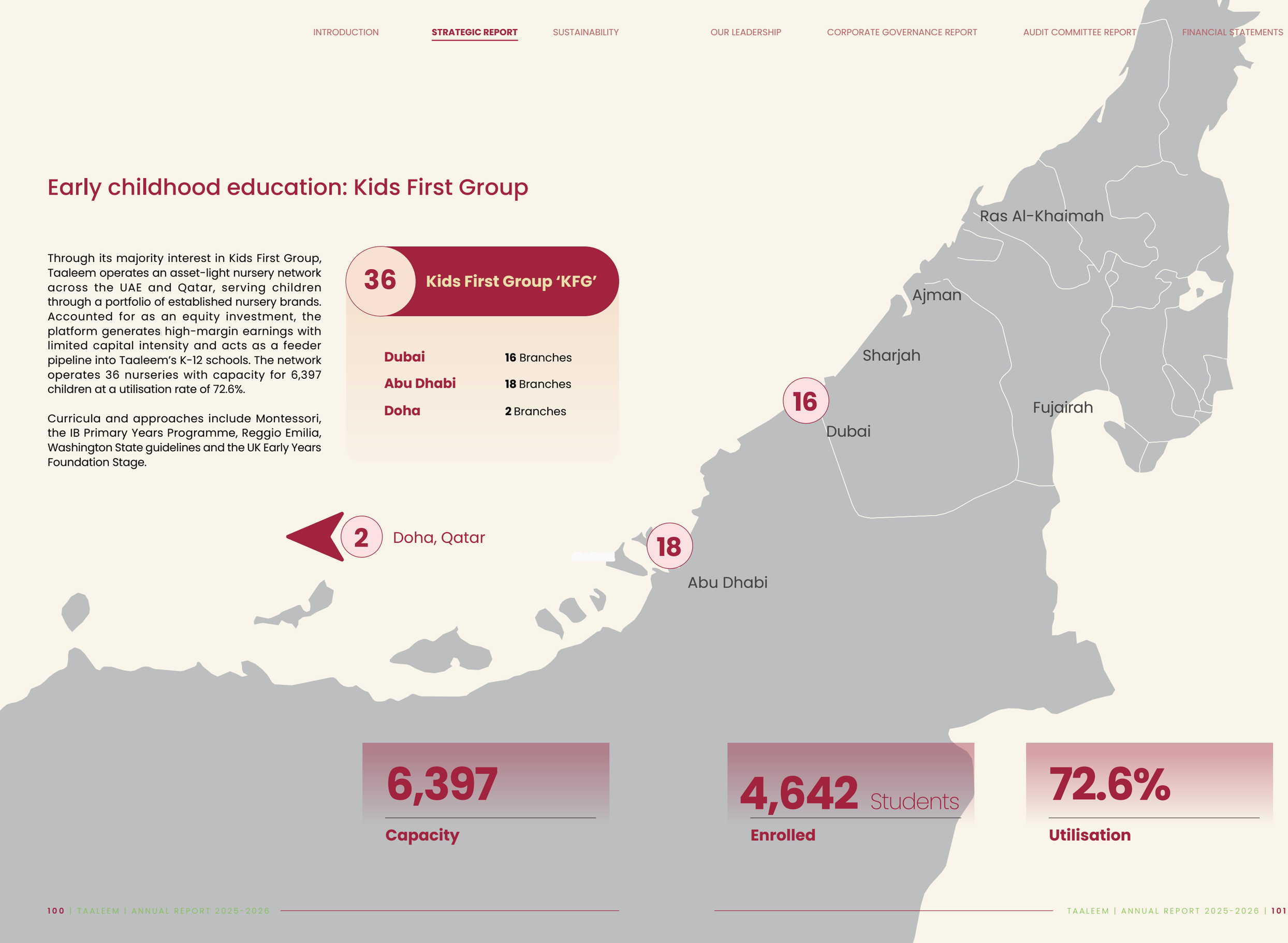
# Early childhood education: Kids First Group

Through its majority interest in Kids First Group, Taaleem operates an asset-light nursery network across the UAE and Qatar, serving children through a portfolio of established nursery brands. Accounted for as an equity investment, the platform generates high-margin earnings with limited capital intensity and acts as a feeder pipeline into Taaleem's K-12 schools. The network operates 36 nurseries with capacity for 6,397 children at a utilisation rate of 72.6%.

Curricula and approaches include Montessori, the IB Primary Years Programme, Reggio Emilia, Washington State guidelines and the UK Early Years Foundation Stage.

**36** **Kids First Group 'KFG'**

| | |
|---|---|
| **Dubai** | **16** Branches |
| **Abu Dhabi** | **18** Branches |
| **Doha** | **2** Branches |




**6,397**
**Capacity**

**4,642** Students
**Enrolled**

**72.6%**
**Utilisation**

# KFG Nurseries



## Redwood (Dubai)

| 6 | 3M to 6Y | Montessori<br>Centre of Excellence | 1,414 |
|---|---|---|---|
| Number of nurseries | Ages served | Curriculum | Student capacity |

83.5%

Utilisation





## Redwood (Abu Dhabi)



| 11 | 3M to 6Y | Montessori | 2,170 |
|---|---|---|---|
| Number of nurseries | Ages served | Curriculum | Student capacity |

64.7%

Utilisation





Redwood MONTESSORI NURSERY



## Redwood (Doha)

2
Number of nurseries

3M to 6Y
Ages served

Montessori
Centre of Excellence
Curriculum

265
Student capacity

98.0%
Utilisation





ODYSSEY NURSERY



## Odyssey (Dubai)

6
Number of nurseries

3M to 6Y
Ages served

Reggio Emilia
Curriculum

914
Student capacity

64.4%
Utilisation







## Odyssey (Abu Dhabi)

| 6 | 3M to 6Y | Reggio Emilia | 860 |
|---|---|---|---|
| Number of nurseries | Ages served | Curriculum | Student capacity |

79.8%

Utilisation







## Willow Children's Nursery (Dubai)

| 3 | 3M to 6Y | UK EYFS | 473 |
|---|---|---|---|
| Number of nurseries | Ages served | Curriculum | Student capacity |

69.2%

Utilisation







## Ladybird (Abu Dhabi)

| 1 | 3M to 6Y | Reggio Emilia | 125 |
|---|---|---|---|
| Number of nurseries | Ages served | Curriculum | Student capacity |

75.0%

Utilisation







## Children's Oasis (Dubai)

| 1 | 3M to 6Y | Montessori | 176 |
|---|---|---|---|
| Number of nurseries | Ages served | Curriculum | Student capacity |

58.0%

Utilisation





# STOCK INFORMATION

Listed on the Dubai Financial Market (DFM) since 29 November 2022. All information is as of 31 August 2026.

## Share Price Performance

Taaleem's shares ended FY2025/26 at AED 3.10, 27.7% below the level at the start of the financial year and 3.3% above the IPO price. Over the same period, the shares traded between a 52-week high of AED 4.69 and a 52-week low of AED 2.74.

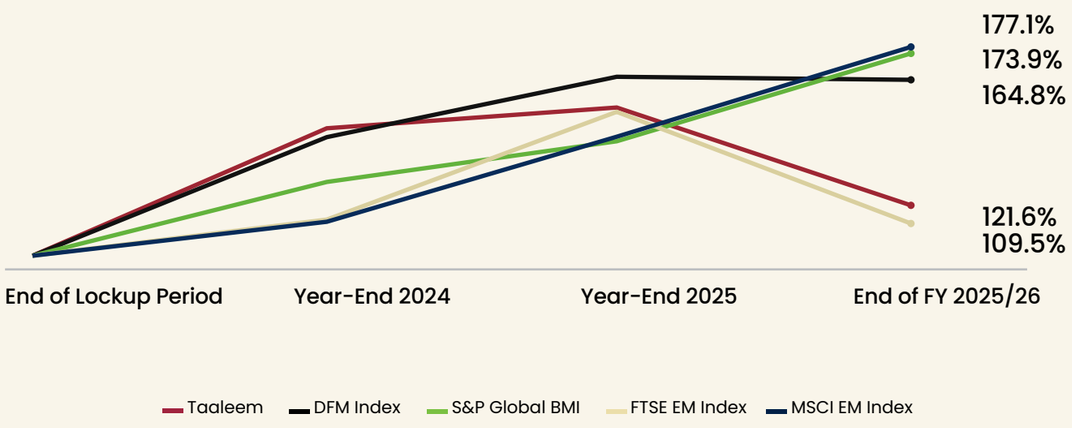
**AED 3.10**
Share Price
(-27.7% YoY | +3.3% since IPO)

**AED 4.72**
Target Price Average
(52.2% upside)

**AED 4.69**
52 W High

**AED 2.74**
52 W Low

## SHARE PRICE PERFORMANCE

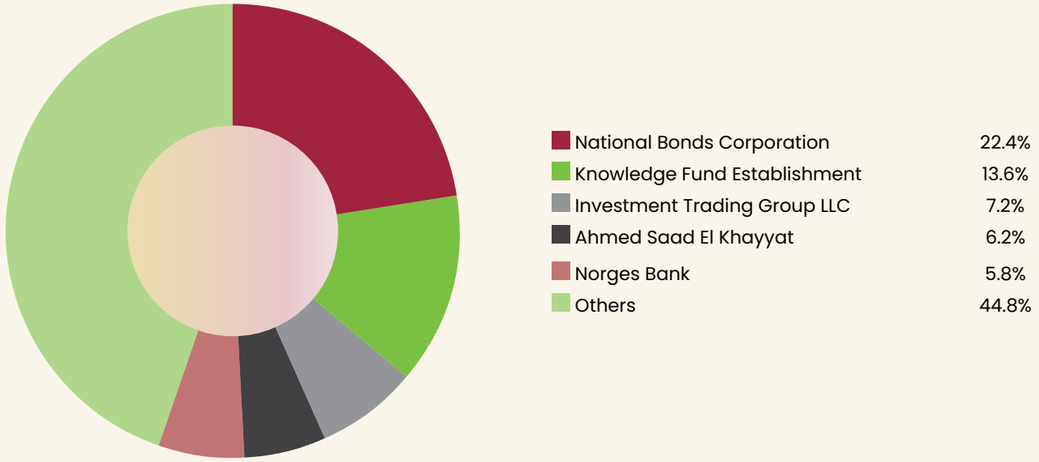



## Performance vs. Key Indices

| Index | (End of Lockup) (28 May 2023) | Year-End 2024 | Year-End 2025 | End of FY2025/26 |
|---|---|---|---|---|
| TAALEEM | 100.0 | 146.3 | 154.4 | 121.6 |
| DFM Index | 100.0 | 145.6 | 170.6 | 164.8 |
| S&P Global BMI | 100.0 | 127.5 | 153.2 | 173.9 |
| FTSE EM Index | 100.0 | 110.8 | 152.1 | 109.5 |
| MSCI EM Index | 100.0 | 110.7 | 144.5 | 177.1 |

## Shareholder Structure as of 31 August 2026

Diversified shareholder base with strong institutional trust.



## Dividends Policy

Since its IPO, Taaleem has upheld a consistent dividend policy, providing shareholders with reliable returns while maintaining the flexibility to support long-term growth. For FY2025/26, the Board of Directors has proposed a cash dividend of AED 0.12 per share (AED 120 million in aggregate), representing a payout ratio of 94.3% of net profit attributable to equity holders), subject to shareholder approval at the forthcoming Annual General Assembly.

| Financial Year | Type | Dividend (AED/Share) | Ex-Dividend Date | Payment Date |
|---|---|---|---|---|
| **2025–26** | Annual | 0.12 | TBA | TBA |
| **2024–25** | Annual | 0.15 | 5 Dec 2025 | 23 Dec 2025 |
| **2023–24** | Annual | 0.12 | 14 Nov 2024 | 26 Nov 2024 |
| **2022–23** | Annual | 0.11 | 9 Nov 2023 | 21 Nov 2023 |

**3.9%**

Dividend Yield FY2025/26

## Analyst Coverage

Covered by top-tier analysts with progressively strong target prices.

| Institution | Target Price | Upside vs. 31 Aug 2026 | Issue Date |
|---|---|---|---|
| **Emirates NBD Securities** | AED 4.08 | 31.6% | 17 Sep 2026 |
| **EFG Hermes** | AED 5.60 | 80.6% | 24 Feb 2026 |
| **Arqaam Capital** | AED 6.00 | 93.5% | 17 Dec 2025 |
| **SICO** | AED 5.20 | 67.7% | 26 Sep 2024 |

## Investor Relations

Taaleem maintains an active investor relations programme, engaging consistently with the investment community and holding membership in the Middle East Investor Relations Association (MEIRA). During FY2025/26, the investor relations department facilitated meetings with key global and regional investors and analysts, alongside the preparation and presentation of quarterly earnings. The Company was also represented in conferences across Dubai, Abu Dhabi and international financial centres.



### Investor Relations Contact

**Nora Ghannam**
Head of Investor Relations
ir@taaleem.ae
+971-50-114-2365

# SUSTAINABILITY

03

# ESG AT A GLANCE

During 2025–2026, Taaleem continued to strengthen the integration of ESG across its operations, schools, and governance. Key areas of progress included enhanced ESG oversight and reporting, completion of the Group's first comprehensive climate risk assessment, continued investment in employee and student wellbeing, strengthened safeguarding and cybersecurity, and the expansion of sustainability initiatives across the school network.

## Environmental

**82,966 $tCO_2e$**
**Total GHG Emissions**
+51.3% YoY*

**324,630.20 GJ**
**Total Energy Consumption**
-30.5% YoY

**13,588.11 GJ**
**Renewable Energy Generated**

**382,114.58 $m^3$**
**Water Withdrawal**
+15.46% YoY*

**2,079,677.92 kg**
**Waste Generated**
-14.6% YoY

**2.74%**
**Waste Diverted From Landfill**

**40,111 $tCO_2e$**
**Combined Scope 1 and 2 emissions**
-11.0% YoY

**1.84 $tCO_2e$/person****
**Emissions Intensity**

**7.21 GJ/person****
**Energy Intensity**

*The increases mainly reflect wider Scope 3 coverage, the construction of Harrow International School Dubai, included in the 2025/26 data ahead of its September 2026 opening, and the expansion of Dubai British School Mira. Combined Scope 1 and 2 emissions fell by around 11%.

**Person refers to the total number of staff and students.

## Social

**42,069**
**Students**

**3,167**
**Employees**

**90**
**Nationalities Represented Across The Workforce**

**78.2%**
**Female Workforce**

**66.9%**
**Female Representation Across Senior-To-Executive Levels**

**1,060**
**New Hires**

## Governance

**100%**
**Board Certified Compliance With The Code Of Conduct**

**100%**
**Employees completed Ethics and Code of Conduct training**

**100%**
**Board Members And Employees Received Anti-Corruption Training**

**74.3%**
**Uae-based suppliers**

**0**
**Confirmed Incidents Of Corruption**

**0**
**Data Privacy Breaches**

## 2025–2026 Milestones

Beyond the headline indicators, the year marked several important developments in Taaleem's ESG journey:

- Completed the Group's first comprehensive climate risk assessment, supporting the integration of climate considerations into risk management and resilience planning.
- Introduced a unified Group-wide Child Protection and Safeguarding Policy across all schools.
- Published Taaleem's first Communication on Progress under the United Nations Global Compact.
- Continued digitalisation of procurement and strengthened supplier governance and compliance monitoring.
- Strengthened ESG governance and reporting, including quarterly ESG performance reviews at Board level.
- Expanded sustainability education and student-led environmental initiatives across Taaleem's school network.



# OUR MATERIAL ESG PRIORITIES

## Stakeholder Engagement List

| Stakeholder Engagement Mapping, Approach and Frequency | | |
|---|---|---|
| **Stakeholder Group** | **Engagement Methods** | **Frequency** |
| **Board of Directors** | Board meetings with ESG agenda | Quarterly |
| **Investors & Shareholders** | Annual General Meeting (AGM), earnings calls, investor presentations, one-on-one meetings, conferences, Investor Relations website, and email | Quarterly to annually |
| **School Leaders** | "YourVoice" employee survey, "T4" survey, workshops | Periodic/Termly |
| **Teachers & Staff** | Surveys, school councils, sustainability clubs, ESG projects | Annual (survey) |
| **Students** | Newsletters, feedback forums/surveys, town halls, emails | Monthly to quarterly |
| **Parents & Guardians** | Regulatory meetings, inspections, audits, policy consultations, regulatory submissions | Quarterly |
| **Regulators (ADEK, KHDA, DFM, CMA)** | Supplier onboarding, assessments, contractual reviews | Ad hoc |
| **Vendors & Partners** | School events, volunteering programmes, partnerships | Ongoing and as required |
| **Local Communities** | School events, volunteering programmes | Ongoing |

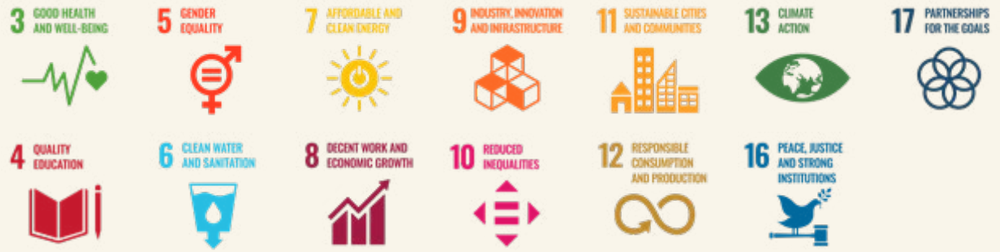


## Material Topics

The materiality assessment helps Taaleem focus on its most significant ESG priorities, supporting informed decision-making and long-term value creation. The material ESG priorities of Taaleem for the reporting period are as follows:

| Materiality Grading | Material Topics | ESG Category | X-Axis | Y-Axis |
|---|---|---|---|---|
| **Major** | Board Leadership & Accountability | Governance | 4.29 | 3.99 |
| | Enterprise Risk & Whistleblower Protection | Governance | 3.96 | 3.66 |
| | Sustainable & Responsible Procurement | Social | 4.4 | 3.96 |
| | Holistic Student Well-being & Safety | Social | 4.07 | 4.09 |
| | Data Privacy | Governance | 3.99 | 4.00 |
| | Safe & Supportive Workplaces | Social | 4.19 | 4.16 |
| | Global Safety Standards & Employee Well-being | Social | 4.14 | 3.93 |
| | Climate Action & Carbon Neutrality | Environmental | 3.66 | 3.88 |
| | Secure & Responsible Digital Transformation | Governance | 4.29 | 4.20 |
| **Significant** | Ethical Governance & Financial Integrity | Governance | 3.45 | 4.17 |
| | Fair & Equitable Workforce | Social | 3.74 | 3.52 |
| | Inclusive & Multicultural Education | Social | 3.72 | 3.63 |
| | Climate Resilience & Disaster Preparedness | Environmental | 3.70 | 3.67 |
| | Sustainable Community & Stakeholder Engagement | Social | 3.85 | 3.72 |
| **Moderate** | AI Ethics & Cybersecurity in Education | Governance | 3.66 | 3.62 |
| | Innovative & Inclusive Education | Social | 3.46 | 3.68 |
| | Green Infrastructure & Resource Management | Environmental | 3.61 | 3.59 |
| | Parental & Stakeholder Engagement in ESG | Governance | 3.59 | 3.72 |

## Aligned UN SDGs






# GOVERNANCE & RESPONSIBLE BUSINESS

Taaleem's governance framework supports responsible growth through clear oversight, effective risk management, and strong accountability. ESG responsibilities are embedded across the Board, executive management, and operational functions, with quarterly ESG and risk reporting supporting informed decision-making and long-term resilience.

**100%**

Employees acknowledged ethics and anti-bribery commitments

**0**

Cybersecurity breaches

**26.5** AED mn

Invested in technology and digitisation

**74.3%**

UAE-based suppliers

## Ethics, Risk and Accountability

Taaleem maintains a comprehensive ethics and compliance framework supported by policies, internal controls, regulatory monitoring, employee training, and independent reporting mechanisms. The Group's Enterprise Risk Management framework integrates strategic, operational, financial, compliance, ESG and climate-related risks, while Business Continuity Management supports preparedness for potential operational disruptions.

Employees and other stakeholders can raise concerns through multiple reporting channels, including an independently managed whistleblowing platform. During the reporting period, 9 whistleblowing reports were received, with 100% of governance-related grievances addressed or resolved.

## Digital Trust and Responsible Technology

Taaleem continues to strengthen information governance and cyber resilience through enterprise-wide security controls, data protection policies, and employee awareness programmes. Microsoft Purview Data Loss Prevention was implemented across the Group's Microsoft 365 environment, while Taaleem's Artificial Intelligence in Education Policy provides a framework for the safe, ethical, and responsible use of AI across its schools.

## Responsible Supply Chain and Safeguarding

Taaleem engaged 926 suppliers, including 688 UAE-based suppliers, with total procurement spend of AED 616.6 million during the reporting period. Supplier onboarding and management incorporate requirements covering ethical conduct, safeguarding, health and safety, labour and human rights, environmental responsibility, and data protection. Procurement governance is also being strengthened through digitalised approval workflows and enhanced supplier monitoring.

Student protection remains a core governance priority. All schools operate under a unified Group-wide Child Protection and Safeguarding Policy, supported by Designated Safeguarding Leads, monthly governance reviews, annual audits, and the Child Protection Online Monitoring System. More than 200 employees have completed advanced Level 3 Designated Safeguarding Lead training.



# CLIMATE & ENVIRONMENTAL PERFORMANCE

## Embedding Sustainability Across Operations

Taaleem continues to embed sustainability across its operations and campuses, aligned with UAE sustainability priorities and its support for the UAE's Net Zero 2050 strategic initiative. During the reporting period, the Group strengthened climate resilience, resource efficiency, and environmental monitoring through digital and AI-enabled solutions.

- **Climate Risk Assessment:** Completed the Group's first comprehensive assessment of physical and transition climate risks and opportunities, supporting resilience planning and enterprise risk management.
- **AI-Enabled Indoor Air Quality Monitoring:** Expanded real-time monitoring across the UK and IB school clusters to support healthier indoor environments and HVAC optimisation.
- **Indoor Air Quality Certifications:** 11 sites across the UK and IB clusters achieved Gold Certification, and Jebel Ali School received Platinum Certification through the ClimaCert-X AI platform.
- **Sustainability Integration:** Continued initiatives across energy, water, waste, and sustainability education through solar solutions, building optimisation, Eco-Clubs, recycling, and conservation programmes.



## Emissions and Energy Management

Taaleem continues to improve energy efficiency and manage GHG emissions through solar installations, HVAC optimisation, energy audits, building-performance improvements, and motion-activated lighting. Total emissions increased by 51.3% year on year, driven mainly by wider Scope 3 coverage and by the construction of Harrow International School Dubai and the expansion of Dubai British School Mira, which account for most Scope 3 Category 2 (capital goods) emissions. Harrow is included in the AY2025/26 data ahead of its September 2026 opening. Combined Scope 1 and 2 emissions fell by around 11%.

**4,306 $tCO_2e$**
Scope 1 Emissions

**35,805 $tCO_2e$**
Scope 2 Emissions

**42,854 $tCO_2e$**
Scope 3 Emissions

**82,966 $tCO_2e$**
Total Emissions

**40,111 $tCO_2e$**
Combined Scope 1 and 2 Emissions
(around 11% lower YoY)

**7.21 GJ/person***
Energy Intensity

**1.84 $tCO_2e$/person***
Emissions Intensity
Intensity

*Person refers to the total number of staff and students

## Waste and Water Management

Taaleem is advancing resource efficiency through waste segregation, recycling, paper reduction, responsible e-waste disposal and water-efficiency measures, supported by student-led initiatives and partnerships. The increase in water withdrawal reflects portfolio growth, including the commissioning of Harrow International School Dubai, included in the 2025/26 data and the expansion of Dubai British School Mira.

**14.6%** decrease YoY

Change In Total Waste

**57,080** kg

Waste Recycled

**8.49** m³/person

Water Intensity

**15.46%** increase YoY

Change In Water Withdrawn

## Climate Risk Management

Taaleem completed its first climate risk assessment covering 2030 and 2050 under RCP 4.5 and RCP 8.5 scenarios. Key findings include:

- **Cooling Degree Days:** Projected to increase by 23%–35% by 2050
- **HVAC electricity consumption:** Potential increase of 23% to 35% by 2050
- **HVAC-related electricity spend:** potential increase of 16% (RCP 4.5) to 25% (RCP 8.5)
- **Sea-level rise and coastal flooding:** 1 school (Raha International School Gardens Campus) identified as at risk
- **Estimated capital value at risk (assessment assumption, not planned investment):** AED 27 million
- **Estimated solar investment under the scenario:** AED 1.9 million

Recommended mitigation and adaptation priorities include HVAC optimisation, renewable energy adoption, climate-resilient infrastructure planning and integration of climate risks into enterprise risk management.



# OUR PEOPLE

Taaleem's ability to deliver educational excellence depends on attracting, developing, and supporting a skilled and engaged workforce. The Group's people approach focuses on employee wellbeing, safe workplaces, diversity and inclusion, professional development, and opportunities for career progression.

**100%**

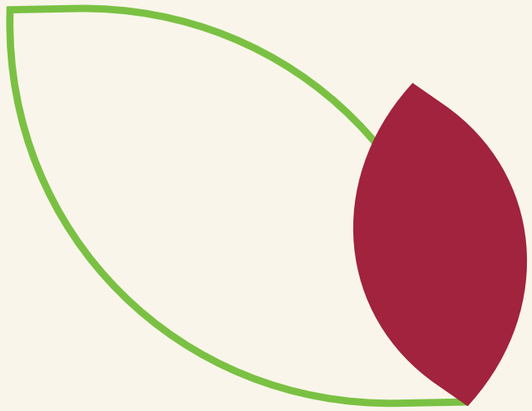
The Construction Workforce Received H&S Training

**ZERO**

Work-Related Fatalities

**ZERO**

Reported Incidents of Discrimination





## Employee Wellbeing and Engagement

Employee wellbeing is supported through programmes covering mental health, fitness, and nutritional guidance, alongside access to a confidential Employee Assistance Programme. Employee surveys and feedback mechanisms help Taaleem understand workforce priorities and identify opportunities to improve the employee experience.

During the reporting period, Taaleem recorded an employee engagement rate of 42.9%, with an 84% survey response rate. Feedback covered areas including workload, communication, leadership support, wellbeing, career progression, and compensation.

## Safe and Inclusive Workforce

Taaleem maintains health and safety systems across its schools, Central Office, and construction activities, supported by risk assessments, inspections, training, and incident management. Construction safety was reinforced through inductions, toolbox talks, inspections, and corrective-action processes throughout the year.

Diversity and inclusion remain central to Taaleem's multicultural workplace. The Group promotes equal opportunities in recruitment, development and career progression and supports UAE Nationals, People of Determination, graduates, and interns through targeted programmes. Taaleem also applies an equal-pay-for-equal-work principle, with remuneration structures based on roles and responsibilities irrespective of gender.

## Developing Talent

Taaleem invests in continuous learning across safeguarding, compliance, teaching excellence, leadership, technical capabilities, and future-ready skills. Career development is supported through coaching, mentoring, performance reviews, and internal mobility, while National Professional Qualification programmes, including NPQ Middle Leadership and NPQH, contribute to leadership and succession development.

These initiatives support Taaleem's ability to retain talent, strengthen leadership capability, and build the skills required to support the Group's continued growth.

# IMPACT ACROSS OUR SCHOOLS

Taaleem's schools play a key role in translating sustainability and social responsibility into action. Across the Group, students engage with sustainability through cross-curricular and project-based learning, enhanced STEAM programmes aligned with the UN Sustainable Development Goals (SDGs), and practical initiatives that connect classroom learning with real-world environmental and social challenges.

This approach extends beyond the curriculum into school operations, student-led action, and community engagement. Through Eco-Clubs, recycling and conservation programmes, biodiversity initiatives, sustainable agriculture, volunteering, fundraising and community partnerships, students are encouraged to develop the knowledge, leadership and problem-solving skills needed to contribute positively to their schools and wider communities.

## Sustainability Initiatives Across School Clusters

- **UK Cluster:** Strengthened biodiversity conservation, resource efficiency, and student-led environmental action. Initiatives included solar PV, Building Management Systems, HVAC optimisation, water conservation, recycling, and lower-emission transport. Students conducted 535 wildlife observations and identified 312 species, while AED 9,500 was raised through student-led sustainability stalls for future eco-projects.

- **Dubai Schools Cluster:** Focused on recycling, resource conservation, sustainable agriculture, and community engagement. 3,510 kg of paper waste was collected for recycling, securing four trees through the Emirates Environmental Group programme. 20 students also participated in tree-planting activities with KHDA and Dubai Municipality. Hydroponics, community gardens, and waste-reduction initiatives further supported sustainability learning.

- **Charter School Cluster:** All 11 Charter Schools implemented sustainability initiatives covering recycling, waste segregation, energy and water conservation, sustainable agriculture, and student-led environmental action. Schools expanded Eco Clubs, SDG activities, STEAM projects, community gardens, hydroponic and aeroponic farming, and environmental audits covering energy, water, waste, land, and indoor air quality.

- **IB Cluster:** Integrated climate action, biodiversity, renewable energy, waste management and resource conservation into learning and school operations. Raha International School Khalifa City Campus provided AED 10,000 in seed funding for a student-led sustainability innovation project, while digital learning initiatives reduced paper consumption by approximately 300,000 sheets annually. Four students were also selected for the Masdar Youth for Sustainability Programme, supporting the development of future sustainability leaders.

## Extending Our Impact into Communities

The impact of Taaleem's schools extends beyond their campuses, with students, employees and families contributing to initiatives that support education access, health and wellbeing, humanitarian causes, environmental action, and local communities.

During the reporting period, these efforts included AED 580,424 in scholarships and hardship support, approximately AED 79,253 invested through Central Office community initiatives, AED 52,363 in cash and in-kind contributions to the World Green Economy Organisation (WGEO), AED 26,200 raised through confirmed fundraising campaigns, and around 4,000 Iftar meals distributed to vulnerable community members.

Community initiatives included breast cancer awareness and fundraising, Ramadan meal distribution, scholarships and financial assistance, volunteering, and environmental activities such as desert clean-ups, mangrove restoration, and waste collection. Partnerships with organisations including the Emirates Environmental Group, ADNOC and Ma'an further supported opportunities for students and employees to participate in community and environmental action.



# OUR LEADERSHIP

04



# TAALEEM'S EXECUTIVE LEADERSHIP TEAM



## Alan Williamson
### Chief Executive Officer (CEO)

Alan Williamson is the current CEO of Taaleem and has held this role since 2019. Alan is responsible for supervising the strategic direction of the Company, and in 2022, he led Taaleem's transformation from a private to a publicly listed company on the Dubai Financial Market (DFM). Under his tenure, the number of Taaleem's schools has grown from 8 to 37, and the number of students has risen from 8,500 to over 42,000 students. Prior to joining Taaleem, he held prominent roles across several reputable educational institutions, including serving as the CEO of a premium school group in Dubai and serving as the CEO of a large community trust in the UK.

Alan graduated from the University of Glasgow in 1992 with an Honours degree in History and Russian Language before completing various courses and qualifications in the subsequent years. He completed a PGCE in Humanities and Languages at the University of Edinburgh Moray House College of Education in 1993 and a postgraduate qualification in Understanding Modern Society from the Open University in 2000. He also received a National Professional Qualification in Headship (SQH) from the University of Edinburgh Moray House College of Education in 2001, and in 2004, he earned a postgraduate qualification in School Leadership and Financial Management from Harvard Graduate School of Education.



## Arnaud Prudhomme
### Chief Financial Officer (CFO)

Arnaud Prudhomme joined Taaleem in 2017 and currently serves as its CFO. Arnaud brings to the table over 27 years of leadership and international experience, having held various senior-level roles at industry leading companies. Prior to joining Taaleem, Arnaud served as CFO of the Emirates International Investment Company, the investment management arm of an Abu Dhabi-based private multi-billion-dollar diversified conglomerate, as well as the Global CFO of AXA Real Estate, one of Europe's largest real estate managers. Additionally, he held the role of Chief of Staff at the European Bank for Reconstruction and Development, the largest provider of project finance in Eastern Europe, North Africa, and the Middle East.

Arnaud obtained a master's degree in history from La Sorbonne University in 1983. He went on to earn a graduate degree in Accounting and Finance from Sciences Po University in 1985, as well as a Graduate Diploma from École Nationale d'Administration in Accounting, Law, and Finance in 1989.



## Sam Truman
### Chief Operating Officer (COO)

Sam Truman holds the position of COO at Taaleem and is responsible for delivering operational excellence and efficiency across Taaleem's portfolio of schools, driving growth and value creation initiatives, overseeing all marketing and admissions activities, and ensuring they align with Taaleem's overarching strategy. Sam is an experienced industry executive with over 20 years of experience working in the international private school development sector.

Prior to joining Taaleem, Sam spent 10 years with one of the world's largest educational suppliers, where he successfully developed their supply and distribution chains across the GCC, the Far East, and Central Asia. He was also recognised for several key achievements, including the successful execution of multiple contracts awarded by the US Aid Department to deliver essential educational supplies across Iraq in support of government school reconstruction efforts. In addition, he secured a number of major contract awards from the Asian Development Bank for a range of educational projects.

Sam holds a Master of Science with Distinction in Commercial Management and Quantity Surveying, received from Heriot-Watt University in 2019. He also completed an Executive Leadership and Management course at Henley Business School in 2022 and is a member of the Royal Institute of Chartered Surveyors (RICS).



## Rebecca Gray
### Chief Education Officer

Rebecca Gray joined the team in 2023 and currently serves as the company's Chief Education Officer. She brings with her a wealth of experience in educational leadership across both the UK and the UAE. Before joining Taaleem, Rebecca held several senior roles, most recently at Kings' Schools Group in Dubai, where she began as Principal of Kings' School Al Barsha and was later promoted to Director of Education. Her career in the UK includes serving as Deputy Headteacher at a school in Huntingdon, Headteacher of a primary school in Northamptonshire, and Founding Principal of a preparatory school. She also held the role of Director of Improvement and Cluster Lead at the David Ross Education Trust, where she oversaw strategic overhauls across eight schools, including primary, secondary, and special needs schools.

Rebecca graduated with a degree in Psychology in 2002 and went on to complete her PGCE at the University of North London. Rebecca has also completed her National Professional Qualification for Headship (NPQH).

# CORPORATE GOVERNANCE REPORT

05

# CORPORATE GOVERNANCE REPORT

This report is prepared and issued by Taaleem Holdings PJSC ("Taaleem") in compliance with the provisions of Article 77 of Resolution No. (3/R.M.) of 2020 issued by the Chairman of the Board of Directors of the Capital Market Authority ("CMA") concerning the Approval of the Public Joint Companies Governance Guide as updated in January 2024 ("Governance Guide").

## 1. Measures adopted during FY2025/26 to complete and enhance the Company's corporate governance framework, and how such measures were implemented.

During FY2025/26, the Company continued to enhance its corporate governance framework to support effective oversight, regulatory compliance, accountability and sound decision-making. The principal measures adopted and implemented during the year included the following:

### a. Election and reconstitution of the Board of Directors

The Company completed the election of its Board of Directors in accordance with applicable regulatory requirements and its Articles of Association. Following the election, the Board appointed its Chairman and Vice-Chairman and reconstituted its committees, taking into account the allocation of responsibilities and the Company's governance requirements.

### b. Induction of new Board members

A tailored induction programme was delivered to newly appointed Board members covering the Company's business, strategy, organisational structure and governance framework, as well as the duties and responsibilities applicable to directors of a listed public joint-stock company. New members were also provided with access to the Company's constitutional documents, governance policies and committee Terms of Reference.

### c. Implementation of Diligent

The Company implemented Diligent as its dedicated digital Board and governance management platform. Diligent was used for the secure and timely circulation of Board and committee papers, meeting administration, governance records, declarations, questionnaires and Board and committee evaluations.

### d. Enhancement of the Investor Relations Framework

The Company reviewed and updated its Investor Relations Policy to strengthen the framework governing communications with shareholders, investors and other market participants. The updated Policy reinforces the timely, accurate and consistent disclosure of material information and coordination between the Investor Relations, Finance, Legal and Governance functions.

### e. Update of the Insider Trading Policy

The Company reviewed and updated its Insider Trading Policy to clarify the obligations of insiders, applicable trading restrictions, blackout periods and internal reporting requirements.

The updated Policy was communicated to relevant employees and designated insiders, and appropriate acknowledgements and declarations were obtained.

### f. Review of Board committee Terms of Reference

The Terms of Reference of the Board committees were comprehensively reviewed and updated to reflect applicable governance requirements and the evolving responsibilities of each committee. The revised Terms of Reference clarify each committee's mandate, authority, composition, meeting procedures, reporting responsibilities and oversight obligations and were implemented following the relevant approvals.

### g. Board and committee effectiveness evaluations

The Company conducted its annual evaluation of the Board and its committees through confidential self-assessment questionnaires administered using Diligent. The questionnaires covered composition, meeting effectiveness, quality of information, strategic oversight, risk management, internal controls and engagement with management. The results were analysed and reported through the appropriate governance channels, and areas for further development were identified for implementation during the following financial year. The process also supports the Company's preparations for a future externally facilitated evaluation.

### h. Board training and continuing development

The Company delivered tailored training to Board members on directors' disclosure obligations and the importance of accurate and timely disclosures by listed companies. The training addressed fiduciary and regulatory responsibilities, related-party interests and transactions, material and inside information, securities-dealing restrictions and the potential consequences of non-compliance. Completion of the training was appropriately documented.

### i. Strengthening of risk management and oversight

The Company continued to strengthen the practical application of its Enterprise Risk Management Framework through enhanced monitoring and assessment of emerging risks. Cross-functional assessments were undertaken to evaluate potential strategic, operational, financial, people and governance impacts and to identify and monitor appropriate mitigating actions.

The measures implemented included scenario and contingency planning, financial and liquidity monitoring, workforce planning and enhanced oversight of key projects and investments. School emergency preparedness arrangements were also strengthened through updated response procedures, clearer command and communication protocols and practical guidance for implementation at school level.

### j. Establishment of the Business Continuity Management Framework

The Company established a formal Business Continuity Management Framework aligned with the UAE National Emergency Crisis and Disaster Management Authority standard NCEMA 7000:2021. The Framework sets out the governance arrangements, roles and responsibilities for business continuity and introduces a structured approach to business impact analysis, risk assessment, continuity and recovery strategies, crisis management and business continuity planning.

### k. Review of the Compliance and Internal Controls Frameworks

The Company reviewed and enhanced its Compliance Framework to reflect the continued development of the compliance function and its role within the Company's governance arrangements. The updated Framework establishes an operating model based on risk and strategic priorities, clarifies the Compliance function's organisation-wide mandate as an independent second-line function, introduces defined compliance tolerance principles and reinforces its integration with Enterprise Risk Management, Internal Controls and Internal Audit.

The Company also completed the first annual review of its Internal Controls Framework. Targeted enhancements were made to clarify its application to joint ventures, newly acquired entities and other investments and to further formalise the approach to control testing and escalation.

### l. Introduction of anti-bribery, anti-corruption, anti-money laundering and sanctions policies

The Company introduced new Anti-Bribery, Anti-Corruption and Gifts and Anti-Money Laundering and Sanctions Policies. The policies formalise the Company's requirements and controls relating to bribery and corruption, gifts and hospitality, money laundering and applicable sanctions, including approval thresholds, screening, escalation and record-keeping requirements. The policies were implemented through communication and targeted training for relevant employees.

### m. Enhancement of whistleblowing and speak-up arrangements

The Company continued to embed its whistleblowing and speak-up arrangements through its independent reporting mechanism and established investigation and escalation procedures. Targeted training was delivered to relevant management to reinforce awareness of the whistleblowing framework and distinguish whistleblowing matters from concerns more appropriately addressed through other processes, including employee grievances, safeguarding and health and safety.

The framework was applied to reported matters during the year, with investigations coordinated across relevant functions where appropriate. Regular reports on whistleblowing activity, investigation outcomes and the status of reported matters were provided to the Audit Committee.

### n. Cybersecurity and data protection

The Company continued to strengthen its cybersecurity and data protection framework through the establishment of a Group-wide data governance model, strengthened service asset registers and data inventories, defined retention requirements and the introduction of data-classification and data-loss-prevention controls.

Third-party data governance was enhanced through increased oversight and the formalisation of data-processing agreements. The Company also expanded its cybersecurity capabilities through advanced endpoint protection, device encryption and an extended vulnerability assessment and penetration testing programme covering the Group's websites. Cybersecurity awareness initiatives continued throughout the year to promote secure practices and responsible data handling.

Collectively, these measures strengthened the Company's governance, regulatory compliance, risk management, internal controls and organisational resilience and further embedded clear accountability, effective oversight and a culture of integrity and transparency across the Group.



## 2. Ownership of, and transactions in, the Company's securities during FY2025/26 by Board members, their spouses, and their children.

| SR. | Name | Position/ Kinship | Owned Shares as on 31/08/2025 | Owned Shares as on 31/08/2026 | Total Sold | Total Purchased |
|---|---|---|---|---|---|---|
| 1 | **Khalid Al Tayer** | Chairman of the Board of Directors | 625,365 | 625,365 | 0 | 0 |
| 2 | **Adel Al Zaroni** | Vice Chairman of the Board of Directors | 9,275,681 | 9,275,681 | 0 | 0 |
| 3 | **Shahid Hameed** | Board Member | 0 | 0 | 0 | 0 |
| 4 | **Ziad Azzam** | Board Member | 14,000,000 | 14,000,000 | 0 | 0 |
| 5 | **Ahmad Al Khayyat** | Board Member | 61,920,000 | 61,920,000 | 0 | 0 |
| 6 | **Rehab Lootah** | Board Member | 0 | 0 | 0 | 0 |
| 7 | **H.E Abdullah Al Awar** | Board Member | 0 | 0 | 0 | 0 |
| 8 | **H.E Helal Al Marri** | Board Member | 9,999,997 | 9,999,997 | 0 | 0 |
| 9 | **Mohammed Al Shaibani** | Board Member | 0 | 0 | 0 | 0 |
| 10 | **Abdul Rahman Al Shaibani** | Relative of a Board Member | 125,073 | 125,073 | 0 | 0 |
| 11 | **Hind Adel Zaroni** | Relative of a Board Member | 50,000 | 50,000 | 0 | 0 |
| 12 | **Samia Ahmed Abdulrahim Baker** | Relative of a Board Member | 262 | 262 | 0 | 0 |
| 13 | **Sara Adel Al Zaroni** | Relative of a Board Member | 83,333 | 83,333 | 0 | 0 |

## 3. Board Composition

### a. The Current Composition of the Board.

| Name | Position | Status | Appointment |
|---|---|---|---|
| **Khalid Al Tayer** | Chairman | Independent / Non-Executive | 2005 |
| **Adel Al Zaroni** | Vice Chairman | Independent / Non-Executive | 2004 |
| **H.E. Helal Al Marri** | Member | Independent / Non-Executive | 2004 |
| **Rehab Lootah** | Member | Independent / Non-Executive | 2022 |
| **Ahmad Al Khayyat** | Member | Independent / Non-Executive | 2004 |
| **Shahid Hameed** | Member | Independent / Non-Executive | 2025 |
| **Dr. Ziad Azzam** | Member | Independent / Non-Executive | 2023 |
| **H.E. Abdullah Al Awar** | Member | Independent / Non-Executive | 2022 |
| **Mohammed Al Shaibani** | Member | Independent / Non-Executive | 2021 |



## Khalid Ahmed Al Tayer

Mr. Al Tayer has been a director of Taaleem since 2005 and is the Chairman of the Board of Directors.

He is also Managing Director at Al Tayer Insignia, the retail subdivision of Al Tayer Group, which is a

multi-division conglomerate based in the UAE. Mr. Al Tayer previously worked at McKinsey & Co. and Emirates Financial Services, and he currently serves on the board of directors of the Dubai Chamber of Digital Economy.

Mr. Al Tayer holds a Bachelor of Science in Entrepreneurship, Corporate Finance, and Economics from Babson College, United States.



## Adel Mohammed Saleh Al Zarouni

Mr. Al Zarouni has been a director of Taaleem since its inception in 2004 and is one of its founders. He is also Taaleem's Vice Chairman and Chairman of its Executive Committee of the Group.

Mr. Al Zarouni has extensive experience serving as a board member of several public and private joint stock companies within the Middle East region. In addition, Mr. Al Zarouni is the managing partner and founder of Rivoli Group, one of the largest Middle East luxury retailers in the UAE, Bahrain, Qatar, Kuwait, and Oman; the Vice Chairman of the National General Insurance Company, one of the largest insurance companies in the UAE; and the Vice Chairman of Emirates Golf Federation.

Mr. Al Zarouni is also the secretary general of the Arab Golf Federation and a board member of the UAE National Olympic Committee.

Mr. Al Zarouni holds a Bachelor of Science in Finance from the University of Central Florida, United States.



## H.E. Helal Saeed Al Marri

His Excellency has been a director of Taaleem since its inception in 2004.

His Excellency Helal Saeed Al Marri also serves as the Director General of Dubai's Department of Economy and Tourism. He is a member of Dubai Council, The Executive Council of Dubai, a member of the Board of Directors of the Investment Corporation of Dubai, Director General of the Dubai World Trade Centre Authority (DWTCA).

His Excellency is Chairman of Dubai Financial Market, member of The Higher Committee for Supervision of the Expo 2020 Dubai District, and a board member at the Dubai Chambers and Emirates Nature – WWF. His Excellency's responsibilities span enhancing Dubai's positioning as the preferred destination for investment, business, and leisure and developing and strengthening the Emirate's economy.

His Excellency holds a Master of Business Administration (MBA) from the London Business School (LBS).

His Excellency is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales, and he previously worked at consulting firms McKinsey and KPMG.



## Rehab Mohamed Hussain Lootah

Ms. Lootah has been a director of Taaleem since 2022 and has over 20 years of experience in the financial industry and UAE government sector.

She is the Group Deputy Chief Executive Officer at National Bonds Corporation, a multi-asset class investment with multiple geographical allocations. Ms. Lootah also serves on the executive board for several key entities in the UAE, including Noqodi, a UAE-based e-wallet that is dedicated towards e-payments for governmental and non-governmental services, and Dubai Quality Group, a non-profit organisation set up by the Dubai Economy.

Ms. Lootah also spearheaded both the Tamaiaz Award and Entrepreneurs Forum, which shed light on the successes of the UAE's youth.

Ms. Lootah has been the recipient of numerous prestigious awards, including the late His Highness Sheikh Khalifa Bin Zayed Award, and is also the world's first woman recipient of the CIMA certification in Islamic Finance. Ms. Lootah holds a Bachelor of Science in Electrical Engineering from UAE University, UAE, and an MBA from Stratford University, United States.



## Ahmad Saed Mohd Fawzi Al Khayyat

Mr. Al Khayyat has been a director of Taaleem since its inception in 2004 and was one of its founding members.

Mr. Al Khayyat is the Managing Director of Al Khayyat Investments, a diversified family business based in Dubai. He also co-founded Transmak, a construction equipment leasing company, and continues to serve on its board of directors.

Mr. Al Khayyat is President of Sun in Motion, a solar PV contracting, operations, and maintenance company he founded in 2017. He also set up four separate renewable energy investment platforms in Riyadh (KSA), Abu Dhabi Global Markets (UAE), Bahrain (Bahrain), and in the Dubai Multi Commodities Centre (UAE) under the name Three Eight Six, and he is a 50% owner of Realty Enterprises, which owns and leases commercial and retail spaces.

Mr. Al Khayyat holds a Bachelor of Science in Monetary Economics from the London School of Economics, United Kingdom, and a postgraduate degree in International and Development Economics from Yale University, United States.



## Dr. Ziad Azzam

Dr. Azzam has been a director of Taaleem since 2023 and was one of its founding members.

Dr. Azzam served as Taaleem's Chief Executive Officer for 10 years until 2013. Previously, he was the Head of an international school in Dubai and was a consultant at McKinsey & Company.

Currently, Dr. Azzam sits on two boards in Taaleem and advises schools and colleges in the public sector. Dr. Azzam holds two bachelor's degrees in physics and electrical engineering and a master's degree in Theoretical Physics from the Massachusetts Institute of Technology (MIT), United States.

Dr. Azzam also earned his Doctorate in Education from the University of Bath, United Kingdom.



## H.E. Abdulla Mohammed Al Awar

His Excellency has been a director of Taaleem since 2022. He also serves as Chief Executive Officer of the Dubai government's Knowledge Fund Establishment and is a board member of the Oversight Committee at Emirates NBD REIT.

He previously served as the Chief Executive Officer of the Dubai International Financial Centre Authority and the Chief Executive Officer of the Dubai Islamic Economy Development Centre. He also previously served as a member of the board of other listed companies in the UAE, such as Emaar Development PJSC, and served on various boards, committees, and councils in Dubai, including the Economic Committee of the Executive Council of the Emirate of Dubai, the Dubai Free Zones Council, Borse Dubai, the Investment Committee of the ENBD REIT, and the Emirates International Accreditation Center.

His Excellency holds a Bachelor of Science in Business Administration from the University of Colorado, United States. He is also a graduate of the Mohammed Bin Rashid Programme for Leadership Development, a Dubai government-run executive education programme for executives in the public and private sectors in Dubai.



## Mohammed Abdulla Al Shaibani

Mr. Al Shaibani has been a director of Taaleem since 2021 and heads the family office of Easa Saleh Al Gurg Group, a UAE-based conglomerate with 27 companies representing over 370 international brands.

Mr. Al Shaibani serves as a board member of the Knowledge Fund Establishment and is a member of the investment committee of National Bonds Corporation. Mr. Al Shaibani previously worked at Investment Corporation of Dubai (ICD), the investment arm of the Government of Dubai, where he covered real estate investments in the UAE and globally, including the ICD-Brookfield joint venture, a partnership with Brookfield Asset Management.

Mr. Al Shaibani holds a Bachelor of Science in Finance from Bentley University, United States, and an MBA from the London Business School, United Kingdom.



## Mr. Shahid Hameed

Shahid Hameed is an accomplished investment leader with over 30 years of experience managing multi-asset, multi-billion-dollar portfolios across the GCC.

He currently serves as Group Chief Investment Officer at National Bonds Corporation and as a Board Member of Taaleem Holdings, bringing extensive financial, investment and governance expertise to the Board.

He currently oversees USD 5.5 billion in investments across various asset classes at National Bonds Corporation and has previously held CIO and senior executive roles at Samba Capital, Global Investment House and SICO. A CFA charter holder, Mr. Hameed brings deep financial expertise, strong governance capabilities and extensive board-level experience.

The business address for each of the Board of Directors is Taaleem Holdings PJSC, Office No. 105, Jumeirah Beach Road, P.O. Box 76691, Century Plaza, Dubai, UAE.

### b. Board Diversity and Female Representation

Taaleem recognises that diversity in the composition of the Board of Directors contributes to effective oversight, balanced decision-making and the inclusion of a broad range of perspectives, skills and experience.

As at 31 August 2026, the Board comprised nine members, including one female Director, Ms. Rehab Lootah, representing 11.1% of the total Board membership.

Ms. Lootah has served as a member of the Board since October 2022 and was re-elected for the current Board term. She serves as Chairperson of the Audit Committee and as a member of the Nominations and Remuneration Committee and the Education Sub-Committee, contributing to the Board's oversight across key areas of the Group's governance and operations.

Taaleem's commitment to gender diversity extends beyond the Board and is reflected across the Group's leadership and management structure. Women hold senior positions within Executive Management and across key corporate and operational functions, reflecting the Group's broader commitment to diversity, inclusion and equal opportunity.

Taaleem remains committed to promoting diversity across the Group and to ensuring that Board composition continues to reflect an appropriate balance of skills, experience and perspectives in support of effective governance and the Group's long-term objectives.



## c. A statement of bonuses, allowances, and fees received by Board members, including:

The Board of Directors did not propose a bonus for FY2024/25 for approval at the Annual General Meeting for FY2024/25. Additionally, the Board of Directors will not present a proposed bonus for FY 2025/2026 for approval at the upcoming AGM.

### i. Total remuneration paid during 2024-2025.

Pursuant to the approval at the Annual General Meeting, the Board of Directors remuneration for FY2024/25 was AED 5,250,000

### ii. Total proposed remuneration for FY2025/26, to be submitted to the Annual General Meeting for approval.

Subject to the approval at the Annual General Meeting, the proposed Board of Directors remuneration for FY2025/26 is AED 5,250,000

### iii. Allowances paid for attending Board committee meetings during FY2025/26, using the table below:

| Committee members | | Committee Fees for FY2025/26 | | | | |
|---|---|---|---|---|---|---|
| | | Executive committee | Audit committee | Nomination & Rewards committee | Education committee | Total Committee Fees- AED |
| **Adel Al Zarouni (Chair: ExCom)** | Executive committee | 75,000 | | | | 75,000 |
| **H.E. Helal Al Marri** | Executive committee | 75,000 | | | | 75,000 |
| **Ahmad Al Khayyat** | Executive committee | 75,000 | | | | 75,000 |
| **Mohammed Alshaibani** | Executive committee | 75,000 | | | | 75,000 |
| **Rehab Lootah (Chair: Audit)** | Audit committee, Nomination & Rewards committee and Education committee | | 50,000 | 50,000 | 50,000 | 150,000 |
| **H.E. Abdulla Al Awar (Chair: Nomination & Rewards)** | Audit committee and Nomination & Rewards committee | | 50,000 | 50,000 | | 100,000 |
| **Shahid Hameed- Pro-rated fee starting from the date of approval of his nomination- 26 November 2025** | Nomination & Rewards committee | | | 37,500 | | 37,500 |
| **Dr. Ziad Azzam** | Audit committee, and Education committee | | 50,000 | | 50,000 | 100,000 |
| **Eyad Mashal (For the period from 1 September 2025 until the 2024/2025 Annual General Assembly on 26 November 2025** | Nomination & Rewards committee | | | 12,500 | | 12,500 |
| **TOTAL** | | 300,000 | 150,000 | 150,000 | 100,000 | 700,000 |

At Taaleem, Committee members receive a Committee fee for their contribution to Taaleem's management and governance. The Committee fee is not calculated based on the Committee members' attendance at meetings and / or the number of meetings held, the Committee fee is driven by the achievement of the objectives set by the Board in line with the role of each Committee.

### iv. Details of any additional allowances, salaries, or fees paid—other than attendance allowances—together with the reasons for such payments.

The following Board members have been delegated to represent Taaleem on the Board of Directors of Kids First Group. In exchange for their assigned duties and responsibilities, Taaleem's Board of Directors, in consultation with the Nominations and Remuneration Committee approved a representation fee of AED 100,000 per representative.

| No. | Delegate Name | Scope of Delegation | Duration of Delegation | Approved Representation fee- AED |
|---|---|---|---|---|
| 1. | **Adel Al Zarouni** | Serve as a Taaleem appointed representative on the Board of Directors of Kids First Group | Until January 2027- Subject to evaluation and renewal. | 100,000 |
| 2 | **Dr Ziad Azzam** | Serve as a Taaleem appointed representative on the Board of Directors of Kids First Group | Until January 2027- Subject to evaluation and renewal. | 100,000 |

## d. The number and dates of Board meetings held during FY2025/26

| Date of meeting | Number of Attendees | Number of Attendees via proxy | Names of Absent Members | Resolution Passed if any |
|---|---|---|---|---|
| **9 October 2025** | 9 | 0 | | 1. The annual audited financial statements of the Company for the financial year ended 31 August 2025.<br>2. The Company's Annual Integrated Report, Annual ESG Report and Annual Corporate Governance Report.<br>3. To call for the annual general assembly meeting to be held on Wednesday, 26 November 2025 subject to the approval of the Securities and Commodities Authority.<br>4. The agenda for the annual general assembly meeting for the financial year ended 31 August 2025 subject to the approval of the Securities and Commodities Authority, including the recommended Board remuneration for the period from 1 September 2024 to end of the fiscal year ended 31 August 2025.<br>5. Subject to the approval of the Securities and Commodities Authority, opening the nomination for Board membership to elect Nine Board members for the three upcoming years.<br>6. Raise a recommendation to the annual general assembly of the Company to approve the distribution of a cash dividend amounting to AED 150,000,000 (being AED 0.15 per share) representing 15% of the Company's paid-up share capital for the financial year ended 31 August 2025.<br>7. Regular matters and other business of the Company. |
| **28 November 2025** | 9 | 0 | | 1. Mr. Khalid Ahmed Humaid Matar Al Tayer was elected as Chairman of the Board of Directors, and Mr. Adel Mohammed Saleh Al Zarouni was elected as Vice Chairman of the Board of Directors.<br>2. The constitution and appointment of the Committees of the Board of Directors were approved.<br>3. Mrs. Marine Aoudi was re-appointed as Secretary to the Board of Directors.<br>4. The Board discussed routine business matters. |
| **8 January 2026** | 9 | 0 | | Approved the Interim Condensed Consolidated Financial Statement for the 3-month period ending 30 November 2025 |
| **26 February 2026** | 9 | 0 | | |
| **26 March 2026** | 9 | 0 | | Approved the Interim Condensed Consolidated Financial Statement for the 6-month period ending 28 February 2026 |
| **21 May 2026** | 8 | 0 | Ahmad Al Khayat | |
| **18 June 2026** | 8 | 0 | H.E Helal Al Marri | |
| **9 July 2026** | 8 | 0 | Khalid Al Tayer | Approved the Interim Condensed Consolidated Financial Statement for the 9-month period ending 31 May 2026 |

## e. Number of resolutions adopted by circulation during FY2025/26 and the dates on which they were passed.

The Board of Directors did not make any resolutions by passing during the fiscal year FY2025/26.



## 4. Committees of the Board of Directors

### Audit Committee

**"The Audit Committee's Chairperson acknowledges her responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness."**

#### a. Members and assigned responsibilities.

| The members of the Audit Committee are as follows: | |
|---|---|
| **Rehab Lootah** | Chair |
| **H. E Abdullah Al Awar** | Member |
| **Dr Ziad Azzam** | Member |

The Audit Committee assists the Board in overseeing the integrity of the Company's financial reporting and the effectiveness of its internal control, risk management and audit frameworks. The Committee reviews the Company's financial statements, accounting policies and significant financial reporting matters, and oversees the independence and effectiveness of the external and internal audit functions, including the implementation of audit recommendations. It also monitors the effectiveness of the Company's internal controls and risk management systems, oversees whistleblowing arrangements and compliance matters, and reviews related-party transactions and potential conflicts of interest. Through its regular reporting and recommendations to the Board, the Committee supports effective oversight, accountability and the continued integrity of the Company's governance and control environment.

#### b. A statement indicating the number and dates of meetings held during FY2025/26 to review financial statements and other matters, including meetings attended in person.

| Date of meeting | Number of Attendees | Names of Absent Members |
|---|---|---|
| **7 October 2025** | 3 | |
| **6 January 2026** | 3 | |
| **24 March 2026** | 3 | |
| **26 June 2026** | 3 | |
| **7 July 2026** | 3 | |

### Nomination and Remuneration Committee

**"The Nominations and Remuneration Committee's Chairman acknowledges his responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness."**

#### a. Members and assigned responsibilities.

The members of the Nominations and Remuneration Committee are as follows:

| Name | Position |
|---|---|
| **H.E. Abdulla Mohammed Al Awar** | Chairman |
| **Rehab Mohamed Hussain Lootah** | Member |
| **Shahid Hameed** | Member |

The Nominations and Remuneration Committee assists the Board in overseeing the composition, independence and effectiveness of the Board and the Company's senior executive leadership. The Committee reviews the skills, experience and succession requirements of the Board and Senior Executive Management, monitors the continued independence of Board members and makes recommendations regarding Board composition and appointments. It also oversees the Company's remuneration framework, ensuring that executive remuneration and incentives are appropriately aligned with performance and the Company's long-term objectives, and reviews the performance evaluation and remuneration of the Chief Executive Officer and Senior Executive Management. Through these responsibilities, the Committee supports effective succession planning, leadership continuity and a balanced and appropriately skilled governance and executive structure.

#### b. A statement indicating the number and dates of meetings held during FY2025/26, including meetings attended in person.

| Date of meeting | Number of Attendees | Names of Absent Members |
|---|---|---|
| **28 August 2025** | 3 | |
| **25 September 2025** | 3 | |
| **15 January 2026** | 3 | |
| **12 March 2026** | 3 | |
| **12 May 2026** | 3 | |
| **25 June 2026** | 3 | |

## Other Board Committees

### Executive Committee

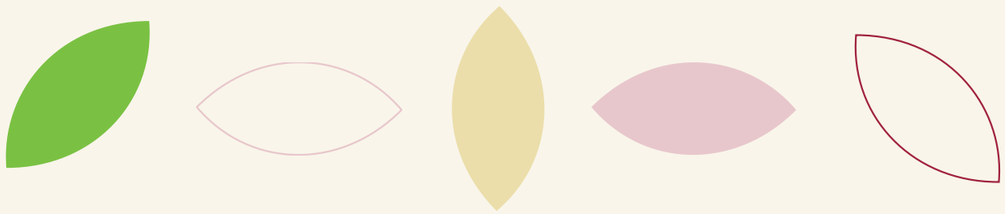
**"The Executive Committee's Chairman acknowledges his responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness."**

**a. Members and assigned responsibilities.**

Members of the Board of Directors and individual(s) retained on a consultancy basis constitute the Executive Committee. The members of the Executive Committee are as follows:

| Name | Position |
|---|---|
| **Adel Mohammed Saleh Al Zarouni** | Chairman |
| **H.E Helal Saeed Al Marri** | Member |
| **Amer Makki** | Member |
| **Mohammed Abdulla Al Shaibani** | Member |
| **Ahmad Saed Mohd Fawzi Al Khayyat** | Member |

The Executive Committee assists the Board in overseeing the implementation of the Company's strategy and monitoring its operational and financial performance against approved plans and budgets. The Committee provides oversight of key strategic and commercial matters, including major projects, investments, acquisitions and divestments, financing arrangements and significant expenditure within its delegated authority. It also monitors the Company's educational and business performance and provides guidance to Executive Management on matters affecting the achievement of the Company's strategic objectives. Through its delegated responsibilities and regular reporting to the Board, the Committee supports effective decision-making, financial discipline and the successful execution of the Company's long-term strategy.





b. A statement indicating the number and dates of meetings held during FY2025/26, including meetings attended in person.

| Date of meeting | Number of Attendees | Names of Absent Members |
|---|---|---|
| **2 October 2025** | 5 | |
| **19 February 2026** | 5 | |
| **25 March 2026** | 5 | |
| **14 May 2026** | 5 | |
| **2 July 2026** | 5 | |
| **7 July 2026** | 4 | Ahmad Al Khayat |

### Education Committee

**"The Education Sub-Committee's Chairman acknowledges his responsibility for the Committee system at Taaleem, review of its work mechanism and ensuring its effectiveness".**

c. Members and assigned responsibilities.

The Education Committee is a sub- Committee of Taaleem's Executive Committee. Members of the Board of Directors and individual(s) retained on a consultancy basis constitute the Education Committee. The members of the Education Committee are as follows:

| Name | Position |
|---|---|
| **Dr. Ziad Azzam** | Chairman |
| **Rehab Mohamed Hussain Lootah** | Member |
| **Amer Makki** | Member |

d. A statement indicating the number and dates of meetings held during FY2025/26, including meetings attended in person.

| Date of meeting | Number of Attendees | Names of Absent Members |
|---|---|---|
| **23 September 2025** | 3 | - |
| **13 January 2026** | 3 | - |
| **17 February 2026** | 3 | - |
| **5 May 2026** | 3 | - |
| **30 June 2026** | 3 | - |

The Education Committee assists the Board and Executive Committee in overseeing the academic performance and educational quality of the Company's schools. The Committee reviews schools' strategic development and annual action plans, monitors progress against agreed academic objectives and considers the outcomes of inspections, accreditations and school self-evaluations. It also reviews feedback from students and parents, provides input on key academic appointments and holds Executive Management accountable for the delivery of agreed educational priorities and improvement plans. Through its oversight and recommendations, the Committee supports continuous improvement in educational outcomes and the consistent delivery of high-quality education across the Company's schools.

## 5. A statement describing any delegation of powers or responsibilities by the Board to a Board member or to executive management during FY2025/26, including the duration and scope of such delegation, using the table below:

The Delegation of Authority (DOA) policy has been implemented at Taaleem which clearly defines the levels of authority and decision-making responsibilities and rights at different levels within the organisation. This policy outlines specific powers delegated by the Board to executive management members, ensuring clarity in roles and decision-making at various levels. The DOA establishes a structured framework for granting authority, specifying the duration and validity of each delegation, thereby ensuring transparency and accountability in the execution of Board-authorised actions.

No delegation or assignment falling outside the scope of the DOA was granted to any member of executive management during FY2025/26.

Please see below delegation to 2 members of Taaleem's Board of Directors.

| No. | Delegate Name | Scope of Delegation | Duration of Delegation |
|---|---|---|---|
| 1. | **Adel Mohammed Saleh Al Zarouni** | Serve as a Taaleem appointed representative on the Board of Directors of Kids First Group | Until January 2027- Subject to evaluation and renewal. |
| 2. | **Dr Ziad Azzam** | Serve as a Taaleem appointed representative on the Board of Directors of Kids First Group | Until January 2027- Subject to evaluation and renewal. |

## 6. A statement detailing transactions conducted with related parties during FY2025/26, using the table below:

| No. | Related Party Name | Nature of Relationship | Transaction Type | Transaction Value |
|---|---|---|---|---|
| 1 | **National Bonds Corporation ("NBC")** | Shareholder | Investment in sukuk deposit | 214,577,874 |
| 2 | **National Bonds Corporation ("NBC")** | Shareholder | Dividend payment | 33,609,224 |
| 3 | **Knowledge Fund ("KF")** | Shareholder | Lease payments | 6,167,603 |
| 4 | **Knowledge Fund ("KF")** | Shareholder | Dividend payment | 20,456,020 |
| 5 | **Kids First Group Limited ("KFG")** | Joint Venture | Share of loss of Joint Venture | 4,323,584 |
| 6 | **Kids First Group Limited ("KFG")** | Joint Venture | Rental income | 1,241,646 |

## 7. Board Performance Evaluation

During FY2025/26, the Chairman of the Board, supported by the Board Secretary, conducted evaluations of the Board and its committees through confidential questionnaires administered via Diligent. The evaluations assessed composition, governance, leadership, meeting effectiveness, information flows and the discharge of responsibilities under the respective Terms of Reference. The results identified the following strengths and opportunities for continued development.

### Board Evaluation

The evaluation identified the breadth of members' knowledge, experience and perspectives, the Chairman's effective leadership and a culture of open and constructive discussion as the Board's principal strengths. It also recognised the Board's effective oversight of strategy, performance, governance and principal risks, supported by constructive engagement with Management and the timely provision of relevant information. The Board will increase its focus on long-term strategy and emerging risks and further strengthen Board and leadership succession planning.

### Audit Committee Evaluation

The evaluation highlighted the Committee's knowledgeable and experienced membership, effective leadership, constructive engagement with Management and the internal and external auditors, and strong culture of accountability. It also recognised the Committee's effective oversight of financial reporting, internal and external audit, internal controls, risk, compliance and assurance, supported by timely and relevant information. The Committee will continue to expand internal control awareness and accountability at school level.

## Nomination and Remuneration Committee Evaluation

The evaluation highlighted the Committee's diversity, collective knowledge and sound judgement, open communication and constructive engagement with Management. It recognised the Committee's effective oversight of remuneration, performance and people-related matters, alignment with the Company's strategic and governance priorities, and focus on attracting, retaining and motivating talent. The Committee will increase its focus on developing Emirati talent and establishing clear pathways into leadership roles.

## Executive Committee Evaluation

The evaluation identified the Committee's commercial and strategic expertise, effective oversight of strategy implementation and strong engagement with Management as principal strengths. It also recognised the Committee's timely consideration of operational, financial and investment matters, constructive challenge of Management proposals and support for efficient decision-making within the authority delegated by the Board.

The Committee will continue to advance the Company's strategic priorities, identify and evaluate suitable expansion and investment opportunities, and support the Group's sustainable growth. It will also maintain oversight of the execution and performance of key strategic initiatives to ensure alignment with the Company's long-term objectives and risk appetite.

## Education Committee Evaluation

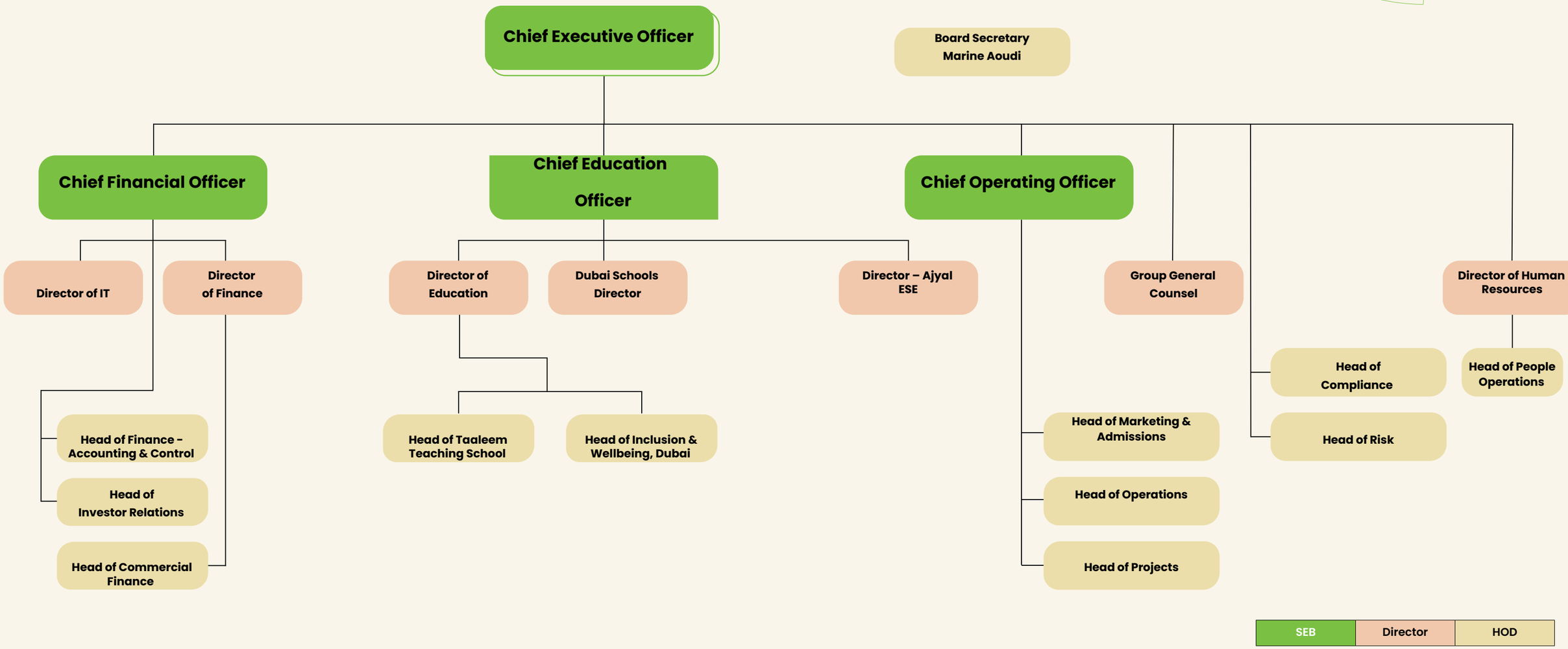
The evaluation highlighted the educational knowledge and experience of the Committee's members, constructive engagement with Management and school leadership, and strong focus on educational quality and student outcomes. It also recognised the Committee's oversight of academic performance, school improvement, safeguarding, curriculum development and the consistency of educational standards across the Group.

The Committee will enhance the use of comparative and trend-based data, increase direct engagement with schools and educational leaders, and maintain its focus on emerging educational, regulatory and safeguarding developments. It will also strengthen the monitoring of school-improvement actions and the sharing of good practices across the Group.



## II. Organisational Structure and Executive Management

### TAALEEM HOLDING PJSC ORGANISATIONAL STRUCTURE



g. A statement detailing first- and second-level executives in accordance with the Company's organisational structure, indicating job titles, appointment dates, and total annual salaries and remuneration paid to each of them separately,

| No. | PositionName | Appointment Date | Total Salaries and Allowances Paid in FY 2025/2026 (AED) | Total Bonuses Paid in FY 2025/2026 (AED) | Total Bonuses Paid in FY 2025/2026 (AED) Other Cash or In-Kind Benefits Paid in FY 2025/2026 or Payable in the Future |
|---|---|---|---|---|---|
| **Alan Williamson** | **Chief Executive Officer** | 1/7/2019 | 2,327,672.50 | 565,974.00 | NA |
| **Arnaud Prudhomme** | **Chief Financial Officer** | 18/12/2017 | 1,632,532.00 | 385,330.08 | NA |
| **Sam Truman** | **Chief Operations Officer** | 1/1/2008 | 1,497,415.50 | 291,312.00 | NA |
| **Rebecca Gray** | **Chief Education Officer** | 1/8/2023 | 1,339,372.50 | 288,864.00 | NA |
| **Marine Aoudi** | **Group General Counsel** | 1/9/2024 | 1,054,120.00 | 173,352.00 | NA |
| **Lisa Yackiminie** | **Director of Human Resources** | 8/9/2025 | 1,166,571.00 | 172,800.00 | NA |

## Introduction of the Long-Term Incentive Plan

During the year, the Nomination and Remuneration Committee and the Board of Directors approved the introduction of a Long-Term Incentive Plan for eligible senior management. The performance-linked plan is designed to support the retention and motivation of key leadership and to align the participants in the Plan with Taaleem's long-term strategic objectives. Awards are structured through shadow shares and do not confer any voting or shareholder rights.



## 9. External Auditor

### a. A brief profile of the external auditor.

Ernst & Young ("EY") is a global leader in the realm of professional services, offering unparalleled expertise across four integrated service lines: Assurance, Consulting, Strategy and Transactions, and Tax. Their dedication to integrity, transparency, and sustainable progress aligns seamlessly with our Corporate Governance ethos, providing us with the strategic insights and robust frameworks needed to navigate risk, enhance operational efficiency, and drive long-term value creation.

### b. A statement of audit fees and any non-audit fees, using the table below:

| Audit Firm Name | Ernst & Young Middle East - Dubai Branch |
|---|---|
| **Audit Engagement Partner Name** | Signing partner - Thodla Hari Gopal Engagement Partner – Shashank Khatri |
| **Audit Firm Tenure (Years as External Auditor)** | 4 |
| **Audit Engagement Partner Tenure (Years Auditing Financial Statements)** | 1 |
| **Total Audit Fees for FY2025/26 (AED)** | 1,750,000 |
| **Nature and Description of Non-Audit Services Provided by the External Auditor (if none, this shall be expressly stated)** | None |
| **Total Non-Audit Fees for FY2025/26 (AED) (if none, this shall be expressly stated)** | No other services provided |
| **Nature and Description of Services Provided in FY 2025/2026 by an External Auditor Other Than the Appointed Auditor (if none, this shall be expressly stated)** | Name of Auditor: Not applicable |

### c. A statement of any reservations expressed in the interim and annual financial statements for FY2025/26. If none, this must be expressly stated.

There has been no qualified or adverse opinion made by the external auditor for the FY2025/26, an unqualified opinion has been issued.

## 10. Internal Control System

### a. A declaration by the Board confirming responsibility for the internal control system, review of its operating framework and assurance of its effectiveness.

The Board of Directors of Taaleem Holdings P.J.S.C. acknowledges its overall responsibility for establishing and maintaining an effective internal control system supporting sound governance, reliable financial reporting, risk management and regulatory compliance. Although oversight of the internal control environment is delegated to the Audit Committee, the Board retains ultimate accountability for its adequacy and effectiveness.

Taaleem's Internal Controls Framework is based on the COSO Internal Control – Integrated Framework and incorporates its five components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. It defines the responsibilities of the Board, Audit Committee, Senior Management, Compliance, Risk, Internal Audit and operational functions.

During FY2025/26, Taaleem reviewed and updated the Framework to clarify accountability under the Three Lines Model, reinforce management's ownership of risks and controls, strengthen second-line oversight and enhance coordination across Enterprise Risk Management, Compliance, Internal Audit and Internal Controls over Financial Reporting ("ICFR"). The updated Framework also formalises the Group's approach to ongoing monitoring, assurance and remediation.

Elements of Taaleem's internal controls programme were extended to Kids First Group ("KFG"), a strategically significant joint venture. Although KFG is not within Taaleem's ICFR scope as a controlled entity, KPMG performed Test of Design procedures over relevant controls, providing additional visibility over KFG's control environment and controls relevant to Taaleem's financial reporting.

The Board, supported by the Audit Committee, remains committed to maintaining an effective and continuously improving internal control environment aligned with Taaleem's strategy, risk profile and applicable regulatory requirements.

### b. A statement setting out the name, qualifications and date of appointment of the Head of Internal Control Department

Taaleem's Internal Audit function is outsourced to KPMG Lower Gulf Limited ("KPMG"), an independent third-party provider appointed in March 2024. KPMG delivers Taaleem's risk-based Internal Audit plan and provides independent third-line assurance over governance, risk management and internal controls.

Internal coordination of Internal Audit and internal control activities is led by the Head of Compliance, who works with KPMG, management and the relevant functions to coordinate planning and delivery, management responses, remediation, follow-up and reporting to the Audit Committee. This arrangement supports effective internal coordination while preserving the independence of the outsourced Internal Audit function.

Separately from its independent Internal Audit role, KPMG supports Taaleem's ICFR programme in a management-support capacity. This includes process walkthroughs, the development and refinement of Risk and Control Matrices, control testing and validation of remediation activities.

### c. A statement setting out the name, qualifications and date of appointment of the Compliance Officer

The Compliance function is led by Ms. Natasha Pardasani, who was appointed by the Board of Directors on 6 June 2023. She has more than 16 years of experience in governance, risk, compliance and internal audit across regulated industries, including education, logistics and professional services. She has also supported listed and regulated entities in the UAE and internationally in developing compliance programmes, internal control frameworks and governance initiatives.

Ms. Pardasani holds a bachelor's degree in Business Administration, specialising in Finance and Accounting, from the American University in Dubai. She is a qualified Chartered Accountant through the Association of Chartered Certified Accountants, a Certified Compliance and Ethics Professional – International and a Certified Internal Auditor.

As Head of Compliance, Ms. Pardasani leads Taaleem's Group-wide Compliance Framework, including regulatory-obligations monitoring, policy governance, compliance-risk oversight and the independent whistleblowing framework. She also oversees the internal coordination of the Group's Internal Audit and ICFR programmes, working with external assurance providers and management to facilitate delivery, monitor remediation and report to the Audit Committee.

The Head of Compliance reports functionally and independently to the Audit Committee and administratively to the Chief Executive Officer, supporting appropriate independence and effective integration with the Group's management and governance structure.

### d. A statement describing how material issues identified by the Internal Control Department, or disclosed in reports and annual statements, were addressed. Where no material issues arose, this must be expressly stated.

No material internal control deficiencies were identified through the internal control activities undertaken during the year in relation to the Company's financial reporting, operations or regulatory compliance.

### e. A statement indicating the number of internal control reports submitted to the Board during FY2025/26

During FY2025/26, nine reports were delivered across Internal Audit and internal control activities and submitted to the Audit Committee in the discharge of its delegated oversight responsibilities on behalf of the Board. The reports comprised corporate audits, follow-up reviews, school-based advisory reviews and ICFR activities.

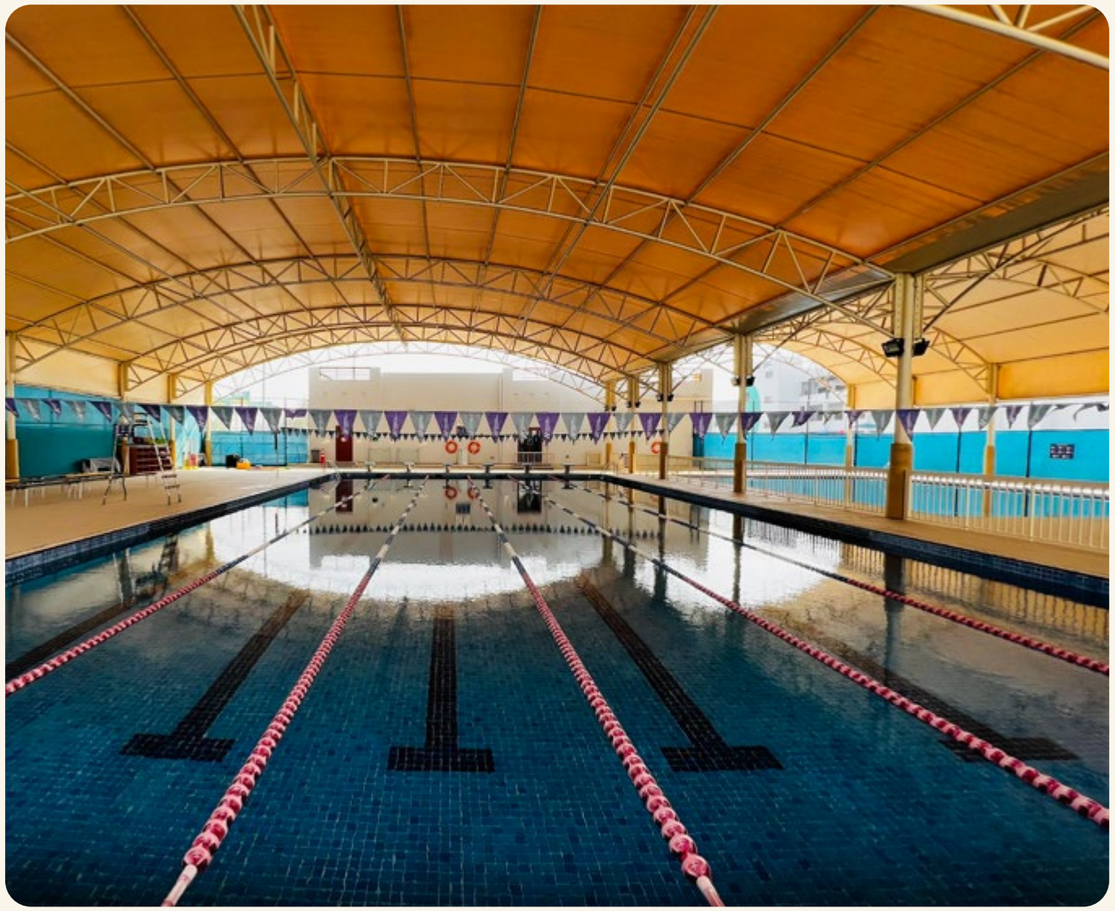
Corporate Internal Audit reviews focused on Capital Projects and Investor Relations and assessed governance, risk management and internal controls in these strategically, financially and regulatorily significant areas. School-based advisory reviews examined key financial, operational and compliance processes at selected schools, identifying school-specific improvement opportunities and common themes requiring broader management attention.

Follow-up reviews assessed the implementation of previously agreed Internal Audit actions, with the progress and closure of findings monitored throughout the year. In parallel, the ICFR programme assessed the design and operating effectiveness of controls relevant to financial reporting and monitored the remediation of identified matters.

The outcomes were reported to the Audit Committee throughout the year, supporting oversight of control effectiveness, remediation progress and themes arising across corporate and school operations. The Audit Committee also received quarterly Compliance updates covering key compliance activities, regulatory developments, whistleblowing matters and other significant compliance and governance matters.

## 11. A statement detailing violations committed during FY2025/26, including their causes and the remedial measures taken to prevent recurrence.

Taaleem did not commit any significant violations of the Governance Guide during FY 2025/2026.



## 12. A statement of cash and in-kind contributions made by the Company during FY2025/26 to community development and environmental initiatives. If none, this must be expressly stated.

| Vendor Name | Amount |
|---|---|
| **Model Service Society** | 34,000 |
| **World Green Economy Organisation - WGEO NPIO** | 18,363 |
| **Emirates Environmental Group** | 1,650 |
| **W2W Worldwide FZ-LLC** | 4,144 |
| **Decent Taskforce** | 65,000 |
| | **123,157** |

## 13. General Information

### a. A statement of the Company's share price, including monthly closing, highest, and lowest prices during FY2025/26.

| Month | Month-End Closing Price (AED) | Highest Price (AED) | Lowest Price (AED) |
|---|---|---|---|
| **Sep-25** | 4.29 | 4.69 | 4.20 |
| **Oct-25** | 4.34 | 4.48 | 3.83 |
| **Nov-25** | 4.36 | 4.40 | 4.07 |
| **Dec-25** | 4.17 | 4.40 | 4.12 |
| **Jan-26** | 4.19 | 4.20 | 4.10 |
| **Feb-26** | 3.97 | 4.22 | 3.89 |
| **Mar-26** | 3.09 | 3.95 | 3.09 |
| **Apr-26** | 3.27 | 3.43 | 3.00 |
| **May-26** | 2.97 | 3.28 | 2.97 |
| **Jun-26** | 3.25 | 3.28 | 2.74 |
| **Jul-26** | 3.20 | 3.29 | 3.09 |
| **Aug-26** | 3.10 | 3.32 | 3.10 |

### b. A statement presenting a comparative analysis of the Company's share-price performance against the general market index and the relevant sector index during FY2025/26.

| Month | Taaleem Share Price % | DFM General Index % | DFM Consumer Discretionary Index % |
|---|---|---|---|
| **Sep-25** | -9.49% | -3.69% | -6.42% |
| **Oct-25** | 1.17% | 3.76% | -8.99% |
| **Nov-25** | 0.46% | -3.67% | -2.09% |
| **Dec-25** | -4.36% | 3.60% | -0.75% |
| **Jan-26** | 0.48% | 6.42% | -0.60% |
| **Feb-26** | -5.25% | 1.06% | -19.39% |
| **Mar-26** | -22.17% | -16.44% | -1.72% |
| **Apr-26** | 5.83% | 6.10% | 14.02% |
| **May-26** | -9.17% | -0.15% | 14.98% |
| **Jun-26** | 9.43% | 3.44% | 11.50% |
| **Jul-26** | -1.54% | -2.68% | -11.70% |
| **Aug-26** | -3.13% | 0.69% | 9.93% |

### c. A statement of share ownership distribution as at end of FY2025/26, classified by shareholder category (individuals, corporate entities, and government entities) and by nationality (local, GCC, Arab, and foreign), using the table below:

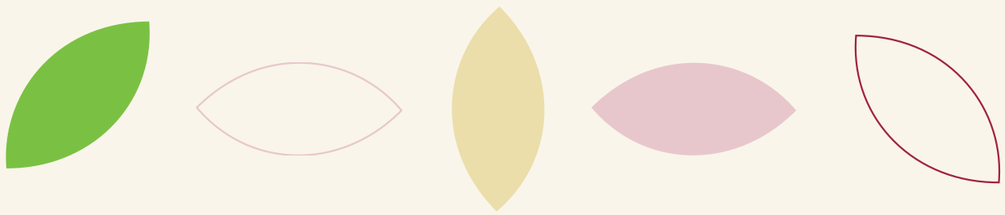
| No. | Shareholder Classification | Percentage of Shares Held | | | |
|---|---|---|---|---|---|
| | | Individuals | Corporate Entities | Government Entities | Total |
| **1** | **Local** | 17.2% | 53.8% | 0.3% | 71.3% |
| **2** | **Arab** | 2.3% | 12.1% | 0.0% | 14.5% |
| **3** | **Foreign** | 0.7% | 13.6% | 0.0% | 14.3% |
| **4** | **Total** | **20.3%** | **79.4%** | **0.3%** | **100.0%** |

## d. A statement identifying shareholders holding 5% or more of the Company's share capital as at end of FY2025/26, using the table below:

| No. | Name of Shareholder | Number of Shares Held | Percentage of Issued Share Capital |
|---|---|---|---|
| 1 | **National Bonds Corporation Sales Proprietorship Llc** | 224,061,494 | 22.4% |
| 2 | **Knowledge Fund Establishment** | 136,373,465 | 13.6% |
| 3 | **Investment Trading Group, Llc** | 72,494,720 | 7.2% |
| 4 | **Ahmad Saed Mohd Fawzi Al Khayyat** | 61,920,000 | 6.2% |
| 5 | **Norges Bank** | 57,962,530 | 5.8% |

## e. A statement of the distribution of shareholders by size of shareholding as at end of FY2025/26, using the table below:

| No. | Shareholding Range (Number of Shares) | Number of Shareholders | Number of Shares Held | Percentage of Issued Share Capital |
|---|---|---|---|---|
| 1 | **Less than 50,000** | 4,008 | 10,555,911 | 1.1% |
| 2 | **From 50,000 to less than 500,000** | 153 | 24,366,241 | 2.4% |
| 3 | **From 500,000 to less than 5,000,000** | 79 | 129,664,855 | 13.0% |
| 4 | **More than 5,000,000** | 28 | 835,412,993 | 83.5% |



## f. A statement of special resolutions presented to the Annual General Meeting held in FY2024/25 and the actions taken.

No special resolutions were presented at the General Assembly of FY 2024/2025, and the General Assembly for the FY 2025/2026 is yet to be held.

## g. Statement detailing the procedures undertaken regarding investor relation controls, indicating the following:

During FY2025/26, the Company maintained an established Investor Relations function and continued to implement its Board-approved Investor Relations Policy in accordance with applicable regulatory requirements. The function is responsible for ensuring transparent, accurate, consistent and timely communication with shareholders, investors, analysts and other capital-market participants.

Investor Relations controls included the timely publication of financial results, disclosures, presentations and other material information through the appropriate regulatory and corporate channels. Investor Relations coordinated with Management and relevant internal functions to verify the accuracy and consistency of market communications and maintained controls over material and potentially price-sensitive information.

The function engaged with shareholders, institutional investors and analysts through meetings, conferences, earnings calls and other investor activities; monitored the Company's shareholder base and market activity; and maintained records of investor engagement. It also maintained and continued to enhance the Company's dedicated Investor Relations website and communication channels, providing access to financial reports, disclosures, governance information, presentations and other relevant information.

## h. Name of the Investor Relations Officer.

Mrs. Nora Ghannam

## i. Contact information for the Investor Relations Officer (email, phone, mobile, fax).

**Email :** Nghannam@taaleem.ae

**Mobile:** 0501142365

## j. The electronic link to the Investor Relations webpage on the company's website.

https://www.taaleem.ae/investor-relations/

## k. A statement setting out the name and date of appointment of the Board Secretary.

Mrs. Marine Aoudi was appointed as the Secretary to the Board of Directors of Taaleem in November 2022 and was re-appointed as the Board Secretary after the re-constitution of the Board of Directors on 28 November 2025.

## I. A statement detailing material events and disclosures concerning the Company during FY2025/26.

During the financial year from 1 September 2025 to 31 August 2026, Taaleem Holdings PJSC ("Taaleem" or the "Company") made a number of regulatory disclosures and announcements relating to its financial performance, corporate governance, strategic expansion and operational developments. The principal material events and disclosures during the year are set out below.

| Date | Material Event / Disclosure | Details |
|---|---|---|
| **7 Oct 2025** | Acquisition of a School Plot in Ghaf Woods | Taaleem announced the acquisition of a school plot within Ghaf Woods for the development of a new premium British-curriculum school, supporting the expansion of its premium schools' portfolio. |
| **7 Oct 2025** | Notice of Board Meeting | The Company announced that the Board would meet to consider and approve the audited financial statements for the year ended 31 August 2025 and other related matters. |
| **8 Oct 2025** | Clarification on Land Purchase | Taaleem issued a follow-up disclosure confirming that the Ghaf Woods land acquisition had a value of AED 40 million, represented less than 2% of the Company's total assets, and was intended for the construction and operation of a school. |
| **9 Oct 2025** | FY2024/25 Annual Financial Results | Taaleem announced its FY2024/25 financial and operational results, reporting revenue of AED 1,135.5 million, EBITDA of AED 317.9 million and net profit of AED 164.5 million. |
| **9 Oct 2025** | FY2024/25 Financial Statements | The Company published its audited consolidated financial statements for the financial year ended 31 August 2025. |
| **9 Oct 2025** | FY2024/25 Integrated Annual Report | Taaleem published its Integrated Annual Report covering the Group's strategy, financial and operational performance, governance and sustainability. |
| **9 Oct 2025** | ESG Report FY2024/25 | The Company published its annual ESG Report covering its environmental, social and governance performance and sustainability initiatives. |
| **9 Oct 2025** | Results of Board Meeting | The Company disclosed the results of the Board meeting relating to the approval of the FY2024/25 audited financial statements and associated annual reporting and General Assembly matters. |
| **9 Oct 2025** | Change of Liquidity Provider | Taaleem announced the appointment of xCube as its new liquidity provider on DFM, replacing BHM Capital, effective 10 October 2025. |
| **3 Nov 2025** | General Assembly Invitation and Board Nominations | Taaleem formally invited shareholders to the Annual General Assembly and announced the nomination process for the election of nine Board members for the new Board term. |
| **3 Nov 2025** | Newspaper Announcement – General Assembly and Board Nominations | The Company published the required newspaper announcement relating to the Annual General Assembly and opening of nominations for Board membership. |
| **20 Nov 2025** | Board of Directors Nominees | Taaleem published the list of candidates nominated for membership of the Board of Directors ahead of the General Assembly and Board election. |
| **26 Nov 2025** | General Assembly Resolutions | Shareholders approved the FY2024/25 financial statements and other AGM matters, including a AED 150 million cash dividend, equivalent to AED 0.15 per share, and elected the Board for a new three-year term. |
| **26 Nov 2025** | Notice of Board Meeting | The Company announced the scheduled Board meeting and matters to be considered by the Board. |
| **28 Nov 2025** | Results of Board Meeting | Taaleem disclosed the outcome and resolutions of the Board meeting following the Annual General Assembly and related corporate governance matters. |
| **5 Jan 2026** | Notice of Board Meeting | Taaleem announced that the Board would meet on 8 January 2026 to consider and approve the interim consolidated financial statements for the three months ended 30 November 2025. |
| **8 Jan 2026** | Q1 FY2025/26 Financial Results | Taaleem announced its financial and operational performance for the three months ended 30 November 2025, including performance across the Group's operating segments and strategic developments. |
| **8 Jan 2026** | Q1 FY2025/26 Financial Statements | The Company published its interim condensed consolidated financial statements for the three months ended 30 November 2025. |
| **8 Jan 2026** | Results of Board Meeting | The Company disclosed the Board's consideration and approval of the Q1 FY2025/26 interim consolidated financial statements and related matters. |
| **23 Feb 2026** | Notice of Board Meeting | Taaleem announced that the Board would meet on 26 February 2026 to discuss routine business matters and follow up on the Company's activities. |
| **26 Feb 2026** | Results of Board Meeting | The Company disclosed the outcome of the Board meeting held on 26 February 2026 concerning routine business matters and follow-up on Company activities. |
| **3 Mar 2026** | Business Continuity Update – Group Remained Fully Operational | In light of regional developments, Taaleem confirmed that the Group remained fully operational across its portfolio. In accordance with its academic continuity protocols, the Group transitioned to online learning to maintain uninterrupted education and confirmed its readiness to resume on-campus learning once permitted by the relevant authorities. |
| **26 Mar 2026** | H1 FY2025/26 Financial Results | Taaleem announced its financial and operational performance for the six months ended 28 February 2026, including updates on enrolment, KFG and the Group's strategic growth pipeline. |
| **26 Mar 2026** | H1 FY2025/26 Financial Statements | The Company published its reviewed interim condensed consolidated financial statements for the six-month period ended 28 February 2026. |
| **18 Jun 2026** | Board Meeting | The Board met to consider matters relating to the ordinary course of business and follow up on the Company's activities. |
| **19 Jun 2026** | Results of Board Meeting | Taaleem disclosed the outcome of the Board meeting held on 18 June 2026, during which the Board discussed routine business matters and followed up on the Company's activities. |
| **9 Jul 2026** | 9M FY2025/26 Financial Results | Taaleem announced its financial and operational performance for the nine months ended 31 May 2026, including updates across Premium Schools, Government Partnerships and KFG/Early Childhood, together with the Group's growth pipeline. |
| **9 Jul 2026** | 9M FY2025/26 Financial Statements | The Company published its reviewed interim condensed consolidated financial statements for the nine-month period ended 31 May 2026. |
| **31 Aug 2026** | Opening of Harrow International School Dubai | Harrow International School Dubai opened, marking Taaleem's entry into the super-premium education segment and the first school under its strategic partnership with Harrow International Schools Limited. The school has planned capacity of approximately 1,800 students. |

Throughout FY2025/26, the Company continued to comply with the applicable disclosure and transparency requirements of the Securities and Commodities Authority and Dubai Financial Market, ensuring that shareholders and market participants were informed of material financial, operational, governance and strategic developments in a timely manner.

## m. A statement detailing related-party transactions during FY2025/26 amounting to 5% or more of the Company's share capital.

| No. | Related Party Name | Nature of Relationship | Transaction Type | Transaction Value |
|---|---|---|---|---|
| 1 | **National Bonds Corporation ("NBC")** | Shareholder | Investment in sukuk deposit | 214,577,874 |
| 2 | **National Bonds Corporation ("NBC")** | Shareholder | Dividend payment | 33,545,270 |
| 3 | **Knowledge Fund ("KF")** | Shareholder | Lease payments | 6,167,603 |
| 4 | **Knowledge Fund ("KF")** | Shareholder | Dividend payment | 20,456,020 |
| 5 | **Kids First Group Limited ("KFG")** | Joint Venture | Share of loss of Joint Venture | 4,323,584 |
| 6 | **Kids First Group Limited ("KFG")** | Joint Venture | Rental income | 1,241,646 |

## n. A statement indicating Emiratisation percentages at the end of 2023, 2024, and FY2025/26, excluding employees of construction companies.

Taaleem's Emiratisation rate for the fiscal year 2023–2024 was 7.5%.

Taaleem's Emiratisation rate for the fiscal year 2024–2025 was 9%.

Taaleem's Emiratisation rate for the fiscal year 2025–2026 is 13%.

## o. A statement of innovation-related projects and initiatives implemented or under development by the Company during FY2025/26.

During FY2025/26, Taaleem advanced initiatives across education, sustainability, technology and governance. Schools fostered experiential learning and student-led innovation through Eco Clubs, STEAM projects and sustainability committees, with students analysing environmental performance data and presenting recommendations to school leadership. Taaleem also supported student sustainability projects with seed funding and participation in external programmes, including Masdar Youth for Sustainability.

### Digital and AI-enabled innovation

Taaleem rolled out the AI-powered ClimaCert X Indoor Air Quality monitoring platform across its UK and IB cluster schools through its computer-aided facilities management (CAFM) system. The platform provides facilities teams with real-time insights to optimise HVAC performance and improve indoor environments. Jebel Ali School served as the pilot site and achieved Platinum Certification, while the wider UK and IB clusters attained Gold Certification. The initiative supports Taaleem's alignment with the UAE National Air Quality Agenda 2031.

Dubai Schools Al Khawaneej integrated STEAM, engineering, Artificial Intelligence and Design Technology across Middle and High School. Students used emerging technologies to solve authentic problems, design solutions and develop working prototypes, building creativity, critical thinking and applied problem-solving into their learning.

Across Dubai Schools, AI-enabled education platforms helped teachers differentiate learning materials, tailor support to individual needs and provide timely, actionable feedback. The platforms also assisted with lesson planning, resource creation, assessment and routine documentation, giving teachers more time for teaching and student interaction. Students accessed AI through age-appropriate, teacher-guided experiences designed to develop critical thinking, responsible use and AI literacy. This approach supports more responsive and inclusive learning, while professional judgement remains with teachers.

Taaleem updated its Artificial Intelligence in Schools Policy to support the responsible and effective use of AI in learning environments. The Group invested AED 26.5 million in technology and digital transformation initiatives, including the deployment of Microsoft Purview Data Loss Prevention across its Microsoft 365 environment. It also began piloting an enhanced online monitoring platform to strengthen student digital safeguarding and continued organisation-wide cybersecurity awareness and training programmes.

At Raha International School, the Toddle digital learning platform reduced paper use by approximately 300,000–500,000 sheets annually.

### Student voice and practical innovation

Raha International School provided AED 10,000 in seed funding for a student-led sustainability innovation project. Four Raha students were selected from among 50 participants nationwide for the Masdar Youth for Sustainability Programme, gaining access to mentorship, innovation workshops and Abu Dhabi Sustainability Week.

At Dubai Schools Al Barsha, participatory budgeting gave students a direct role in shaping their school experience. Students identified wellbeing priorities, consulted their peers and contributed to decisions on how an AED 10,000 budget would be used. This led to the development of the school's Wellbeing Garden, turning student feedback into a project that supports agency, belonging and wellbeing.

Dubai Schools introduced student-led podcasting within its journalism elective, connecting speaking, listening and public-speaking curriculum standards with contemporary communication. Middle School students auditioned through student-focused prompts and took ownership of the process from concept to production. They shaped each podcast's identity and purpose, selected topics, researched content and chose formats including interviews and monologues. The initiative provided a platform for student voice while developing communication, research and media skills.

At Dubai British School Emirates Hills (DBSEH), a student-built dashboard displayed in the foyer showed live data on water and energy consumption, renewable energy production and indoor air quality. Students used the data to explore how seasons, temperature and building operations affect resource use.

### Sustainable food systems and biodiversity

Dubai Schools Al Barsha and other schools across the Dubai Schools Cluster implemented hydroponic and aeroponic farming initiatives and community gardens. These projects developed students' understanding of food security, biodiversity and water-efficient agriculture.

Across the UK Cluster, students grew vegetables in bespoke school gardens and developed practical knowledge of food production through extracurricular activities. Schools used the produce to create menus and food items, with some selling them through "Eco Souq" enterprise projects.

A UK Cluster biodiversity engagement programme recorded 535 wildlife observations and identified 312 species. The programme involved 31 participants and their families, together with 17 community volunteers. In addition, 15 student-led sustainability stalls generated AED 9,500 to support future environmental and sustainability projects.

## Waste reduction, renewable energy and efficiency

Dubai Schools Al Khawaneej collected 3,510 kg of paper through the Emirates Environmental Group's Recycle. Reforest. Repeat. programme. Its contribution earned four trees under the national greening initiative and supported the UAE's environmental sustainability goals.

Dubai British School Mira (DBSM) and DBSEH installed water dispensers that display the number of single-use plastic bottles avoided, helping students see the impact of using reusable bottles. DBSEH also doubled its number of segregated waste receptacles to support recycling, reduce waste sent to landfill and raise awareness of food waste and single-use plastics brought from home.

UK Cluster schools expanded their solar photovoltaic systems and improved energy efficiency through LED lighting and advanced Building Management Systems. They also implemented water conservation measures and promoted low-emission transportation initiatives.

## External recognition

Jebel Ali School received a 7-Star Winner rating at the 11th International Best Practice Competition for Connecting a Whole School Community with Nature. The award recognised the school's integration of the natural environment into its culture, curriculum and wider community engagement.

Dubai Schools Al Khawaneej students won a Gold Medal at an international STEAM competition in London in the preceding academic year. They continued that momentum during FY2025/26 by qualifying for two international STEAM championships.

Chair of the Audit Committee

Chair of the Nomination and Remuneration Committee

Head of Internal Control Department

Chairman of the Board



# AUDIT COMMITTEE REPORT

06

# THE AUDIT COMMITTEE'S ANNUAL REPORT

This report is prepared and issued by Taaleem Holdings PJSC ("Taaleem") in compliance with the provisions of Article 61 bis. of 2024 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority ("SCA") concerning the Approval of the Public Joint Companies Governance Guide ("Governance Guide").

## Introduction

This Annual Audit Committee Report summarises the Committee's activities during FY2025/26 in accordance with the Capital Market Authority's Governance Guide. During the year, the Committee oversaw the integrity of the Group's financial reporting, the external audit process, auditor independence and appointment, internal audit, risk management, internal controls and Internal Controls over Financial Reporting ("ICFR"). Particular attention was given to significant accounting matters, the remediation of identified control weaknesses and the continued strengthening of the Group's control environment.

### I. Significant matters relating to the financial statements and how they were addressed

The Audit Committee reviewed the significant judgements and estimates underlying the consolidated financial statements, taking into account management's assessments and the external auditor's observations. The principal matters considered were:

**Revenue recognition:** The Committee reviewed the Group's revenue-recognition practices and the accounting treatment of significant contracts and transactions. It considered management's judgements and the external auditor's observations to assess compliance with applicable accounting standards. Any matters identified through the external audit were appropriately addressed.

**Impairment of the investment in a joint venture:** The Committee reviewed management's impairment assessment, including the determination of the investment's recoverable amount, the valuation methodology and the principal assumptions applied. These included cash-flow projections, business performance, growth rates, discount rates and the sensitivity of the assessment to changes in those assumptions. The external auditor's observations were considered in assessing the reasonableness of management's judgements and conclusions.

**Impairment of assets:** The Committee reviewed the assessment of potential goodwill impairment, including the methodologies, cash-flow projections and discount rates used in the impairment tests. Adjustments were made where necessary to align the assessment with realistic and appropriately conservative estimates.

**Corporate taxation:** The Committee reviewed the Group's corporate tax positions, including deferred tax liabilities, the assumptions and judgements underlying tax provisions and any potential exposures, to ensure their appropriate presentation in the consolidated financial statements.

**New and amended accounting standards:** The Committee reviewed the impact of new and amended accounting standards and interpretations and worked with management and the external auditor to address implementation matters and maintain compliance.

Through these reviews, the Committee assessed the integrity of the Group's financial reporting and the reasonableness of the significant judgements and estimates reflected in the consolidated financial statements.

### II. Assessment of the effectiveness and independence of the external auditor, appointment or reappointment process and auditor tenure.

Management conducts an annual assessment of the external auditor, which is presented to the Audit Committee. The assessment considers the auditor's independence, tenure, any non-audit services and potential conflicts of interest, as well as the quality of the audit work, the engagement team's understanding of the Group's business and the timeliness and usefulness of its feedback.

The appointment or reappointment process also considers the audit firm's qualifications, relevant industry experience, previous performance and ability to provide an independent, high-quality audit.

Ernst & Young Middle East ("EY") has served as Taaleem's external auditor since its listing in 2022. EY was first appointed by shareholders at the Annual General Meeting in October 2022 and was subsequently reappointed at the Annual General Meetings held in October 2023, November 2024 and November 2025.

During FY2024/25, management conducted a Request for Proposal process for the appointment of the external auditor for the financial years ending 31 August 2026, 2027 and 2028. The process included selected Big Four firms that did not have a potential conflict of interest. EY, Deloitte & Touche and PricewaterhouseCoopers were considered, while KPMG was excluded because of its existing role as the Group's Internal Auditor.

The proposals were evaluated against organisational experience, technical expertise, the experience of the proposed engagement team, relevant audit experience, client references and commercial terms. Fee proposals were analysed and negotiated to ensure fair and competitive terms.

Following its assessment, the Audit Committee recommended EY as the preferred external auditor for the three financial years, subject to the required annual approvals. EY's appointment for FY2025/26 was approved by the Board and subsequently by shareholders at the Annual General Meeting held on 26 November 2025. The process supported transparency, competition and auditor independence.

### III. Recommendations concerning the appointment, reappointment or dismissal of the external auditor

For FY2025/26, the Audit Committee recommended the reappointment of EY based on the quality of its services, its understanding of the Group's business and its compliance with applicable regulatory requirements. The Board accepted

the recommendation, and the appointment was approved by shareholders at the Annual General Meeting held in November 2025.

For FY2026/2027, the Audit Committee submitted its recommendation for the appointment of the external auditor to the Board. The Board endorsed the recommendation for submission to shareholders, with the final appointment to be confirmed at the Annual General Meeting. The Board did not reject any recommendation made by the Audit Committee concerning the appointment of the external auditor.

## IV. Measures taken to safeguard auditor independence in relation to non-audit services

The Group regulates the provision of non-audit services through internal approval procedures designed to safeguard the external auditor's independence. The external auditor did not provide Taaleem with any non-audit services during FY2025/26.

If non-audit services are required in the future, the Audit Committee has delegated authority to the Group Chief Financial Officer to approve them following a documented review of the proposal and the auditor's independence analysis. Depending on the nature of the service or the amount of the fees, the Audit Committee may request further explanation from the Chief Financial Officer. The assessment considers potential threats to independence and the safeguards required to address them.

The Committee also receives annual written confirmation of EY's independence. During FY2025/26, it reviewed and approved the external audit fees and concluded that the level of fees did not compromise the auditor's independence or objectivity.

## V. Actions taken or planned to address deficiencies arising from failures in internal control or risk management

The Audit Committee maintained oversight of the Group's internal control and risk-management environment throughout FY2025/26. No fundamental deficiencies were identified that would materially affect the Group's financial position or reputation. Control weaknesses and areas for improvement identified through Internal Audit, ICFR and other assurance activities were addressed through established remediation and monitoring procedures.

Management, as the first line of defence, remained responsible for implementing agreed corrective actions within defined timelines. Remediation was monitored through to resolution, supported by appropriate evidence and validation where applicable. The Committee also considered whether individual findings indicated recurring themes or wider weaknesses in processes, policies or control design. Where appropriate, these observations informed broader enhancements to policies, procedures, the Delegation of Authority and other elements of the Group's governance and control framework.

The Compliance function, in coordination with KPMG Lower Gulf Limited as the Group's assurance provider, facilitated these activities and acted as the central point of coordination between management, external assurance providers and the Audit Committee. This included supporting management during internal control reviews, monitoring agreed actions and timelines, coordinating the validation and closure of deficiencies and ensuring that significant or recurring matters remained visible to the Committee.

The Committee also continued to oversee the development of the Group's ICFR framework ahead of the phased regulatory reporting and public-disclosure requirements applicable in future financial years. Work undertaken during FY2025/26 included enhancing process documentation and Risk and Control Matrices, assessing the design and operating effectiveness of key controls and remediating identified deficiencies.

The internal controls programme was also extended to Kids First Group ("KFG"), reflecting its significance as a strategic investment. Although KFG is classified as a joint venture and is not within Taaleem's ICFR scope as a controlled entity, Taaleem elected to extend elements of its programme to KFG. KPMG performed Test of Design procedures over relevant controls, providing additional visibility over KFG's control environment and the controls relevant to Taaleem's financial reporting.

## VI. Review of internal audit reports identifying medium- and high-risk matters

All Internal Audit reports issued during FY2025/26 were presented to and reviewed by the Audit Committee. The Committee paid particular attention to Medium and High-risk findings and considered the nature and underlying cause of each matter, management's response and corrective actions, and whether the matter represented an isolated issue, a significant violation, a material weakness or a broader deficiency in the Group's internal control environment.

The Committee also considered recurring themes and common issues across functions and operations. Where findings indicated wider process, policy or control weaknesses, these were discussed with the Internal Audit provider and relevant management to determine whether broader corrective action or escalation was required.

Previously reported findings remained under review through regular updates on agreed management actions. Progress against remediation timelines was monitored, delays were challenged and findings remained open until the agreed actions were satisfactorily implemented and supported by appropriate evidence.

Internal Audit results were considered alongside observations arising from the Group's ICFR activities to identify common control themes and potential areas of overlap. Based on its review of all Internal Audit reports and matters reported during FY2025/26, the Committee did not identify any finding representing a material weakness in the Group's internal control environment.

## VII. Corrective action plans addressing material internal control and risk-management deficiencies

Although no fundamental deficiencies were identified during FY2025/26 that would materially affect the Group's financial position or reputation, the Group maintains an established corrective-action framework.

Where a significant deficiency is identified, management must prepare a corrective action plan specifying the required actions, accountable owners and target completion dates. The nature and urgency of the response are determined by the significance and potential impact of the deficiency, with matters requiring broader organisational action coordinated across the relevant functions.

The Audit Committee monitors significant corrective action plans through regular progress reporting. Reporting may be increased where appropriate, and delays or proposed changes to agreed actions and timelines are subject to challenge and escalation. Matters remain under oversight until corrective actions have been implemented and sufficient evidence supports their satisfactory resolution.

The Compliance function provides central oversight and considers whether a deficiency indicates a wider policy, governance or control issue. Where

necessary, it works with the relevant management functions to assess corresponding amendments to related policies, procedures, the Delegation of Authority or other governance arrangements. This integrated approach allows findings from Internal Audit, ICFR and other assurance activities to support broader and sustainable improvements while preserving management's ownership of corrective actions.

## VIII. Review of related-party transactions and compliance with applicable laws

In accordance with the CMA's definition of related parties, the Audit Committee oversees the Group's related-party transactions to ensure compliance with applicable laws, regulations and internal approval requirements. Relevant related parties include National Bonds Corporation, Knowledge Fund Establishment, KFG, Board members and their relatives, executive management and their relatives, and employees of Taaleem, as applicable. Transactions include lease payments, investments in sukuk deposits, compensation and tuition-fee discounts.

Related-party transactions are subject to the Group's Delegation of Authority and established approval processes. The Audit Committee reviews these transactions and the related disclosures in the consolidated financial statements. It also reviews the Delegation of Authority framework to confirm that appropriate controls are in place for their identification, review and approval.

Based on its review, the Committee was satisfied that related-party transactions were appropriately monitored, documented, approved and disclosed in accordance with applicable laws and regulations. No material exceptions or instances of non-compliance were identified during FY2025/26.



# FINANCIAL STATEMENTS

07

## Taaleem Holdings PJSC

### DIRECTORS' REPORT

The Board of Directors have the pleasure of presenting the annual report and audited consolidated financial statements of Taaleem Holdings P.J.S.C. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 August 2026. The Company operates under the trade name Taaleem Holdings P.J.S.C. (Public Joint Stock Company) as per the trade license no. 591478 issued by the Department of Economic Development.

***Management's responsibilities***

The UAE Federal Law No. (32) of 2021, as amended, on the Commercial Companies and its amendments requires the management to prepare the consolidated financial statements which present fairly the state of affairs of the Group and the consolidated performance for the financial year.

The accompanying consolidated financial statements are prepared in conformity with the statutory requirements and IFRS Accounting Standards, including the underlying accounting policies, estimates and judgments. All relevant accounting records and information were considered to prepare these consolidated financial statements.

**Principal activities**

The Group has been licensed to provide and invest in educational services.

**Financial Results**

The Group has recorded a net profit attributable to equity holders of the Company of AED 127.20 million for the year ended 31 August 2026, compared with AED 163.03 million in the prior year.

In accordance with the Articles of Association of the Company and applicable UAE Federal Law No. (32) of 2021, as amended, the transfer to statutory reserve from the distributable profit has been suspended as the reserve has reached more than 50% of the paid-up share capital following the proceeds received from the IPO on 29 November 2022 through the issuance and classification of new shares.

**Dividends**

The Board of Directors of the Company has proposed a cash dividend of AED 120 million payout (AED 0.12 per share or 94.3% of profit for the year ended 31 August 2026 attributable to equity holders), which is subject to the approval of the shareholders at the forthcoming Annual General Assembly of the Company.

Total equity attributable to the owners of the Company for the year ended 31 August 2026 amounts to AED 1,752.51 million prior to proposed dividend.

**Going concern basis**

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 August 2026.

**Transactions with related parties**

The consolidated financial statements disclose significant related party transactions and balances in note 22. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

**Statement of Disclosure to auditors**

The Directors of Taaleem Holdings P.J.S.C. confirm that, to the best of their knowledge, there is no pertinent audit information that the Group's auditor remains unaware of. They have diligently undertaken all necessary steps, as Directors, to stay informed about any pertinent audit information and to ensure that the Group's auditor is fully informed.



Taaleem Holdings PJSC

### DIRECTORS' REPORT (continued)

**Subsequent events**

Other than as disclosed in Note 34, there were no other significant events subsequent to the year-end that requires either adjustments or disclosures in the consolidated financial statements.

**Directors**

| | |
|---|---|
| Mr. Khalid Ahmed Humaid Matar Altayer | Chairman |
| Mr. Adel Mohammed Saleh Alzarouni | Vice - Chairman |
| H.E. Helal Saeed Salem Saeed Almarri | Board Director |
| Mr. Ahmad Saed Mohd Fawzi Al Khayyat | Board Director |
| Mr. Eyad Ismail Sabti Mashal | Board Director(Ceased to be a director on 26 November 2025) |
| Mr. Mohammed Abdulla A Rahman Alshaibani | Board Director |
| H.E. Abdulla Mohd Abdulla Mohd Alawar | Board Director |
| Mr. Shahid Hameed Abdul Hamid | Board Director (Appointed on 26 November 2025) |
| Ms. Rehab Mohamed Hussain Lootah | Board Director |
| Dr. Ziad Azzam | Board Director |

**Auditors**

Ernst and Young Middle East (Dubai Branch) ("EY") were appointed as external auditors for the Group for the year ended 31 August 2026. EY have expressed their willingness to continue in the office. A resolution for the appointment of the auditors for the subsequent financial year will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

**Khalid Ahmed Humaid Matar Altayer**
**Chairman**

**Adel Mohammed Saleh Alzarouni**
**Vice Chairman**

Shape the future with confidence

**ERNST & YOUNG MIDDLE EAST (DUBAI BRANCH)**
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P.L. No. 108937

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEEM HOLDINGS P.J.S.C.

### Report on the Audit of the Consolidated Financial Statements

*Opinion*
We have audited the consolidated financial statements of Taaleem Holdings P.J.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 August 2026, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 August 2026 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

*Basis for Opinion*
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public listed entities in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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### Report on the Audit of the Consolidated Financial Statements (continued)

*Key Audit Matters (continued)*

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Revenue recognition - Tuition fees*** | |
| Revenue (i.e. tuition fees) is an important determinant of the Group's performance and profitability, and is considered amongst others for determination of key management personnel incentives.<br><br>Tuition fees are earned from a high number of students across the portfolio of schools operated by the Group. This gives rise to the inherent risk whereby revenue may not be recognised appropriately over each term of the School's academic year and in accordance with the requirements of IFRS Accounting Standards.<br><br>Given its magnitude and the underlying inherent risk, we consider recognition of revenue in the appropriate period to be a key audit matter.<br><br>Refer Note 3.1 for the revenue recognition policy and Note 17.1 for the disclosures on revenue recognised during the year ended 31 August 2026. | We performed the following procedures in relation to revenue recognition:<br><br>- Read the Group's revenue recognition accounting policy in relation to tuition fees and assessed whether it is in accordance with the requirements of IFRS Accounting Standards.<br><br>- Obtained the Group's processes and underlying controls to recognise tuition fees revenue, and performed walkthrough over the design of the key controls.<br><br>- Performed analytical review procedures on the School's tuition fees revenue by assessing and examining the movements of tuition fees revenue during the year by School.<br><br>- On a sample basis, tested whether the tuition fees revenue recognised were recorded in the correct school term by tracing the amounts to the underlying student contracts registered with Knowledge and Human Development Authority (KHDA), fee invoices, bank statements and other supporting documents, and assessed whether the revenue recognised was in accordance with the terms agreed and the requirements of IFRS Accounting Standards.<br><br>- On a sample basis, tested whether the underlying calculation for discounts given to students are in accordance with the contractual arrangements and are duly approved.<br><br>- Assessed the adequacy of the disclosures in the consolidated financial statements in accordance with the requirements of IFRS Accounting Standards. |

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEEM HOLDINGS P.J.S.C. (continued)**

**Report on the Audit of the Consolidated Financial Statements (continued)**

*Other Information included in the Group's 2026 Directors Report*
Other information consists of the information included in the Directors Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements*
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. 32 of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEEM HOLDINGS P.J.S.C. (continued)**

**Report on the Audit of the Consolidated Financial Statements (continued)**

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)*
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEEM HOLDINGS P.J.S.C. (continued)**

**Report on Other Legal and Regulatory Requirements**

Further, as required by the UAE Federal Law No. 32 of 2021, as amended, we report that for the year ended 31 August 2026:

i) the Company has maintained proper books of account;

ii) we have obtained all the information we considered necessary for the purposes of our audit;

iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. 32 of 2021, as amended;

iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Company;

v) investment in shares and stocks during the year ended 31 August 2026, if any, are disclosed in note 1 to the consolidated financial statements;

vi) note 22 reflects material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 August 2026 any of the applicable provisions of the UAE Federal Law No. 32 of 2021, as amended or of its Articles of Association which would have a material impact on its activities or its consolidated financial position; and

viii) note 19 reflects the social contributions made during the year.

Ernst & Young Middle East (Dubai Branch)

Thodla Hari Gopal
Registration No: 689

8 October 2026

Dubai, United Arab Emirates



# Consolidated Statement Of Financial Position

## As at 31 August 2026

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

| | Notes | 2026 AED | (Restated*) 2025 AED |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property and equipment | 8 (i) | 2,555,682,184 | 2,040,247,788 |
| Investment property | 8 (ii) | 9,738,691 | 10,080,750 |
| Intangible assets | 7 | 67,408,653 | 74,520,613 |
| Goodwill | 6 | 239,997,759 | 239,997,759 |
| Right-of-use assets | 29(i) | 236,232,322 | 252,737,809 |
| Net investment in finance lease | 29(i) | 3,057,774 | 3,071,823 |
| Investment in a joint venture | 9 | 909,968,794 | 914,292,378 |
| Capital advances | 8(i)(g) | 8,749,889 | 43,395,636 |
| Derivative asset | 9 | 7,100,000 | 9,800,000 |
| | | **4,037,936,066** | **3,588,144,556** |
| **Current assets** | | | |
| Fees and other receivables | 10 | 67,368,376 | 94,283,773 |
| Wakala and short-term deposits | 11 | 73,008,965 | 134,779,476 |
| Cash and cash equivalents | 12 | 360,347,324 | 396,653,456 |
| | | **500,724,665** | **625,716,705** |
| **Total assets** | | **4,538,660,731** | **4,213,861,261** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 25 | 1,000,000,000 | 1,000,000,000 |
| Statutory reserve | 27 | 542,459,941 | 542,459,941 |
| Own shares | 26 | (1,083,787) | (239,676) |
| Own shares reserve | 26 | (3,158,341) | (6,695,169) |
| Retained earnings | | 214,290,523 | 243,006,545 |
| **Total equity** | | **1,752,508,336** | **1,778,531,641** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Interest bearing loans and borrowings | 13 | 1,368,031,988 | 1,142,532,053 |
| Other non-current financial liability | | 1,381,441 | - |
| Lease liabilities | 29(ii) | 282,952,298 | 283,986,087 |
| Deferred income on government grant | 15 | 37,939,999 | 40,273,332 |
| Debentures payable | 16 | 917,116 | 5,324,917 |
| Retentions payable | 16 | 16,520,112 | 7,174,365 |
| Provision for employees' end of service benefits | 14 | 65,510,351 | 55,631,845 |
| Deferred tax liabilities | 33 | 40,506,221 | 41,366,715 |
| | | **1,813,759,526** | **1,576,289,314** |

| | Notes | 2026 AED | (Restated*) 2025 AED |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and other payables | 16 | 234,189,898 | 233,749,407 |
| Fees received in advance | 17.2 | 426,155,644 | 399,589,525 |
| Interest bearing loans and borrowings | 13 | 273,570,287 | 184,654,226 |
| Lease liabilities | 29(ii) | 14,587,234 | 15,483,567 |
| Deferred income on government grant | 15 | 2,333,333 | 2,333,333 |
| Income tax provision | 33 | 13,556,473 | 17,030,248 |
| Derivative liability | 9 | 8,000,000 | 6,200,000 |
| | | **972,392,869** | **859,040,306** |
| **Total liabilities** | | **2,786,152,395** | **2,435,329,620** |
| **Total equity and liabilities** | | **4,538,660,731** | **4,213,861,261** |

These consolidated financial statements were approved by the Board of Directors on 8 October 2026 and signed on their behalf by:

**Khalid Ahmed Humaid Matar Altayer**
Chairman

**Adel Mohammed Saleh Alzarouni**
Vice Chairman

The attached notes 1 to 36 form part of these consolidated financial statements.

**Certain numbers presented here do not correspond to the consolidated financial statements for the year ended 31 August 2025 and reflect adjustments as detailed in Note 9.*

# Consolidated Statement Of Profit Or Loss

## For the year ended 31 August 2026

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

| | Notes | 2026 AED | (Restated*) 2025 AED |
|---|---|---|---|
| **Revenue** | **17.1** | **1,312,898,945** | **1,135,515,827** |
| **Finance and other income** | | | |
| Rental income | 8(i),8(ii) | 1,640,630 | 3,286,985 |
| Income from deferred government grant | 15 | 2,333,333 | 2,333,333 |
| Finance income | 23 | 12,512,271 | 25,543,141 |
| Gain on bargain purchase | 6(a) | - | 10,290,264 |
| Share of loss of a joint venture | 9 | (4,323,584) | (10,771,572) |
| Other income | 21.2 | 4,379,951 | 16,793,288 |
| **Total finance and other income** | | **16,542,601** | **47,475,439** |
| **Expenses** | | | |
| Operating costs | 18 | (799,119,408) | (684,372,569) |
| General and administrative expenses | 19 | (187,829,246) | (165,923,961) |
| Amortisation of intangible assets | 7 | (7,111,960) | (6,441,012) |
| Depreciation on property and equipment | 8(i) | (98,857,880) | (83,995,006) |
| Depreciation on investment property | 8(ii) | (342,059) | (216,897) |
| Amortisation of right-of-use assets | 29(i) | (16,816,844) | (18,369,818) |
| Finance costs | 24 | (79,441,625) | (44,538,506) |
| **Total expenses** | | **(1,189,519,022)** | **(1,003,857,769)** |
| **Profit for the year before tax** | | **139,922,524** | **179,133,497** |
| Current income tax expense | 33 | (13,583,633) | (16,823,184) |
| Deferred income tax | 33 | 860,494 | 724,493 |
| **Profit for the year** | | **127,199,385** | **163,034,806** |
| **Earnings per share** | | | |
| **Basic and diluted, profit for the year attributable to ordinary equity holders of the Company (in AED per share)** | **32** | **0.13** | **0.16** |

The attached notes 1 to 36 form part of these consolidated financial statements.

**Certain numbers presented here do not correspond to the consolidated financial statements for the year ended 31 August 2025 and reflect adjustments as detailed in Note 9.*



# Consolidated Statement Of Comprehensive Income

## For the year ended 31 August 2026

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

| | 2026 AED | (Restated*) 2025 AED |
|---|---|---|
| Profit for the year | 127,199,385 | 163,034,806 |
| Other comprehensive income | - | - |
| Other comprehensive income for the year, net of tax | - | - |
| **Total comprehensive income for the year, net of tax** | **127,199,385** | **163,034,806** |

The attached notes 1 to 36 form part of these consolidated financial statements.

**Certain numbers presented here do not correspond to the consolidated financial statements for the year ended 31 August 2025 and reflect adjustments as detailed in Note 9.*

# Consolidated Statement Of Changes In Equity

## For the year ended 31 August 2026

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

| | Share capital AED | Statutory reserve AED | Own Shares AED | Own shares reserve AED | Retained earnings AED | Total AED |
|---|---|---|---|---|---|---|
| As at 1 September 2024 | 1,000,000,000 | 542,459,941 | (5,935,113) | (23,005,781) | 199,963,447 | 1,713,482,494 |
| Total comprehensive income for the year (Restated*) | - | - | - | - | 163,034,806 | 163,034,806 |
| Own shares (Note 26) | - | - | 5,695,437 | 16,310,612 | - | 22,006,049 |
| Dividends (Note 28) | - | - | - | - | (120,000,000) | (120,000,000) |
| Dividends from own shares (Note 26) | - | - | - | - | 8,292 | 8,292 |
| **As at 31 August 2025 (Restated*)** | **1,000,000,000** | **542,459,941** | **(239,676)** | **(6,695,169)** | **243,006,545** | **1,778,531,641** |
| As at 1 September 2025 (Restated*) | 1,000,000,000 | 542,459,941 | (239,676) | (6,695,169) | 243,006,545 | 1,778,531,641 |
| Total comprehensive income for the year | - | - | - | - | 127,199,385 | 127,199,385 |
| Own shares (Note 26) | - | - | (844,111) | (2,418,316) | - | (3,262,427) |
| Dividends (Note 28) | - | - | - | - | (150,000,000) | (150,000,000) |
| Dividends from own shares (Note 26) | - | - | - | - | 39,737 | 39,737 |
| Transferred to retained earnings (Note 26) | - | - | - | 5,955,144 | (5,955,144) | - |
| **As at 31 August 2026** | **1,000,000,000** | **542,459,941** | **(1,083,787)** | **(3,158,341)** | **214,290,523** | **1,752,508,336** |

The attached notes 1 to 36 form part of these consolidated financial statements.

**Certain numbers presented here do not correspond to the consolidated financial statements for the year ended 31 August 2025 and reflect adjustments as detailed in Note 9.*

# Consolidated Statement Of Cash Flows

## For the year ended 31 August 2026

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

| | Notes | 2026 AED | (Restated*) 2025 AED |
|---|---|---|---|
| **Operating Activities** | | | |
| Profit for the year before income tax | | 139,922,524 | 179,133,497 |
| **Adjustments for:** | | | |
| Depreciation on property and equipment | 8(i) | 98,857,880 | 83,995,006 |
| Depreciation on investment property | 8(ii) | 342,059 | 216,897 |
| Amortisation of right-of-use assets | 29(i) | 16,816,844 | 18,369,818 |
| Amortisation of intangible assets | 7 | 7,111,960 | 6,441,012 |
| Provision for employees' end of service benefits | 14 | 20,627,469 | 17,129,654 |
| Provision for long-term incentive plan | 20 | 1,381,441 | - |
| Allowance for impairment on fees and other receivables | 10 | 10,573,135 | 2,559,114 |
| Gain on disposal of property and equipment | 21.2 | (26,251) | (31,238) |
| Impact of modification of leases | 29(i)(ii) | - | 2,035,966 |
| Finance income | 23 | (12,512,271) | (25,543,141) |
| Finance costs | 24 | 79,441,625 | 44,538,506 |
| Income from deferred government grant | 15 | (2,333,333) | (2,333,333) |
| Income from unwinding of debentures payable | 21.1 | (644,424) | (666,600) |
| Share of loss of a joint venture | 9 | 4,323,584 | 10,771,572 |
| Gain on bargain purchase | 6(a) | - | (10,290,264) |
| Net loss on derivative instruments at fair value through profit or loss | 19 | 4,500,000 | 1,500,000 |
| Other non-cash items | | - | 18,776 |
| **Operating cash flows before changes in working capital** | | **368,382,242** | **327,845,242** |
| **Changes in working capital:** | | | |
| Fees and other receivables | | 16,381,999 | (10,841,335) |
| Restricted cash | | 35,415,632 | (32,632,754) |
| Fees received in advance | | 26,566,119 | 58,317,533 |
| Trade and other payables | | (11,145,272) | 98,486,591 |
| Cash flows generated from operations | | 435,600,720 | 441,175,277 |
| Payment of employees' end of service benefits | 14 | (10,748,963) | (8,590,227) |
| Income tax paid | 33 | (17,057,408) | (17,374,898) |
| **Net cash flows from operating activities** | | **407,794,349** | **415,210,152** |
| **Investing activities** | | | |
| Additions to property and equipment, net of retentions payable | | (572,545,410) | (444,086,294) |
| Additions to right of use asset for lease registration charges | | - | (323,282) |
| Capital advances | | 34,645,747 | (24,140,966) |
| Proceeds from disposal of property and equipment | | 26,251 | 31,238 |
| Receipts from sub-lessor | | 184,692 | 369,386 |
| Changes in Wakala and Short-term deposits, net | | 61,731,303 | 225,396,013 |
| Acquisition of subsidiary, net of cash acquired | 6(a) | - | (308,714,802) |
| Acquisition of a joint venture including acquisition cost, net | | - | (927,490,597) |
| Interest received | | 12,380,836 | 25,233,148 |
| **Net cash flows used in investing activities** | | **(463,576,581)** | **(1,453,726,156)** |

# Consolidated Statement Of Cash Flows (continued)

For the year ended 31 August 2026
(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

| | Notes | 2026 AED | (Restated*) 2025 AED |
|---|---|---|---|
| **Financing Activities** | | | |
| (Acquisition) / Sale of own shares (net) | | (3,262,427) | 22,006,049 |
| Proceeds from bank borrowings | 13 | 753,500,091 | 1,332,032,053 |
| Repayment of bank borrowings | 13 | (439,570,611) | (147,500,000) |
| Interest paid on bank borrowings | 13 | (73,101,950) | (25,719,105) |
| Payments towards lease liabilities | 29(ii) | (28,201,822) | (24,873,941) |
| Other finance costs paid | 24 | - | (530,230) |
| Dividends paid | 28 | (150,000,000) | (120,000,000) |
| Repayment of debentures | | (4,471,549) | (6,843,599) |
| **Net cash flows from financing activities** | | **54,891,732** | **1,028,571,227** |
| **Net decrease in cash and cash equivalents** | | **(890,500)** | **(9,944,777)** |
| Cash and cash equivalents at the beginning of the year | | 330,500,518 | 340,445,295 |
| **Cash and cash equivalents at the end of the year** | **12** | **329,610,018** | **330,500,518** |

The attached notes 1 to 36 form part of these consolidated financial statements.

**Certain numbers presented here do not correspond to the consolidated financial statements for the year ended 31 August 2025 and reflect adjustments as detailed in Note 9.*



# Notes To The Consolidated Financial Statements

For the year ended 31 August 2026
(All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

## 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 2021, as amended. The registered address of the Parent Company is P.O Box 76691, Dubai, UAE.

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 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 |
| Lycée Libanais Francophone Privé Meydan L.L.C-FZ ("LLFPM")**** | 100% | United Arab Emirates | Involved in providing educational services |
| Taaleem Limited ***** | 100% | Cayman Island | Holding Company |

* *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).*
**** *During 2024-25, the Group acquired a 100% equity interest in LLFPM through a Share Purchase Agreement ("SPA") dated 6 November 2024 (Note 6(a)).*
***** *During 2024-25, the Group incorporated a private limited company under the laws of the Cayman Islands (Note 9).*

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

## School operations

The Group 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 Jumeirah Park Foundation ("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")
l. Dubai British School Mira ("DBS-M")
m. Dubai British School Jumeirah Island ("DBS-JI")
n. Harrow International School – LLC – O.P.C ("HSAD")
o. Harrow International School – LLC ("HSD")

The trade licenses of the Schools are legally held by Taaleem Management LLC and 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 2018-19, to manage and operate four charter schools in Abu Dhabi, UAE commencing from academic year 2019-20.
- During 2020-21, to manage and operate two additional charter schools in Abu Dhabi, UAE commencing from the academic year 2021-22.
- During 2022-23, the Group entered into an operating and management agreement dated 31 May 2022 with ADEK, (which superseded the original agreement) to manage and operate
    - a total of nine schools including the original six plus an additional three new schools commencing from the academic year 2022-23.
    - an additional school in Abu Dhabi, UAE commencing from the academic year 2023-24.
- During 2023-24, to manage and operate
    - an additional school in Abu Dhabi, UAE commencing 1 January 2024.
    - four nurseries commencing 1 September 2023.
- The above-mentioned management and operation agreements are all currently valid and have an option for renewals for periods between 2 to 6 years upon expiry of the initial term of the contractual agreement. The Group's contractual arrangements continue to be in force as per the underlying terms.
- The Group recognises 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 2020-21, to manage and operate two schools of TEC in the Emirate of Dubai, Dubai Schools Al Barsha ("DSB") and Dubai Schools Mirdif ("DSM"), commencing 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 maintenance required during the agreement period.

- Pursuant to the novation agreements entered into between the Group, TEC and Knowledge Fund Establishment (KFE) during 2021-22, 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, commencing from the academic year 2022-23 for an initial period of 7 years.
- During 2023-24, the Group obtained a trade license for DSAK (Br of Taaleem Management LLC), to manage and operate "Dubai School – Al Khawaneej" as part of the arrangement with KFE. The Group has transferred operations of Dubai Schools Mirdif ("DSM") to Dubai School – Al Khawaneej ("DSAK"), starting from the academic year 2024-25.
- 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.

### c. With Emirates School Establishment ("ESE")

- During 2022-23, to manage and operate four schools in connection with the Ajyal (Generations) School ("Ajyal Schools") initiative by the Federal Ministry of Education, namely LBHS School (Fujairah), WAHS School (Eastern Sharjah), OBAS School (Ajman) and SMGS School (Sharjah) for an initial period of 1 year commencing from academic year 2023-24 with an option for further extension by another 2 years. The agreement is extended for a period of 2 years for academic years 2024-25 and 2025-26.
- On 27 November 2025, to manage and operate one additional school in connection with the Ajyal (Generations) School ("Ajyal Schools") initiative by the Federal Ministry of Education, namely Al-Kharran School (Ras Al-Khaimah) for the academic year 2025-26.
- The agreement to manage and operate the schools expired as at 31 August 2026.
- The Group recognises the management fees as an agent in relation to the arrangement with ESE.

The above schools are collectively referred to as the "Schools"

The Group has not purchased or invested in any shares or stocks during the year ended 31 August 2026 (31 August 2025: Nil).

## 2. BASIS OF PREPARATION

### 2.1. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting standards, as issued by the International Accounting Standards Board (IASB), and the applicable provisions of the Company's Articles of Association and UAE Federal Law No. (32) of 2021, as amended.

These consolidated financial statements are prepared under the historical cost basis, except otherwise stated.

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

### 2.2. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. 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, and
- The ability to use its power over the investee to affect its returns.

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 with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss 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 subsidiaries 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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

## 3. New standards, interpretations and amendments thereof, adopted by the group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 August 2025, except as follows:

### (a) New and amended standards and interpretations

The following new standards, interpretations and amendments, which became effective as on 1 January 2025 (unless otherwise stated), have been adopted in these consolidated financial statements:

- Lack of exchangeability – Amendments to IAS 21

The adoption of new and amended standards and interpretations as mentioned above did not have material impact on the consolidated financial statements of the Group.

### (b) Standards issued but not effective

The new and amended standards and interpretations that are issued, but not yet effective, as at year end are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to the Classification and Measurement of Financial instruments – Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11

For IFRS 18 Presentation and Disclosure in Financial Statements, the Group is currently assessing the implications if any that the amendment will have on the consolidated financial statements.

Except above, management does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the consolidated financial statements of the Group as and when they are adopted.

### (c) Employees' benefit (incentive plan)

The Group has created a Long-Term Incentive Plan (LTIP) for certain employees, including key management personnel of the Group, under which eligible participants are granted Performance Share Units (PSUs) linked to the market value of the Company's shares. The LTIP is based on the achievement of certain key performance indicators, over a defined vesting period and is settled in cash (cash-settled transactions), with participants receiving cash payments equivalent to the value of vested units. A provision for the Group's obligation under the scheme is accrued on a periodic basis over the vesting period, based on the fair value of the expected benefits attributable to participants, taking into account the number of units expected to vest, the achievement of performance conditions, the market price of the Company's shares, and any contractual minimum or maximum share price limits. The liability is remeasured at each reporting date, with any changes recognised in the consolidated statement of profit or loss. Upon vesting, the liability is settled through cash payments and derecognised accordingly, while any awards that do not vest due to failure to meet service or performance conditions are reversed through the consolidated statement of profit or loss.

## 3.1. MATERIAL ACCOUNTING POLICIES

### Revenue from contracts with customers

The Group is in the business of providing educational and educational support services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services after excluding discounts, if any. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services and management fees from ADEK and ESE below, because it typically controls the goods or services before transferring them to the customer.

The revenue from different contracts with customers is recognised as follows:

- Tuition, fees are recognised over the period of time the services are rendered.
- Re-registration and admission fees for existing students are recognised over the period of time the services are rendered.
- Application fees is recognised at point in time.
- Management fees from ADEK and ESE are recognised over the period of time the underlying management services are rendered.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

### Agency services income

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

Agency services income includes income from sports activity, commission income from transportation services, sale of uniform and canteen sales and conferences. Such income is recognised as the underlying sales /or services are delivered /or rendered.

### Significant financing component

Generally, the Group receives short-term advances from its customers (fee received in advance). Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

### Contract balances

#### Fees receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (usually students) (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

#### Contract liabilities

A contract liability is recognised if a payment is received from a customer (usually students) before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the comm encement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plots of land and buildings (including office) 10 to 50 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets for details.

#### (ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The short-term leases includes leases for corporate office and staff accommodation.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

If sub-lease is for major part of the right-of-use assets, then it is classified as finance lease. The right-of-use assets relating to the portion of the head lease that is sublet is derecognised and net investment in the sub-lease is recognised (using the IBR considered for recognition of the head lease). Any difference between the carrying amount of right-of-use assets and the net investment in sub-lease is recorded in the consolidated statement of profit or loss, and the Group continues to recognise the lease liability relating to the head lease. Interest income on sub-lease is recognised in the consolidated statement of profit or loss.

### Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Plots of land and capital work-in-progress are not depreciated.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Estimated useful lives of the assets as follows:

| | Years |
|---|---|
| Buildings | 50 |
| Leasehold improvements and outdoor equipment | 10-20 |
| Furniture and fixtures | 4-5 |
| Books, office, classroom and IT equipment | 3-5 |
| Motor vehicles | 4 |

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognised.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial period end.

## Investment property

Property held for rental or capital appreciation purposes is classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment loss.

Depreciation on asset is calculated using the straight-line method to allocate the cost to its residual value over the estimated useful life of 50 years.

The useful life, depreciation method and residual value method is reviewed periodically to ensure that the method and period of depreciation is consistent with the expected pattern of economic benefits from the asset.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

The Group determines at each reporting date whether there is any objective evidence that the investment property is impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss. The recoverable amount is higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised previously is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

When the development of investment property commences, it is classified under capital work-in-progress until development is complete, at which time it is transferred to the respective category and depreciated in accordance with the Group's policy.

## Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit of loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Estimated useful lives of intangibles are as follows:

| | Years |
|---|---|
| Brand and curriculum | 5 |
| Student relationships | 10 -14 |
| Below market leases | 17 -49 |

## Financial Instruments

### i) Financial assets

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as those measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cashflows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

#### Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group has no debt instruments classified as fair value through OCI as at the reporting date.

#### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has no equity instruments classified as fair value through OCI as at the reporting date.

## Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss. This category includes derivative asset (refer accounting policy on investment in a joint venture).

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss or OCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group seeks to limit its credit risk with respect to student's fees by regularly monitoring outstanding fees receivable. An established impairment analysis is performed at each reporting date using an expected credit loss rate based on days past due for such receivables (e.g. by student) and taking into consideration the reasonable and supportable information that is available at the reporting date about past events, prevailing and forecasts of future economic conditions.

The Group considers a financial asset in default when contractual payments are past due the credit period as per the invoice. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### ii) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has  derivative liability designated as financial liabilities classified as fair value through profit or loss as at the reporting date (refer accounting policy on investment in a joint venture).

#### Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or
b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements at a fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, of quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to determine whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit of loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. When the Group disposes of an operation within a cash-generating unit to which goodwill is allocated. The goodwill associated with the operation disposed shall be included in the carrying amount of the operation when determining the gain or loss on disposal and measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Current versus non-current classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

## Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

## Own shares

Own equity instruments that are reacquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Such own shares may be acquired and held by the entity or by the other members of the consolidated group. Consideration paid or received shall be recognised directly in equity.

## Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## Employees' benefits

The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed at each reporting period by a qualified actuary using the projected unit credit method. Re-measurements of the defined benefit liability, which comprise actuarial gains and losses are recognised immediately in consolidated statement of comprehensive income. The Group determines the net interest expense on the obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the consolidated financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside consolidated statement of profit or loss is recognised outside the consolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the consolidated statement of profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Value-added Tax (VAT)

Expenses, and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

## Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

## Foreign currency translation

The Group's consolidated financial statements are presented in AED, which is the Company's functional currency. For each entity, the Group determines its own functional currency based on the main currency used in the component's business.

### i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**ii) Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their income statements are translated at average month end exchange rate. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to consolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

## Dividend

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

## Investment in a Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control is similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture is accounted for using the equity method. The direct cost incurred to acquire the investment in a joint venture is capitalised with the cost of such investment.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of loss of a joint venture' in the consolidated statement of profit or loss.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The consolidated financial information of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of loss of a joint venture' in the consolidated statement of profit or loss.

When Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

Pursuant to the shareholders' agreement ("SHA"), there is call and put option vested with the Group and the other joint venture shareholder over their respective shareholding interest (Note 9). The Group recognised derivative asset for call option and derivative liability for put option. In accordance with IFRS 9, both the put and call options are classified as derivative financial instruments and are measured at fair value through profit or loss (FVTPL), with changes in fair value recognized in the consolidated statement of profit or loss. The fair value of these derivative financial instruments are determined using Monte Carlo Simulation valuation model.

## Asset Acquisition

The acquisition of an asset or a group of assets is not within the scope of IFRS 3. In an asset acquisition, the Group identifies and recognizes individual identifiable assets acquired (including intangible assets) and liabilities assumed based on the underlying asset sale-purchase contractual arrangements. The cost of such acquisition is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of the acquisition. These transactions or events do not give rise to goodwill.

The cost of the acquisition is measured as the sum of all consideration given and any non-controlling interest recognised. If the non-controlling interest has a present ownership interest and is entitled to a proportionate share of net assets upon liquidation, the acquirer has a choice to recognise the non-controlling interest at its proportionate share of net assets or its proportionate share of the consolidated book values of the net assets including or excluding transaction costs or its fair value. In all other cases, the non-controlling interest is recognised at fair value, unless another measurement basis is required in accordance with IFRS Accounting Standards.

Directly attributable acquisition-related costs are generally capitalised as part of the cost of the asset in an asset acquisition. No deferred tax implications arise in an asset acquisition.

## Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and in hand and highly liquid deposits, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of restricted cash as they are considered an integral part of the Group's cash management

## 4. Financial risk management objectives and policies

The executive management has overall responsibility for the Group and oversight of the Group's risk management framework and for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's principal financial liabilities comprise of trade and other payables, interest bearing loans and borrowings, derivative liability, debentures payable and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets are fees and other receivables, wakala deposits, sukuk deposits, derivative asset and bank balances that derived directly from its operations.

The main risks arising from the Group's financial instruments are price risk, interest rate risk, credit risk, currency risk and liquidity risk.

The Group's management reviews and agrees policies for managing each of these risks which are summarised below.

### Price risk

The Group has exposure to price risk arising from derivative financial instruments in the form of call and put option (Note 9). The fair value of these instruments is determined using Monte Carlo Simulation valuation model using, equity value and EBITDA as a basis to determine the value of the joint venture interest held by each shareholder thereof. Consequently, the carrying amount of the options are sensitive to changes in the equity value and EBITDA of the joint venture.

If the equity value and EBITDA of the joint venture is increased/decreased by 1%, with all other variable held constant, the fair value of the options would have increased/decreased by AED 0.6 million (31 August 2025: the fair value of the options would have increased/decreased by AED 0.6 million), with the corresponding impact recognised in the consolidated statement of profit or loss.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk in relation to its interest bearing loans and borrowings which bear interest at variable rates and exposes the Group to cash flow interest rate risk.

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowings at the reporting date. The analysis is prepared assuming that these amounts outstanding at the reporting date were outstanding throughout the year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables held constant, the Group's profit for the year end 31 August 2026 would decrease / increase by AED 6.4 million (31 August 2025: profit for the year will decrease / increase by AED 3 million). There is no direct impact on the Group's equity other than the impact resulting from the effect on the profit for the year.

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is primarily exposed to credit risk on its fees and other receivables, wakala deposits, cash at bank and sukuk deposits as follows:

| | 2026 AED | 2025 AED |
|---|---|---|
| Fees and other receivables (excluding prepayments and VAT receivables) (Note 10) | 24,192,856 | 49,779,334 |
| Wakala and short-term deposits (Note 11 and 12) | 148,169,340 | 276,004,979 |
| Cash at banks and sukuk deposits (Note 12) | 285,130,273 | 255,366,837 |
| | **457,492,469** | **581,151,150** |

The Group seeks to limit its credit risk with respect to student's fees by regularly monitoring outstanding fees receivable. An established impairment analysis is performed at each reporting date using an expected credit loss rate based on days past due for such receivables (e.g. by student) and taking into consideration the reasonable and supportable information that is available at the reporting date about past events, prevailing and forecasts of future economic conditions.

The Group limits its credit risk with regard to cash at bank, wakala and sukuk deposits by only dealing with reputable banks. These bank balances and deposits are callable on demand. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

With respect to credit risk arising from the other financial assets of the Group, including deposits and other receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

### Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are predominantly undertaken in AED or United States Dollars (USD) to which AED is currently pegged. As at the reporting date, there were no significant foreign currency denominated monetary assets and liabilities.

## Liquidity risk

The Group limits its liquidity risk by ensuring bank facilities are available. The terms of admission of students of the educational entities require fees to be paid either in advance or within the academic term. Trade payables are settled on the basis of credit terms agreed with the respective suppliers.

The Group's terms of invoices generally require amounts to be paid within 30 to 90 days of the date of invoice.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 August, based on contractual payment dates and current market interest rates.

| At 31 August 2026 | Less than 3 months AED | 3 to 12 months AED | 1 to 5 years AED | >5 years AED | Total AED |
|---|---|---|---|---|---|
| Interest bearing loans and borrowings; including interest | 21,375,705 | 329,680,903 | 1,507,876,187 | - | 1,858,932,795 |
| Debentures payable | - | 3,152,339 | - | - | 3,152,339 |
| Lease liabilities | 7,388,897 | 24,950,387 | 118,024,559 | 470,503,598 | 620,867,441 |
| Trade and other payables | - | 205,581,521 | - | - | 205,581,521 |
| Derivative liability | - | 8,000,000 | - | - | 8,000,000 |
| **Total** | **28,764,602** | **571,365,150** | **1,625,900,746** | **470,503,598** | **2,696,534,096** |

| At 31 August 2025 | Less than 3 months AED | 3 to 12 months AED | 1 to 5 years AED | >5 years AED | Total AED |
|---|---|---|---|---|---|
| Interest bearing loans and borrowings; including interest | 18,898,106 | 223,414,730 | 1,295,678,098 | - | 1,537,990,934 |
| Debentures payable | 1,045,749 | 3,137,245 | 5,313,225 | 11,692 | 9,507,911 |
| Lease liabilities | 5,302,931 | 23,100,308 | 126,073,993 | 484,382,456 | 638,859,688 |
| Trade and other payables | - | 220,563,153 | - | - | 220,563,153 |
| Derivative liability | - | 6,200,000 | - | - | 6,200,000 |
| **Total** | **25,246,786** | **476,415,436** | **1,427,065,316** | **484,394,148** | **2,413,121,686** |

## Changes in liabilities arising from financing activities

| 2025-26 | 1 September 2025 AED | Cash flows AED | Others AED | 31 August 2026 AED |
|---|---|---|---|---|
| Interest bearing loans and borrowings, net | 1,327,186,279 | 240,827,530 | 73,588,466 | 1,641,602,275 |
| Lease liabilities | 299,469,654 | (28,201,822) | 26,271,700 | 297,539,532 |
| Debentures payable | 9,507,911 | (4,471,549) | (375,772) | 4,660,590 |
| **Total** | **1,636,163,844** | **208,154,159** | **99,484,394** | **1,943,802,397** |

| 2024-25 | 1 September 2024 AED | Cash flows AED | Others AED | 31 August 2025 AED |
|---|---|---|---|---|
| Interest bearing loans and borrowings, net | 140,178,508 | 1,158,812,948 | 28,194,823 | 1,327,186,279 |
| Lease liabilities | 292,421,984 | (24,873,941) | 31,921,611 | 299,469,654 |
| Debentures payable | 16,461,916 | (6,843,599) | (110,406) | 9,507,911 |
| **Total** | **449,062,408** | **1,127,095,408** | **60,006,028** | **1,636,163,844** |

## Capital management

The primary objective of the Group's capital management is to ensure that it has adequate capital in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 August 2026 and 31 August 2025. Capital comprises the share capital, statutory reserve, own shares, own shares reserve and retained earnings, and is measured at AED 1,752,508,336 as at 31 August 2026 (31 August 2025 (Restated): AED 1,778,531,641).

## Fair value estimation

Financial instruments comprise financial assets and financial liabilities.

Financial assets mainly consist of fees and other receivables, wakala and short term deposits, bank balance, derivative asset and sukuk deposits. Financial liabilities mainly consist of interest-bearing loans and borrowings, debentures payable, lease liabilities, derivative liability and trade and other payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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. For derivative asset and liability, the Group's management appointed an external specialist to assess the fair value using relevant valuation techniques. 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.

## 5. Significant judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that may affect the reported amount of assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### Significant judgment in determining the lease term of contracts with renewal options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to extend the lease term by an additional five to fifty years. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy) or terminate.

#### Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

#### Joint control over Kids First Group Limited ("KFG")

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

Based on the contractual agreement between the Group and other shareholder (together "the shareholders") for KFG business and operations, the Group's management has assessed and concluded that they have joint control over the investments in KFG taking into consideration amongst others the following salient aspects a) the Board of Directors' and Shareholders' reserved matters requires unanimous consent amongst the shareholders; b) Call option with the Group can be exercised during the Financial Year which ends in 2030 and does not vest the Group with present ownership and control rights (Note 9); and c) the shareholders have rights to the net assets of KFG based on their underlying shareholding interests.

#### Going concern

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

#### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

#### Identifying whether an acquisition is a business or an asset

For acquisitions, the Group makes significant judgments to assess whether the assets acquired, and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making the assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

#### Significant judgment in determining the term of contracts with renewal options entered with KFE

The Group determines the contract term as the non-cancellable term of the contract, together with any anticipated extension of the contract to operate and manage three schools in Emirates of Dubai (i.e. DSB, DSAK and DSN – Refer Note 1). The initial period of the contract is 7 years, renewable automatically on the same terms for a similar period for up to two additional period of 7 years ("extension term").

The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew as per the terms and conditions as specified in the contract to determine the expected benefits under the contract. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal unless otherwise.

### Estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### Impairment of non-financial assets other than investment in a joint venture

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property and equipment, investment property and intangible assets recognised by the Group.

### Impairment of investment in joint venture

In testing for impairment, the Group evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows for the foreseeable future. Any shortfall between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

### Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

### Provision for expected credit losses of fees and other receivables

The Group seeks to limit its credit risk with respect to student's fees by regularly monitoring outstanding fees receivable. An established impairment analysis is performed at each reporting date using an expected credit loss rate based on days past due for such receivables (e.g. by student) and taking into consideration the reasonable and supportable information that is available at the reporting date about past events, prevailing and forecasts of future economic conditions.

### Useful lives of property and equipment, investment property and intangible assets

The Group's management determine the estimated useful lives of its property and equipment, investment property and intangible assets for calculating depreciation and amortisation respectively. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management review the residual value and useful lives annually and future depreciation charge and amortisation expense would be adjusted where the management believes the useful lives differ from previous estimates.

### Fair value of assets acquired, and liabilities assumed under business combination

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to valuation methodology, cash flow projections, useful life, growth rates and discount rates. The Group's management uses all available information as at the relevant date to make the fair value determinations.

## 6. Goodwill and business combination

| | 2026<br>AED | 2025<br>AED |
|---|---|---|
| **Acquisition through business combination:** | | |
| - Taaleem LLC and Taaleem Management LLC (referred together as "Taaleem acquisition") [Note (b) below] | 204,932,063 | 204,932,063 |
| - Jebel Ali School [Note (c) below] | 35,065,696 | 35,065,696 |
| | **239,997,759** | **239,997,759** |

### (a) Acquisition in 2024-25

Acquisition of Lycée Libanais Francophone Privé Meydan L.L.C-FZ ("LLFPM")

On 6 November 2024, the Group had entered into a Share Purchase Agreement ("SPA") with the Shareholders of LLFPM, a limited liability company incorporated in Dubai, United Arab Emirates to acquire 100% equity interest of LLFPM.

The total consideration for the acquisition was AED 340 million, which was settled during the year ended 31 August 2025. In addition, the Group paid AED 6.17 million to the shareholders of LLFPM for their share of net assets as at 6 November 2024 ("acquisition date") during the year ended 31 August 2025. There were no non-controlling interests arising on this acquisition and no contingent considerations. The main activity of LLFPM is to provide for the educational needs of the children of the Lebanese and Francophone community.

The fair values of the identifiable assets and liabilities of the acquired business as at the date of acquisition were as follows:

| | AED |
|---|---|
| **Assets** | |
| Plots of land | 107,560,000 |
| Building, net | 205,634,795 |
| Other property & equipment, net | 3,515,315 |
| Fees and other receivables, net | 7,622,125 |
| Cash and cash equivalents | 31,285,198 |
| **Total Assets (A)** | **355,617,433** |
| **Liabilities** | |
| Other non-current financial liabilities | (4,688,000) |
| Provision for employees' end of service benefits (Note 14) | (8,077,485) |
| Trade and other payables | (15,949,019) |
| Income tax provision (Note 33) | (876,464) |
| Deferred tax liabilities (Note 33) | (14,753,125) |
| **Total Liabilities (B)** | **(44,344,093)** |
| **Total identifiable net assets at fair value (C = A+B)** | **311,273,340** |

| | AED |
|---|---|
| Purchase consideration | 340,000,000 |
| Consideration towards net assets (Note(ii)) | 6,173,783 |
| **Total consideration (D)** | **346,173,783** |
| Student relationships recognised on acquisition to be amortised over a period of 10 years (E) | 45,190,707 |
| **Gain on bargain purchase recognised on acquisition (F = C+E-D) (Note(iii))** | **10,290,264** |

### Cash outflows on acquisition

| | AED |
|---|---|
| Net cash acquired (included in cash flows from investing activities) | (31,285,198) |
| Cash paid (included in cash flows from investing activities) | 340,000,000 |
| **Net cash outflows on acquisition** | **308,714,802** |

i. The former shareholders of LLFPM had entered discussions with the Group to sell off their shareholding stake as an off-market transaction considering certain business-related requirements including repayment of loans availed earlier from a financial institution for LLFPMs operations.
ii. Relates to amount payable to LLFPM for their share of net assets as at 6 November 2024 as mutually agreed between the Group and LLFPM (mainly working capital adjustments).
iii. As at the acquisition date, the fair value of the identifiable net assets of AED 356.5 million exceeded the purchase consideration of AED 346.2 million. The Group's management has reviewed the procedures used to identify such net assets, including the measurement of the fair value thereof by engaging independent consultants, and determined that such procedures were appropriate and resulted in a bargain gain of AED 10.3 million relating to the acquisition.

## (b) 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. The acquisition was a contemporaneous transaction and structured in a manner to manage and operate the acquirees' together, as it was prior to the acquisition. Pursuant to this Agreement, Taaleem LLC and Taaleem Management LLC became wholly owned subsidiaries of the Company

While the CGU is defined as the individual school, the Group's management monitors the goodwill for internal management purpose at the operating segment level i.e. the group of Schools (or, group of CGUs) together as they believe that represents the synergies that were anticipated upon the acquisition and accordingly undertakes the test of impairment of goodwill as at each reporting date.

## (c) JAS acquisition:

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, and
- acquisition of the underlying land and the school building.

The total consideration for the acquisition was AED 233.5 million which was settled in earlier years. There were no non-controlling interests arising on this acquisition and no contingent considerations.

The fair value of net assets acquired amounted to AED 166.7 million. The excess of the fair value of the purchase consideration was recognised as follows as on the date of acquisition:

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

### Annual impairment testing and key assumptions used in value in use calculations and sensitivity to changes in assumptions:

For the purpose of testing impairment of goodwill, the recoverable amounts for cash generating units have been determined on the basis of value-in-use calculations using cash flow forecasts approved by the Board of Directors for the year 2026-27 and estimated thereafter for an additional four year period in conjunction with the five year strategic plan finalised by the Group's management. Cash flows beyond the five-year period have been extrapolated using the terminal growth rates stated below. The key assumptions used in the value-in-use calculations include a risk adjusted discount rate (Weighted Average Cost of Capital, i.e. WACC), Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margins consistent with historical trends adjusted for expected efficiency, and fee improvements (considering student enrolment and regulatory approvals on fees). The growth rate does not exceed the long-term average growth rate for the market in which the cash generating units operate. The key assumptions used in the value-in-use calculations are as follows:

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Discount rate (WACC) | Growth rate | Discount rate (WACC) | Growth rate |
| Taaleem acquisition | 12% | 2% | 12% | 2% |
| JAS acquisition | 12% | 2% | 12% | 2% |

As at the reporting date, the recoverable amount of the group of CGUs tested for impairment of goodwill relating to Taaleem acquisition was assessed to be AED 905.5 million (31 August 2025: AED 1,140.2 million) and JAS acquisition was assessed to be AED 336.6 million (31 August 2025: AED 363.4 million). There were no impairment identified on the carrying amount of goodwill as at reporting date.

### Sensitivity to changes in assumptions

With regard to the assessment of value in use of the above cash-generating units, management believes that no reasonable possible change in any of the above key assumptions will cause the carrying value of the CGU to materially exceed its recoverable amount.

## 7. Intangible assets

| | Brand and curriculum AED | Student relationships AED | Below market leases AED | Total AED |
|---|---|---|---|---|
| **Cost:** | | | | |
| At 1 September 2024 | 18,611,546 | 40,874,162 | 41,514,292 | 101,000,000 |
| Acquisition during the year [Note 6(a)] | - | 45,190,707 | - | 45,190,707 |
| At 31 August 2025 | 18,611,546 | 86,064,869 | 41,514,292 | 146,190,707 |
| **At 31 August 2026** | **18,611,546** | **86,064,869** | **41,514,292** | **146,190,707** |
| **Accumulated amortisation:** | | | | |
| At 1 September 2024 | 18,611,546 | 15,611,646 | 31,005,890 | 65,229,082 |
| Amortisation for the year | - | 5,915,885 | 525,127 | 6,441,012 |
| At 31 August 2025 | 18,611,546 | 21,527,531 | 31,531,017 | 71,670,094 |
| Amortisation for the year | - | 6,669,060 | 442,900 | 7,111,960 |
| **At 31 August 2026** | **18,611,546** | **28,196,591** | **31,973,917** | **78,782,054** |
| **Net carrying value:** | | | | |
| **At 31 August 2026** | **-** | **57,868,278** | **9,540,375** | **67,408,653** |
| **At 31 August 2025** | **-** | **64,537,338** | **9,983,275** | **74,520,613** |

The intangible assets recognised on acquisition of Taaleem , JAS and LLFPM were as follows:

a. Brand and curriculum: The individual schools managed and operated by Taaleem, though not registered for trademark, are protected by the rules of the school licensing authority, the Ministry of Education and the respective trade licensing authority in the UAE, which does not permit any third party to establish a school with the same name. As such this proved to be a deemed legal form of protection, and therefore the brand and curriculum satisfied the recognition criteria for intangible asset. Such brand and curriculum have been fully amortised as at 31 August 2026 and 2025.
b. Student relationships: During 2024-25, the Group had recognised student relationships amounting to AED 45,190,707 on acquisition of LLFPM (Note 6(a)) and the net carrying value as at 31 August 2026 is AED 36,905,747 (31 August 2025: AED 41,424,815).

In earlier years, the Group has recognised student relationships amounting to AED 30,100,000 on acquisition of JAS (Note 6(c)) and the net carrying value as at 31 August 2026 is AED 20,962,531 (31 August 2025: AED 23,112,523).

Taaleem had established relationships with its existing students. These relationships were valuable to the extent that these students remain enrolled in the school and continue to pay tuition fee until the completion of their respective academic programme. Such student relations have been fully amortised.

c. Below market leases: Taaleem had recorded school land and buildings which are taken on long term leases. The lease agreements were entered into at rates which were significantly below the equivalent market rates existing as of the acquisition date. Accordingly, below market leases had been recognised as an intangible asset in respect of these lease agreements. As at 31 August 2026, the net carrying value is AED 9,540,375 (31 August 2025: AED 9,983,275).

## 8 (i). PROPERTY AND EQUIPMENT

| | Plots of land AED | Buildings AED | improvements and Leasehold and outdoor equipment AED | Books, office classroom and IT equipment AED | Furniture and fixtures AED | Motor vehicles AED | Capital work-in-progress AED | Total AED |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| At 1 September 2024 | 201,298,121 | 1,322,908,032 | 112,205,868 | 163,316,188 | 134,770,947 | 2,130,530 | 42,537,507 | 1,979,167,193 |
| Additions | 50,836,774 | 66,053,468 | 30,549,790 | 25,169,381 | 17,467,297 | 730,130 | 255,988,828 | 446,795,668 |
| Acquisition of a subsidiary (Note 6(a)) | 107,560,000 | 205,634,795 | - | 1,852,229 | 1,516,475 | 146,611 | - | 316,710,110 |
| Transfers | - | 175,337,723 | 13,063,005 | 3,340,034 | 3,832,719 | - | (195,573,481) | - |
| Disposals and write offs | - | - | (21,000) | (38,906) | (8,993,000) | (105,083) | - | (9,157,989) |
| At 31 August 2025 | 359,694,895 | 1,769,934,018 | 155,797,663 | 193,638,926 | 148,594,438 | 2,902,188 | 102,952,854 | 2,733,514,982 |
| Additions | 41,604,630 | 1,423,788 | 18,539,201 | 24,329,235 | 27,404,600 | 307,383 | 500,683,439 | 614,292,276 |
| Transfers (Note (f)) | - | 376,774,401 | 2,769,670 | 4,831,240 | 615,344 | - | (384,990,655) | - |
| Disposals and write offs | - | - | - | - | (190,643) | (172,500) | - | (363,143) |
| **At 31 August 2026** | **401,299,525** | **2,148,132,207** | **177,106,534** | **222,799,401** | **176,423,739** | **3,037,071** | **218,645,638** | **3,347,444,115** |
| **Accumulated depreciation:** | | | | | | | | |
| At 1 September 2024 | - | 380,122,376 | 40,010,058 | 124,491,246 | 72,660,632 | 1,127,089 | - | 618,411,401 |
| Charge for the year | - | 28,319,803 | 10,389,752 | 22,359,875 | 22,476,257 | 449,319 | - | 83,995,006 |
| Disposals and write offs | - | - | (2,224) | (38,906) | (8,993,000) | (105,083) | - | (9,139,213) |
| At 31 August 2025 | - | 408,442,179 | 50,397,586 | 146,812,215 | 86,143,889 | 1,471,325 | - | 693,267,194 |
| Charge for the year | - | 33,869,782 | 14,396,491 | 26,125,011 | 23,908,697 | 557,899 | - | 98,857,880 |
| Disposals and write offs | - | - | - | - | (190,643) | (172,500) | - | (363,143) |
| **At 31 August 2026** | **-** | **442,311,961** | **64,794,077** | **172,937,226** | **109,861,943** | **1,856,724** | **-** | **791,761,931** |
| **Net carrying value:** | | | | | | | | |
| **At 31 August 2026** | **401,299,525** | **1,705,820,246** | **112,312,457** | **49,862,175** | **66,561,796** | **1,180,347** | **218,645,638** | **2,555,682,184** |
| **At 31 August 2025** | **359,694,895** | **1,361,491,839** | **105,400,077** | **46,826,711** | **62,450,549** | **1,430,863** | **102,952,854** | **2,040,247,788** |

a. On 26 September 2025, the Group (the "Purchaser") entered into a sale and development agreement with a master developer (the "Seller") to acquire a plot of land located in Wadi Al Safa, Emirate of Dubai. The total consideration paid for the acquisition amounted to AED 41.6 million, including registration charges of AED 1.6 million

During 2024-25, the Group ("Purchaser") has signed Property sale and purchase agreement with Ritnand Balved Education Foundation (Dubai Branch) ("Seller") to acquire a property (plot of land and building) which was used by Seller to operate an education institution known as Amity Early Learning Center ("Amity").

The consideration paid for such acquisition amounted to AED 84.4 million including registration charges of AED 2.4 million. The Group had appointed external specialist to perform fair valuation of land and building which amounted to AED 34 million and AED 26 million respectively. The additional consideration of AED 24.4 million over and above fair value is capitalized based on the respective fair value of land and building. Accordingly, the Group has capitalised land at AED 47.8 million and building at AED 36.6 million.

During 2024-25, the Group's management signed a short-term lease agreement with Amity for the lease of land and building. The lease agreement expired on 26 June 2025, and no rental income recognised during the year (31 August 2025: AED 1,523,809).

b. Land comprises of a granted land in Mirdif, Dubai in addition to seven freehold plots of land which are located in Al Thanayah Fourth, Al Thanayah Fifth, Al Hebiah Third, Wadi Al Safa 3, Wadi Al Safa 4 and Dubai Studio City respectively. All these plots of land (except Dubai Studio City, Al Hebiah Third and Wadi Al Safa 3) are legally held in the name of Taaleem Management LLC for the beneficial interest of Taaleem LLC. Land in Dubai Studio City is legally held by Taaleem LLC. and in Al Hebiah Third and Wadi Al Safa 3 are legally held by Taaleem Holdings PJSC.
c. Buildings mainly include the costs of construction, extension and refurbishment of seven school buildings namely AAG, RIS, GIS, JBS, RIS-KA, DBS-J, DBS-M and HSD, which are constructed on leasehold land. School buildings of UIS (phases 1, 2 and 3) are constructed on granted land. DBS school building, DBF school building, DBS-JP school building, DBS-JI school building, Dubai Studio City staff residential and LLFPM school building are on freehold land. JBS building is leased. All these land leases except for RIS are in the name of Taaleem Management LLC held on behalf of Taaleem LLC. The Group's management is of the opinion that these leases will be renewed for the foreseeable future.
d. On 9 May 2011, Taaleem LLC received a grant in the form of a parcel of land from the Government of Dubai for construction of a school ("UIS"). The grant was conditional and stated that Taaleem LLC had to start construction of a kindergarten section within one year from the receipt of the granted land and start construction of primary, intermediary and secondary schools within three years of the receipt date of the granted land. At 31 August 2012, Taaleem LLC had completed construction of a kindergarten section ("UIS phase 1"), which became operational from September 2012. Further at 31 August 2012, the Board of Directors had reasonable assurance that other conditions attached to the granted land would be met and therefore recognised the fair value of the granted land as deferred income. The valuation of this granted land was obtained from an independent firm of surveyors and property consultants who valued it in accordance with Royal Institute of Chartered Surveyors ("RICS") appraisal and valuation manual. As per the independent valuer's report, the market value of the land amounted to AED 100 million. The independent valuer further stated in their report that in accordance with the property laws, the transfer of granted land to private title (to obtain a title deed with freehold status for the plot of land) can attract a fee of 30% of the market value of the land. Considering the title to the land was granted and taking into consideration the then prevailing laws in UAE, the Board of Directors had resolved to record the granted land at 70% of its market value in that year reflective of the price at which the granted land would have been transacted at market rates between a willing buyer and seller.

On 31 August 2014, the construction of UIS phase 3 that includes remaining parts of the intermediary and secondary section was completed which became operational in September 2014. Thereby, all conditions attached to conditional grant of the land have been met (Note 15).

e. During 2013-14, Taaleem LLC acquired a freehold plot of land in Dubai Studio City, in the Emirate of Dubai for AED 24.2 million, the consideration of which was settled by one-time payment. The sale purchase agreement ("SPA") was signed between Taaleem LLC and seller on 14 August 2014, however the title deed was received post year-end on 22 September 2014. Following the completion of design, Taaleem LLC, commenced construction of a residential tower for staff accommodation on this freehold plot. The construction of the residential tower was completed in 2016 and is now being used as staff accommodation. During 2025-26, the Group's management has earned a rental income of AED 398,984 (31 August 2025: AED 521,530) from leasing a few retail outlets which are part of the building used for staff accommodation.

f. Capital work-in-progress (CWIP) represents cost primarily incurred towards construction and expansion of schools in UAE. The movement for the year is as follows:

- the Group has completed construction activities of the school building and premises of HSD and accordingly CWIP amounting to AED 374,658,065 has been capitalized. The Group has also capitalised borrowing cost amounting to AED 5,175,148 (31 August 2025: AED 1,600,721), incurred on the borrowings availed towards the construction of HSD for the year ended 31 August 2026 (Note 13).
- Further, the Group has capitalised AED 2,036,435 relating to the amortisation of the right-of-use asset and AED 5,406,605 relating to finance costs on the lease liability attributable to the building under construction.(Note 29(i) and Note 29(ii)).
- the Group has completed expansion activities of the school building and premises of DBS and accordingly CWIP amounting to AED 683,977 has been capitalized.
- the Group has completed expansion activities of the school building and premises of DBS-JI and accordingly CWIP amounting to AED 1,086,843 has been capitalized.
- the Group has completed expansion activities of the school building and premises of DBS-M and accordingly CWIP amounting to AED 7,780,348 has been capitalized (31 August 2025: borrowing cost amounting to AED 2,461,262 was capitalised).
- the Group has completed expansion activities of the school building and premises of Dubai Schools - Nad Al Sheba and accordingly CWIP amounting to AED 781,422 has been capitalized.
- During 2024-25, the Group started the construction activities of the school building and premises of HSAD. During the year ended 31 August 2026, the Group has capitalised borrowings costs towards the construction of HSAD amounting to AED 3,205,412 (31 August 2025: AED 38,153) (Note 13).

Further, the Group has capitalised AED 211,084 relating to the amortisation of the right-of-use asset and AED 504,792 relating to finance costs on the lease liability attributable to the building under construction (Note 29(i) and Note 29(ii)).

## (g) Capital Advances

a. During 2024-25, the Group has paid advances of AED 25,300,000 towards the construction and development of the school building and premises for HSD. Further, during the year ended 31 August 2026, the Group has paid additional capital advance of AED 9,000,000.

Of this, an amount of AED 30,319,893 has been transferred to capital work-in-progress during the year ended 31 August 2026 (31 August 2025: AED 3,980,107). As at 31 August 2026, there is no capital advances outstanding (31 August 2025: AED 21,319,893). The school construction and development activities are completed during the year 2025-26.

b. During 2024-25, the Group has paid advance of AED 25,270,000 towards the construction and development of the school building and premises for HSAD.

Of this, an amount of AED 13,325,854 has been transferred to capital work-in-progress during the year ended 31 August 2026 (31 August 2025: AED 3,194,257). As at 31 August 2026, capital advances amounted to AED 8,749,889 (31 August 2025: AED 22,075,743). The construction and development activities are expected to be completed during the year 2026-27.

## (h) Impairment testing of property and equipment – at CGU level

The CGU is defined as the individual school managed and operated by the Group.

Management identifies indicators of impairment at CGU level based on the following key parameters:

- School profitability and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA);
- School maturity; and
- Cash flow forecast at each school level.

Where indicators existed, the recoverable amount of the CGU is determined using cash flow projections based on the valuations performed by an independent external specialists using RICS Valuation Professional Standards (as per the International Valuation Council (IVSC)).

As at the reporting date, the recoverable amount of one of the CGU tested for impairment was assessed to be higher than the carrying value. Accordingly, no impairment loss was recognised. The fair value is determined based on level 3 inputs.

Key assumptions used in the recoverable amount calculations are as follows:

Management believes that the calculation of the recoverable amount for the cash-generating unit that was subject to the test of impairment is most sensitive to the following assumptions:

- Discount rate;
- Net yield rate;
- Growth in revenue; and
- Direct costs.

### Discount rate

It represents the current assessment of risks specific to the Group taking into consideration the time value of money. A single discount rate is used on the basis that risks specific to the cash-generating unit is reflected in determining the cash flows.

### Revenue

The growth rate is based on management's best estimate with regard to industry and market growth rates. This considers the historical performance of the school, its maturity of operations and regulator rating of the school.

### Direct costs

Direct costs primarily include salary costs and other administrative expenses directly related to the CGUs operations. The recoverable amount calculation takes into account such costs based on historic trends, contractual agreements and the estimated inflation to be incurred during the forecasted period.

### Sensitivity to changes in assumptions

With regard to the assessment of value in use of the above CGU, management believes that no reasonable possible change in any of the above key assumptions will cause the carrying value of the CGU to materially exceed its recoverable amount.

## 8 (ii). INVESTMENT PROPERTY

The Group has sub-leased a school building for a period of 15 years (Note 22).

| | 2026 AED | 2025 AED |
|---|---|---|
| **Cost:** | | |
| At 1 September and 31 August | 17,102,971 | 17,102,971 |
| **Accumulated depreciation:** | | |
| At 1 September | 7,022,221 | 6,805,324 |
| Charge for the year | 342,059 | 216,897 |
| **As at end of the year** | **7,364,280** | **7,022,221** |
| **Net carrying value:** | | |
| **At 31 August** | **9,738,691** | **10,080,750** |

Following items are recognised in the consolidated statement of profit or loss relating to investment property:

| | 2026 AED | 2025 AED |
|---|---|---|
| **Rental income (Note 22)** | **1,241,646** | **1,241,646** |

Rental income and depreciation charge on the investment property are included as separate line items in the consolidated statement of profit or loss.

The Group has no significant restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

## 9. Investment in a joint venture

On 19 June 2025 (the "acquisition date"), the Group, through its wholly owned subsidiary Taaleem Limited, entered into a Share Purchase Agreement ("SPA") with the former shareholders of KFG, a company incorporated under the laws of Jebel Ali Free Zone, Dubai, United Arab Emirates to acquire 95% shareholding (equity) interest in KFG. The total consideration for the acquisition was AED 921.33 million, which was settled in 2024-25. The principal activity of KFG is to provide facilities in nursery and pre-school education. KFG's operations are subject to moderate seasonal fluctuations during the last quarter of the Group's financial year mainly attributable to the lower enrolments during the summers in UAE.

The Group's investment has been classified as a joint venture and is accounted for using the equity method in the consolidated financial statements (Note 5).

As at 31 August 2025, the Group's carrying amount of investment was disclosed on a provisional fair value basis as the purchase price allocation exercise was ongoing. During the year ended 31 August 2026, the purchase price allocation exercise was completed. This resulted in reduction of investment in a joint venture by AED 1,478,355, as previously recorded during the year ended 31 August 2025.

The Group's carrying amount of investment at the acquisition date is disclosed as below:

### Summarised consolidated statement of financial position (Unaudited) of KFG as at the acquisition date:

| | (Restated) 19 June 2025 AED |
|---|---|
| Current assets | 46,735,846 |
| Non-current assets | 279,621,084 |
| Current liabilities | (90,646,236) |
| Non-current liabilities | (136,767,432) |
| **Equity** | **98,943,262** |
| Less: fair value adjustments* | (68,523,764) |
| **Equity, net** | **30,419,498** |
| Group's share in equity, net – 95% | 28,898,523 |
| Goodwill | 780,287,555 |
| Brand value | 112,144,408 |
| Transaction costs | 8,833,464 |
| Derivative asset | (10,700,000) |
| Derivative liability | 5,600,000 |
| **Group's carrying amount of the investment** | **925,063,950** |

*fair value adjustments as part of purchase price allocation exercise performed by the Group which includes following:*

| | (Restated) 19 June 2025 AED |
|---|---|
| Derecognition of goodwill recorded by KFG | (71,790,242) |
| Fair value upliftment of right-of-use asset | 15,264,489 |
| **Deferred tax liability** | **(11,998,011)** |

Movement in investment in a joint venture is set out below:

| | 31 August 2026 AED | (Restated) 31 August 2025 AED |
|---|---|---|
| At 1 September | 914,292,378 | - |
| Addition during the year | - | 925,063,950 |
| Share of loss of a joint venture for the year/period, net* | (4,323,584) | (10,771,572) |
| **As at the end of the year** | **909,968,794** | **914,292,378** |

*includes amortisation of brand value (net of deferred tax) for the year ended 31 August 2026 amounting to AED 5,102,570 (31 August 2025 (Restated): AED 1,034,493) and fair value adjustment to the right-of-use asset (net of deferred tax) amounting to AED 2,189,317 (31 August 2025 (Restated): AED 443,862).*

The following tables illustrates the summarised financial information of the joint venture, and reconciliation with the carrying amount of the investment in the Group's consolidated financial statements are set out below:

Summarised statement of consolidated financial position of KFG:

| | 31 August 2026 AED | (Restated) 31 August 2025 AED |
|---|---|---|
| Current assets | 36,682,509 | 62,082,996 |
| Non-current assets | 285,118,804 | 294,146,768 |
| Current liabilities | (102,585,492) | (125,171,512) |
| Non-current liabilities | (126,930,364) | (141,897,324) |
| **Equity** | **92,285,457** | **89,160,928** |
| Less: fair value adjustments* | (70,656,623) | (68,883,289) |
| **Equity, net** | **21,628,834** | **20,277,639** |
| Group's share in equity, net – 95% | 20,547,392 | 19,263,757 |
| Goodwill | 780,287,555 | 780,287,555 |
| Brand value | 105,400,383 | 111,007,602 |
| Transaction costs | 8,833,464 | 8,833,464 |
| Derivative asset | (10,700,000) | (10,700,000) |
| Derivative liability | 5,600,000 | 5,600,000 |
| **Group's carrying amount of the investment** | **909,968,794** | **914,292,378** |

*fair value adjustments as part of purchase price allocation exercise performed by the Group which includes following:*

| | 31 August 2026 AED | (Restated) 31 August 2025 AED |
|---|---|---|
| Derecognition of goodwill recorded by KFG | (71,790,242) | (71,790,242) |
| Fair value upliftment of right-of-use asset, net | 12,218,592 | 14,751,058 |
| **Deferred tax liability, net** | **(11,084,973)** | **(11,844,105)** |

Summarised statement of consolidated profit or loss of KFG:

| | 2026 AED | 19 June 2025 to 31 August 2025 AED |
|---|---|---|
| Revenue | 239,540,409 | 26,020,380 |
| Operating costs | (133,518,562) | (20,502,754) |
| Depreciation and amortization | (38,937,618) | (6,966,433) |
| General and administrative expenses | (51,813,840) | (6,605,456) |
| Finance costs | (12,171,387) | (2,669,642) |
| Profit/(loss) for the year/period before tax | 3,099,002 | (10,723,905) |
| Income tax benefits | 25,527 | 941,571 |
| **Profit/(loss) for the year/period** | **3,124,529** | **(9,782,334)** |
| **Total comprehensive income/(loss) for the year/period** | **3,124,529** | **(9,782,334)** |
| **Group's share of profit/(loss) for the year/period - 95%** | **2,968,303** | **(9,293,217)** |

KFG cannot distribute its profits without the consent from its shareholders. For contingencies and capital commitments refer note 30.

### Brand value

KFG operates multiple well established nursery brands across UAE. Accordingly, the Group has recognised brand value as a separately identified intangible asset. The Group has assessed useful life of the brand value to be 20 years.

### Call and Put Option

Pursuant to the shareholders' agreement ("SHA"), there is call and put option vested with the Group and the other joint venture shareholder over their respective shareholding interest and the terms thereof are as follows:

- the Group has a call option to acquire the shareholding interest held by the other joint venture shareholder, which may be exercised during financial year which ends in 2030 and during each subsequent financial year
- •the other joint venture shareholder holds a put option to sell his shareholding interest to the Group which may be exercised upon any of the following:
  - automatically under certain pre-conditions (i.e. amongst others attributable to performance measures).
  - at any time during the period commencing on the later of: (a) the first anniversary of the closing date (i.e. the date of settlement of purchase consideration); and (b) the date on which the audited accounts for financial year that ends in 2026 are approved, and thereafter, at any time during each subsequent financial year.

The Group recognised derivative asset for call option and derivative liability for put option. The option pricing mechanism ("option price") is calculated based on the formula set out in the SHA which is "Y x (M x EBITDA)" wherein, "Y" represents other joint venture shareholder's equity proportion, "M" represents EBITDA multiple as per option exercise window and "EBITDA" represents joint venture's (i.e. KFG) EBITDA which is calculated based on the sum of revenue minus: (i) operating expenses; (ii) administrative expenses; and (iii) cash lease payments, in each case, excluding interest, Tax, depreciation, and amortization. This option price applies to both call and put option. The fair value of these derivative financial instruments are determined using Monte Carlo Simulation valuation model.

** x in the paragraph above denotes multiplied / multiply.*

Set out below is the movement of derivative asset and liability for the year ended 31 August 2026:

| | Derivative Asset AED | Derivative Liability AED |
|---|---|---|
| At 1 September 2025 | 9,800,000 | (6,200,000) |
| Adjustment: fair value loss on derivatives, net (Note 19) | (2,700,000) | (1,800,000 ) |
| **At 31 August 2026** | **7,100,000** | **(8,000,000)** |

| | Derivative Asset AED | Derivative Liability AED |
|---|---|---|
| At acquisition date - adjusted with carrying amount of investment in joint venutre | 10,700,000 | (5,600,000) |
| Adjustment: fair value loss on derivatives, net (Note 19) | (900,000) | (600,000) |
| **At 31 August 2025** | **9,800,000** | **(6,200,000)** |

### Impairment testing of investment in a joint venture

Management performed an impairment assessment of its investment in the KFG due to the impact of the geopolitical developments in the region. The recoverable amount was determined using a value in use ("VIU") methodology, based on discounted cash flow projections derived from the board approved business plan covering a period of five years, together with a terminal value.

As at the reporting date, the recoverable amount of the investment in KFG exceeded its carrying amount. Accordingly, no impairment loss was recognised.

### Key assumptions

The determination of the recoverable amount requires management to make significant estimates and assumptions. The recoverable amount is most sensitive to the following assumptions:

- Discount rate at 10.1%;
- Revenue growth; and
- Terminal growth rate at 2%

### Discount rate

It represents the current assessment of the risk specific to the KFG taking into consideration the time value of money. A single discount rate is used on the basis that risks specific to the investment in KFG is reflected in determining the cash flows. With all other key assumptions being constant, an increase/ decrease in discount rate by 100 basis points would decrease/ increase the recoverable amount by AED 36 million, and not give rise to any impairment.

### Revenue growth

The revenue growth assumptions are based on management's best estimate of industry and market growth trends, taking into consideration KFG's historical performance, current enrolment levels, and the stage of operational maturity of its existing nurseries as of 31 August 2026. With all other key assumptions being constant, an average 500 basis point increase/ decrease in student enrolment throughout the forecast period would increase/ decrease the recoverable amount by AED 44 million, and not give rise to any impairment.

## 10. Fees and other receivables

| | 2026 AED | 2025 AED |
|---|---|---|
| Fees receivable | 9,626,616 | 6,377,475 |
| Less: allowance for impairment of fees receivable | (9,412,977) | (5,483,873) |
| Net fees receivable (a) | 213,639 | 893,602 |
| Other receivables | 12,885,411 | 6,847,602 |
| Less: allowance for impairment of other receivables | (5,815,692) | (772,736) |
| **Net other receivables (b)** | **7,069,719** | **6,074,866** |
| Net fees and other receivables (a + b) | 7,283,358 | 6,968,468 |
| Prepayments* | 19,991,393 | 22,335,372 |
| VAT receivables | 23,184,127 | 22,169,067 |
| Deposits and advances** | 16,909,498 | 42,810,866 |
| | **67,368,376** | **94,283,773** |

As at 31 August 2026, fees and other receivables with a nominal value of AED 15,228,669 (31 August 2025: AED 6,256,609) were impaired. Movements in the allowance for impairment of fees and other receivables were as follows:

| | 2026 AED | 2025 AED |
|---|---|---|
| Balance at the beginning of the year | 6,256,609 | 8,489,555 |
| Charge for the year (Note 19) | 10,573,135 | 2,559,114 |
| Recovery (Note 21.2) | (1,601,075) | (3,269,839) |
| Written off | - | (1,522,221) |
| **Balance at the end of the year** | **15,228,669** | **6,256,609** |

Set out below is the information about credit risk exposure on the Group's fees and other receivables using a provision matrix:

| 31 August 2026 | Current | 0-365 Days | >365 Days | Total |
|---|---|---|---|---|
| Expected credit loss rate | - | 58% | 100% | 68% |
| Estimated total gross carrying | - | 17,160,813 | 5,351,214 | 22,512,027 |
| Expected credit loss | - | 9,877,455 | 5,351,214 | 15,228,669 |
| **Net fees and other receivables** | **-** | **7,283,358** | **-** | **7,283,358** |

| 31 August 2025 | Current | 0-365 Days | >365 Days | Total |
|---|---|---|---|---|
| Expected credit loss rate | - | 20% | 100% | 47% |
| Estimated total gross carrying | - | 8,679,541 | 4,545,536 | 13,225,077 |
| Expected credit loss | - | 1,711,073 | 4,545,536 | 6,256,609 |
| **Net fees and other receivables** | **-** | **6,968,468** | **-** | **6,968,468** |

*Prepayments include AED 13.9 million (31 August 2025: AED 16.8 million) paid towards staff accommodation including advance house rent allowance.*
***It mainly comprises an advance of AED 5 million provided to the Group's liquidity provider to buy and sell its own shares in conjunction with an agreement entered by the Group. As at 31 August 2026, the amount held by the liquidity provider amounted to AED 0.8 million (31 August 2025: AED 24.5 million) (Note 26). In addition, it includes refundable deposits amounting to AED 13.4 million (31 August 2025: AED 13.7 million).*

## 11. Wakala and short-term deposits

### (a) Wakala deposits

| | 2026 AED | 2025 AED |
|---|---|---|
| Wakala deposits | 50,005,416 | 207,046,994 |
| Less: Wakala deposits – original maturity less than 3 months (Note 12) | (20,001,944) | (105,024,383) |
| | **30,003,472** | **102,022,611** |

Wakala deposits are placed with a local bank carrying profit mark-up rates ranging 3.00% to 4.25% (31 August 2025: 3.70% to 4.70% per annum).

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 year ended 31 August 2026, the Group has earned an interest income amounting to AED 3,405,597 from the Wakala deposits (31 August 2025: AED 14,102,634) (Note 23).

## (b) Short-term deposits

| | 2026 AED | 2025 AED |
|---|---|---|
| Short-term deposits | 98,163,924 | 68,957,985 |
| Less: Short-term deposits – original maturity less than 3 months (Note 12) | (55,158,431) | (36,201,120) |
| | **43,005,493** | **32,756,865** |

Short-term deposits are placed with a local bank carrying profit mark-up rates ranging from 3.90% to 4.75% (31 August 2025: 4.20% to 4.75%).

During the year ended 31 August 2026, the Group has earned an interest income amounting to 2,238,541 from short term deposits (31 August 2025: AED 1,589,407) (Note 23).

## 12. Cash and cash equivalents

| | 2026 AED | 2025 AED |
|---|---|---|
| Cash in hand | 56,676 | 61,116 |
| Cash at banks | 77,146,175 | 87,150,570 |
| Sukuk deposits (Note 22) | 207,984,098 | 168,216,267 |
| Wakala and short-term deposits (Note 11) | 75,160,375 | 141,225,503 |
| | **360,347,324** | **396,653,456** |
| (Less): Restricted cash* | (30,737,306) | (66,152,938) |
| **Cash and cash equivalents for the purpose of consolidated statement of cash flows** | **329,610,018** | **330,500,518** |

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. These deposits are classified as cash and cash equivalents as they are redeemable at any time after 30 days from deposit date and thus highly liquid in nature i.e. readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Group has earned an interest income amounting to AED 6,620,374 from the Sukuk deposits (31 August 2025: AED 9,570,095) (Note 22 and 23).

**The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include AED 30,737,306 (31 August 2025: AED 66,152,938) are held by the subsidiaries of the Company (i.e. Taaleem Sole Proprietorship LLC and Taaleem Management LLC). These amounts are held for the restricted purpose of managing the operations of the ADEK charter schools and ESE Ajyal schools and therefore not available for use by the Group.*

## 13. Interest bearing loans and borrowings

| | 2026 AED | 2025 AED |
|---|---|---|
| As at beginning of the year | 1,327,186,279 | 140,178,508 |
| Add: finance costs charged for the year (Note 24) | 65,207,906 | 24,094,687 |
| Add: borrowing cost capitalized during the year (Note 8(i)(f)) | 8,380,560 | 4,100,136 |
| Add: loans drawn down (refer below) | 753,500,091 | 1,332,032,053 |
| Less: finance costs paid for the year | (73,101,950) | (25,719,105) |
| Less: loans repaid during the year (refer below) | (439,570,611) | (147,500,000) |
| **As at the end of the year** | **1,641,602,275** | **1,327,186,279** |
| Less: Current portion | (273,570,287) | (184,654,226) |
| **Non-current portion** | **1,368,031,988** | **1,142,532,053** |

i. During the year ended 31 August 2026, the Group obtained a long term Murabaha facility amounting to AED 241,000,000 for the purpose of construction activities of school building and premises of HSD. The loan is due and fully repayable in February 2029.
   - During the year ended 31 August 2026, the Group had drawn down an amount of AED 100,000,000 and fully prepaid and settled the outstanding amount, resulting in the closure of the facility.

ii. During the year ended 31 August 2026, the Group obtained a new Murabaha facility amounting to AED 300,000,000 of which the Group has drawn down AED 254,999,972 for the purpose of construction activities of school building and premises of HSD. The loan is due and fully repayable in August 2029.

iii. During 2024-25, the Group obtained a short-term liquidity murabaha facility of AED 341,999,972 to fund the acquisition of LLFPM which was repayable in January 2025. Of this short-term liquidity murabaha facility,
   - AED 271,999,972 has been converted into a long-term liquidity Murabaha facility, which is repayable on 30 January 2028 and,
   - AED 70,000,000 was converted into an Islamic Covered Drawing (ICD) facility. During the year ended 31 August 2026, the Group has drawn down an additional AED 158,000,158 in multiple tranches and repaid AED 199,000,158. As at 31 August 2026, the facility had no outstanding utilisation (31 August 2025: AED 41,000,000).

iv. During 2024-25, the Group obtained a long term Ijarah facility amounting to AED 238,000,000 for the purpose of construction activities of school building and premises of HSAD. The loan is due and fully repayable in August 2028.
   - During the year ended 31 August 2026, the Group has drawn down an additional amount of AED 80,999,896. As of 31 August 2026, AED 111,032,107 was utilized from this facility (31 August 2025: AED 30,032,211).

v. During 2023-24, the Group obtained a Islamic Covered Drawing (ICD) facility amounting to AED 130,000,000 for the purpose of construction activities of school building and premises of DBS-M and other business operations. The loan is due and fully repayable in July 2027.
   - During the year ended 31 August 2026, the Group had in multiple tranches drawn down an additional borrowing of AED 19,500,065 and repaid AED 570,453. As of 31 August 2026, AED 129,429,547 has been utilized from this facility (31 August 2025: AED 110,499,935).

vi. As at 31 August 2025, the Group has fully utilised Ijarah facility, amounting to AED 140,000,000 for the purpose of construction activities of school building and premises of DBS-J.
   - During the year ended 31 August 2026, the Group repaid and subsequently drew down AED 140,000,000. As of 31 August 2026: AED 140,000,000 was utilized from this facility. The loan is due and fully repayable in April 2027.

vii. During the year ended 31 August 2025, the Group obtained a long-term liquidity murabaha facility amounting to AED 729,999,935 to fund the acquisition of KFG. The loan is due and fully repayable in August 2030.

All loans and borrowings are obtained in AED.

The borrowings carry a profit at the rate of 1-3 months Emirates Inter Bank Offer Rate (EIBOR) plus a profit mark-up per annum (31 August 2025: 1-3 months EIBOR plus a profit mark-up per annum), which is payable on monthly and quarterly basis. Borrowing costs amounting to AED 8,380,560 (31 August 2025: AED 4,100,136) have been capitalised as a part of qualifying assets during the year (Note 8(i)(f)). The weighted average rate used to capitalise such borrowing costs was 1-3 months EIBOR plus a profit mark-up per annum.

The above loans and borrowings are secured by:

a. First rank legal mortgage over following properties (amended in existing mortgage with mortgage validity 2 year beyond facilities tenor end date) covering Taaleem Holdings P.J.S.C., Taaleem LLC and Taaleem Management LLC
   - Plot No. 91, Al Hebaih Second, Dubai (Dubai Studio City building) for AED 88.2 million in favor of the bank.
   - Plot No. 3923 (676-2451), Al Hebiah Third, Dubai (Jebel Ali School) for AED 205.7 million in favor of the bank.
   - Plot no. 6648 (394-4046) located at Al Thanayah fourth, Dubai (Dubai British School, Dubai) for AED 40 million in favor of the bank.
   - Plot no. 1009 (645-3286) located at Wadi Al Safa 3, Dubai (LLFPM, Dubai) for AED 209 million in favor of the bank.

b. Assignment of comprehensive property all risk insurance over the mortgaged properties (with Emirates Islamic Bank PJSC being the first loss payee), covering in a minimum the mortgage amounts.
c. Assignment of receivables from Customer and M/s Taaleem Holding P.J.S.C. group entities, in respect of assignment and routing of all receivables, cash flows, school fees from the following bank approved schools under DBS, DBSJP, AAG, GIS, JBS, UIS, JAS, DBS-J, DBS-M, LLFPM, HSAD, HSD, RISGC, RISKCC and all UAE nurseries under KFG.
d. Assignment, in respect of Point of Sale (POS) receivables from Dubai British School at Plot No. 3430443, Al Wasl, Dubai and Dubai British School at plot no. 9216993, 9216487 & 9216993.1, Mira – Al Aryam, Al Yalayis 1, Dubai, duly signed and acknowledged by the assignment notice counterparty (upon completion of construction).
e. Assignment, in respect of Point of Sale (POS) assignment over all KFG Nurseries, duly signed and acknowledged by the assignment notice counterparty.
f. Assignment of comprehensive all risk insurance in respect of all nurseries under KFG Nurseries, with the bank named as the loss payee.
g. Agreement to pledge existing bank accounts held by the Group.

The Group is required under the above facilities to comply with the following financial covenants:

a. To maintain minimum DSCR of 1.2x at all times;
b. Maximum net debt / EBITDA of 4.5x; and
c. Maintain gearing ratio maximum of 1.75x at all times.

## 14. Provision for employees' end of service benefits

| | 2026 AED | 2025 AED |
|---|---|---|
| As at beginning of the year | 55,631,845 | 39,014,933 |
| Acquisition during the year (Note 6(a)) | - | 8,077,485 |
| Add: provision for the year (Note 20) | 20,627,469 | 17,129,654 |
| Less: payments made during the year | (10,748,963) | (8,590,227) |
| **As at the end of the year** | **65,510,351** | **55,631,845** |

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

## 15. Deferred income on government grant

| | 2026 AED | 2025 AED |
|---|---|---|
| At beginning of the year | 42,606,665 | 44,939,998 |
| Less: transferred to profit or loss | (2,333,333) | (2,333,333) |
| As at the end of the year | 40,273,332 | 42,606,665 |
| Less: Current portion of deferred income on government grant | (2,333,333) | (2,333,333) |
| **Non-current portion of deferred income on government grant** | **37,939,999** | **40,273,332** |

The allocated amount of deferred income pertaining to granted land for UIS phases 1, 2 and 3 has been computed based on student capacity of UIS (phases 1, 2 and 3). This allocated amount is amortised over useful life of the building constructed for UIS (Note 8 (i)(d)).

## 16. Trade and other payables

| | 2026 AED | 2025 AED |
|---|---|---|
| Accruals and other payables | 140,740,562 | 145,660,544 |
| Trade payables | 64,795,959 | 74,857,609 |
| Retentions payable | 41,385,015 | 16,177,625 |
| Debentures payable | 4,660,590 | 9,507,911 |
| Dividends payable (Note 28) | 45,000 | 45,000 |
| | **251,627,126** | **246,248,689** |
| **Less:** | | |
| Long-term retentions payable | (16,520,112) | (7,174,365) |
| Long-term debentures payable | (917,116) | (5,324,917) |
| | **234,189,898** | **233,749,407** |

Trade payables are non-interest bearing and are normally settled on 30 to 90 days terms.

### Debentures payable:

Debentures payable include the following:

a. Debentures payable relates to proceeds on issuance of priority student seats offered at all the Taaleem Schools (other than Jebel Ali School) to third party corporates, whereby, each debenture is amortised over 15 years. As at 31 August 2026, the debentures payable amounted to AED 1.5 million (31 August 2025: AED 2.2 million).

b. In 2021-22, the Group acquired non-interest-bearing debentures as part of acquisition of Jebel Ali School of AED 43.3 million. The fair value on the date of acquisition was determined to be AED 39 million which is payable to the debenture holders (i.e. students and corporates) over the period of 5 years. As at 31 August 2026, the debentures payable pertaining to Jebel Ali School amounted to AED 3.1 million (31 August 2025: AED 7.3 million).

## 17.1. Revenue

| | 2026 AED | 2025 AED |
|---|---|---|
| Gross tuition fees | 1,245,923,169 | 1,083,522,084 |
| (Less): Discounts* | (25,989,527) | (24,981,466) |
| Net tuition fees | 1,219,933,642 | 1,058,540,618 |
| Management fees** | 34,064,189 | 22,546,851 |
| Application fees (on initial admission) | 4,913,219 | 3,823,047 |
| Other operating income (Note 21.1) | 53,987,895 | 50,605,311 |
| | **1,312,898,945** | **1,135,515,827** |

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

| | 2026 AED | 2025 AED |
|---|---|---|
| **Timing of revenue recognition** | | |
| Services transferred over time | 1,300,851,021 | 1,123,908,669 |
| Services transferred at a point in time | 12,047,924 | 11,607,158 |
| **Total revenue from contracts with customers** | **1,312,898,945** | **1,135,515,827** |

The revenue is entirely earned in UAE.

Nature and timing of the satisfaction of performance obligations in contracts with customers, and the related revenue recognition policies are disclosed in Note 3.

**The Group also provides discount on tuition fees to its staff (Note 20).*
***Management fee is earned from ADEK and ESE under the service agreement. Management fee includes fixed management fee of AED 8,554,833 (31 August 2025: AED 8,031,667) and variable management fee of AED 25,509,356 (31 August 2025: AED 14,515,184).*

## 17.2 CONTRACT BALANCES

| | 2026 AED | 2025 AED |
|---|---|---|
| Fees and other receivables (Note 10) | 7,283,358 | 6,968,468 |
| **Fees received in advance** | **426,155,644** | **399,589,525** |

The amount of revenue recognised from fees received in advance at the beginning of the year is AED 399,589,525 (31 August 2025: AED 328,281,594).

## 18. Operating costs

| | 2026 AED | 2025 AED |
|---|---|---|
| Staff costs and other benefits (Note 20) | 728,378,597 | 621,331,175 |
| School supplies | 45,018,393 | 39,495,821 |
| Lease rent and service charges (Note 29(iii)) | 12,842,921 | 12,602,650 |
| Others (mainly visa, training and development) | 12,879,497 | 10,942,923 |
| | **799,119,408** | **684,372,569** |

## 19. General and administrative expenses

| | 2026 AED | 2025 AED |
|---|---|---|
| Staff costs and other benefits (Note 20) | 34,948,239 | 32,860,308 |
| Repairs and maintenance | 34,234,697 | 25,256,669 |
| Water and electricity charges | 31,151,583 | 30,916,795 |
| Janitorial and security | 19,040,830 | 18,385,749 |
| Marketing and advertisement | 13,292,513 | 11,555,746 |
| Legal and professional | 10,667,515 | 16,917,457 |
| Impairment loss on fees and other receivables (Note 10) | 10,573,135 | 2,559,114 |
| Bank Charges | 10,564,375 | 8,447,066 |
| Board remuneration, compensation and other benefits (Note 22) | 5,250,000 | 5,250,000 |
| Fair value loss on derivatives, net (Note 9) | 4,500,000 | 1,500,000 |
| Printing and stationery | 4,138,711 | 3,530,273 |
| Travel and communication | 3,342,908 | 2,949,705 |
| Office rent (Note 29(iii)) | 250,377 | 291,723 |
| Others (mainly events, insurance, penalties) | 5,874,363 | 5,503,356 |
| | **187,829,246** | **165,923,961** |

The Group has made social contribution amounting to AED 123,157 for the year ended 31 August 2026 (31 August 2025: AED 531,123).

## 20. Staff costs and other benefits

| | 2026 AED | 2025 AED |
|---|---|---|
| Salary and allowances | 561,014,794 | 485,567,592 |
| Staff accommodation (Note 29(iii)) | 131,847,020 | 109,411,435 |
| Staff - discount on tuition fees | 48,456,112 | 42,082,802 |
| Employees' end of service benefits (Note 14) | 20,627,469 | 17,129,654 |
| Employees' long term incentive plan (LTIP) | 1,381,441 | - |
| | **763,326,836** | **654,191,483** |
| **Staff costs are included in:** | | |
| Operating costs (Note 18) | 728,378,597 | 621,331,175 |
| General and administrative expenses (Note 19) | 34,948,239 | 32,860,308 |
| | **763,326,836** | **654,191,483** |

## 21.1 Other operating income

| | 2026 AED | 2025 AED |
|---|---|---|
| Transport income | 27,367,159 | 21,421,111 |
| Income - sports activity | 18,841,607 | 20,733,489 |
| Commission - uniforms | 5,209,244 | 4,984,971 |
| Commission - cafeteria | 1,318,303 | 2,042,231 |
| Debenture income | 644,424 | 666,600 |
| Income from conferences | 607,158 | 756,909 |
| | **53,987,895** | **50,605,311** |

## 21.2 Other income

| | 2026 AED | 2025 AED |
|---|---|---|
| Bad debt recoveries (Note 10) | 1,601,075 | 3,269,839 |
| Gain on disposal of property and equipment | 26,251 | 31,238 |
| Miscellaneous income | 2,752,625 | 13,492,211 |
| | **4,379,951** | **16,793,288** |

## 22. Related party transactions and balances

Related parties includes the Group's significant shareholders as disclosed in Note 25, joint venture, 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.

### (a) Significant related party transactions

The aggregate value of significant transactions entered with related parties during the year is as follows:

| Entities with significant influence over the Group: | 2026 AED | 2025 AED |
|---|---|---|
| **National Bonds Corporation Sole Proprietorship P.S.C. ("NBC")** | | |
| Profit from sukuk deposits (Note 12) | 6,620,374 | 9,570,095 |
| Cash dividends paid | (33,609,224) | (26,887,379) |
| **Knowledge Fund Establishment ("KFE")** | | |
| Rent payment | (6,167,603) | (3,575,357) |
| Cash dividends paid | (20,456,020) | (16,364,816) |
| **Tuition fees income earned from** | | |
| Board of Directors, net of discounts | 82,022 | 119,340 |
| **Joint venture** | | |
| **KFG** | | |
| Share of loss of a joint venture (Note 9) | (4,323,584) | (10,771,572) |
| Rental income (Note 8(ii)) | 1,241,646 | 1,241,646 |

#### Compensation to key management personnel

| | 2026 AED | 2025 AED |
|---|---|---|
| Short-term employees' benefits | 8,230,275 | 8,201,222 |
| Provision for employees' end of service benefits | 1,015,078 | 298,140 |
| Provision for Long term Incentive Plan (LTIP) | 574,584 | - |
| Tuition fee discounts | 117,672 | 498,510 |
| Executive Committee and Audit Committee compensation | 1,600,000 | 1,450,000 |
| Board remuneration, compensation and other benefits (Note 19) | 5,250,000 | 5,250,000 |
| | **16,787,609** | **15,697,872** |

### (b) Related party balances

#### Due from related parties

**Entities with significant influence:**

| | 2026 AED | 2025 AED |
|---|---|---|
| **NBC** | | |
| **Sukuk deposits (Note 12)** | **207,984,098** | **168,216,267** |
| **KFE** | | |
| **Trade receivables** | **-** | **300,632** |
| **KFG** | | |
| **Other receivables** | **2,069,503** | **775,000** |

### (c) Share capital

As at 31 August 2026, the shareholding includes 9.58% of shares in the Company held by the Board of Directors comprising 95,821,043 shares (31 August 2025: 9.58%, comprising 95,821,043 shares).

#### Terms and conditions of transactions with related parties

Except for the sukuk deposits (unsecured), other outstanding balances at the year-end are unsecured, interest free and settlement generally occurs in cash. Except as disclosed in note 30, there have been no other guarantees provided or received for any related party receivables or payables. For the year ended 31 August 2026, the Group has not recognised any provision for expected credit losses relating to amounts owed by the related parties (31 August 2025: Nil).

## 23. Finance income

| | 2026 AED | 2025 AED |
|---|---|---|
| Profit from wakala deposits (Note 11)(a)) | 3,405,597 | 14,102,634 |
| Profit from short term deposits (Note 11(b)) | 2,238,541 | 1,589,407 |
| Profit from sukuk deposits (Note 12) | 6,620,374 | 9,570,095 |
| Finance income from sub-lease | 170,643 | 181,004 |
| Other finance income | 77,116 | 100,001 |
| | **12,512,271** | **25,543,141** |

## 24. Finance costs

| | 2026 AED | 2025 AED |
|---|---|---|
| Finance costs on lease liabilities (Note 29(ii)) | 13,965,067 | 19,357,395 |
| Finance costs on interest bearing loans and borrowings (Note 13) | 65,207,906 | 24,094,687 |
| Unwinding of liability towards debentures payable | 268,652 | 556,194 |
| Other finance cost (mortgage fee) | - | 530,230 |
| | **79,441,625** | **44,538,506** |

## 25. Share capital

| | 2026 AED | 2025 AED |
|---|---|---|
| **Authorised, issued and fully paid up capital:** | | |
| **1,000,000,000 ordinary shares of AED 1 each** | **1,000,000,000** | **1,000,000,000** |

The ownership of the Company is as follows:

Details of shareholders holding more than 5% of share capital ("significant shareholders")

| | 2026 % shareholding | 2025 % shareholding |
|---|---|---|
| National bonds sole proprietorship PSC | 22.41% | 22.41% |
| Knowledge fund establishment | 13.64% | 13.64% |
| ITG Family Office limited | 7.25% | 7.25% |
| Ahmad Saad Mohd Fawzi Al Khayyat | 6.19% | 6.19% |
| Norges Bank | 5.79% | 5.0% |

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 Law No. (32) of 2021, as amended, before deducting IPO transaction costs amounting to AED 20,837,261 that were directly attributable to issuance of such new shares.

## 26. Own shares

During previous years, the Group engaged a licensed third-party Liquidity Provider on the Dubai Financial Market that offered liquidity provision services, to place orders of the Group's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility.

During the year ended 31 August 2026, the Group terminated this agreement with the Liquidity Provider and own shares held by the Liquidity Provider were disposed off and accumulated losses on such disposal were transferred to the retained earnings amounting to AED 5,955,144. The advance amount held with the Liquidity Provider was collected.

Further, during the year ended 31 August 2026, the Group appointed another licensed Liquidity Provider on the Dubai Financial Market for a similar liquidity provision services.

As at 31 August 2026, the Liquidity Provider held 1,083,787 (31 August 2025: 239,676) on behalf of the Group of the Company's shares at par value and the Group recorded the premium paid over and above par value as own shares reserve of AED 3.16 million (31 August 2025: AED 6.70 million), which is classified under equity as at 31 August 2026.

The dividends from own shares earned during the year ended 31 August 2026 amounted to AED 39,737 (31 August 2025: AED 8,292).

## 27. Statutory reserve

In accordance with the U.A.E. Federal Law No. (32) of 2021, as amended, the Company and its subsidiaries have established a statutory reserve by appropriation of 10% of profit for each year until the reserve reached 50% of the share capital. This reserve is not available for distribution except in circumstances stipulated by the Law. During current year, no amount is transferred to statutory reserve as it has already reached 50% of the respective paid-up capital of the Company and its subsidiaries.

## 28. Dividends

During the shareholder's meeting dated 26 November 2025, the shareholders approved a dividend of AED 0.15 per share amounting to AED 150,000,000, of this, dividend amounting to AED 150,000,000 was paid during the year ended 31 August 2026. (31 August 2025: During the shareholders' meeting dated 5 November 2024, the shareholders approved a dividend of AED 0.12 per share amounting to AED 120,000,000 which was paid during the year ended 31 August 2025).

As at 31 August 2026, the Group has dividend payable amounting to AED 45,000 pertaining to 2021-22 (Note 16) (31 August 2025: AED 45,000).

## 29. Leases

The Group leases land and buildings. Lease terms and rental calculations vary between different lease agreements. The leases typically run between 10 to 50 years.

## i. Right-of-use assets

| | 2026 AED | 2025 AED |
|---|---|---|
| At the beginning of the year | 252,737,809 | 260,256,095 |
| Additional lease assets | - | 11,549,121 |
| Capitalised during the year 8(i)(f) | (2,247,519) | - |
| Lease modifications* | 2,558,876 | (697,589) |
| Amortisation charge for the year | (16,816,844) | (18,369,818) |
| **At the end of the year** | **236,232,322** | **252,737,809** |

In 2021-22, net investment in finance lease recognised as of the date of derecognition of the head lease amounted to AED 3,707,742. As at 31 August 2026, the carrying value of net investment in finance lease amounting AED 3,057,774 (31 August 2025: AED 3,071,823).

*During the year ended 31 August 2026, the Group amended its existing lease agreement with the lessor, extending the lease term. As a result of this modification, the right-of-use assets increased by AED 2,558,876 (31 August 2025: decreased by AED 697,589).

## ii. Lease liabilities

| | 2026 AED | 2025 AED |
|---|---|---|
| At the beginning of the year | 299,469,654 | 292,421,984 |
| Additional lease liabilities | - | 11,225,839 |
| Lease modifications* | 6,395,236 | 1,338,377 |
| Finance costs capitalised during the year 8(i)(f) | 5,911,397 | - |
| Finance costs on lease liabilities (Note 24) | 13,965,067 | 19,357,395 |
| Less: payments made against lease liabilities | (28,201,822) | (24,873,941) |
| At the end of the year | 297,539,532 | 299,469,654 |
| Less: current portion of lease liabilities | (14,587,234) | (15,483,567) |
| **Non-current portion** | **282,952,298** | **283,986,087** |

**During the year ended 31 August 2026, the Group amended its existing lease agreement with the lessor. As a result of this modification, the lease liability increased by AED 6,395,236 (31 August 2025: AED 1,338,377)*

## iii. Amounts recognised in the consolidated statement of profit or loss

| | 2026 AED | 2025 AED |
|---|---|---|
| Amortisation of right-of-use assets | 16,816,844 | 18,369,818 |
| Impact of lease modifications | - | 2,035,966 |
| Finance cost on lease liabilities (Note 24) | 13,965,067 | 19,357,395 |
| Expense relating to short term leases and low value assets (recognition exemption under IFRS 16)* | 144,940,318 | 122,305,808 |
| | **175,722,229** | **162,068,987** |

**Expense relating to short-term leases and low value assets recorded in the consolidated statement of profit or loss are as under.*

| | 2026 AED | 2025 AED |
|---|---|---|
| Staff accommodation (Note 20) | 131,847,020 | 109,411,435 |
| Lease rent and service charges (Note 18) | 12,842,921 | 12,602,650 |
| Office rent (Note 19) | 250,377 | 291,723 |
| | **144,940,318** | **122,305,808** |

## iv. Amounts recognised in the consolidated statement of cash flows

| | 2026 AED | 2025 AED |
|---|---|---|
| Total cash outflows for leases (excluding cash outflow relating to recognition exemption for short-term leases and low value assets) | 28,201,822 | 24,873,941 |

## 30. Contingencies and capital commitments

| | 2026 AED | 2025 AED |
|---|---|---|
| **(a) Capital commitments** | **87,689,215** | **391,705,037** |
| **(b) Bank guarantees** | **420,850,913** | **366,282,124** |

As at 31 August 2026, the Group's capital commitments mainly relates to its on-going construction of HSAD and HSD. Refer Note 9 for the commitment related to put option over the Group's investment in a joint venture.

Bank guarantees mainly pertains to the following:

| Party Name | Nature |
|---|---|
| Abu Dhabi Department of Education and Knowledge | Management and Lease Agreement |
| Emirates Schools Establishment | Management Agreement |
| Knowledge Fund Establishment | Construction of schools in DBS-J and HSD |
| Majid Al Futtaim Urban Development | Acquisition of land |

At 31 August 2026, the Group had provided a corporate guarantee of AED 50 million (31 August 2025: Nil) in favor of a local bank in respect of facilities granted to KFG, comprising an Islamic Covered Drawing (ICD) facility and a Murabaha facility.

## 31. 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 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 segment profit or loss. Transactions between segments, if any, are conducted at mutually agreed terms and conditions and are fully eliminated on consolidation.

During 2024-25, the Group acquired 95% equity interest in KFG whose principal activity is to provide nursery education and related facilities (Note 9). Post acquisition, the Group has identified two reportable segment classified as "School operations" and "Nursery operations" which encompasses the management, operation and related ancillary activities related to the day-to-day function of all the schools and nurseries under the purview of the chief operating decision maker.

Corporate head office is not an operating segment and comprises mainly administrative and payroll costs relating to certain key management personnel which are not assigned to the other segments.

### Geographic segments

As at 31 August 2026, the business activities and operations of the Group are significantly located in the UAE.

### Primary segment information

Segmental information is presented below:

Year ended 31 August 2026 (In AED):

| | School operations | Nursery operations* | Corporate head office | Adjustments and eliminations | Consolidated |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| External customers | 1,312,898,945 | 233,554,510 | - | (233,554,510) | 1,312,898,945 |
| **Finance and other income** | | | | | |
| Finance income | 12,512,271 | - | - | - | 12,512,271 |
| Other income | 4,379,951 | 5,985,899 | - | (5,985,899) | 4,379,951 |
| **Income from deferred government grant** | **2,333,333** | **-** | **-** | **-** | **2,333,333** |
| **Expenses** | | | | | |
| Staff costs and other benefits | (753,389,227) | (130,413,868) | (9,937,609) | 130,413,868 | (763,326,836) |
| Operating and administrative expenses | (216,771,818) | (54,918,534) | (6,850,000) | 54,918,534 | (223,621,818) |
| Depreciation, impairment and amortisation | (123,128,743) | (38,937,618) | - | 38,937,618 | (123,128,743) |
| Finance costs | (79,441,625) | (12,171,387) | - | 12,171,387 | (79,441,625) |
| **Segment profit / (loss) before tax** | **159,393,087** | **3,099,002** | **(16,787,609)** | **(3,099,002)** | **142,605,478** |
| Income tax expense | (12,723,139) | 25,527 | - | (25,527) | (12,723,139) |
| **Segment profit / (loss) after tax** | **146,669,948** | **3,124,529** | **(16,787,609)** | **(3,124,529)** | **129,882,339** |

Year ended 31 August 2025 (In AED):

| | School operations | Nursery operations* | Corporate head office | Adjustments and eliminations | Consolidated |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| External customers | 1,135,515,827 | 26,020,380 | - | (26,020,380) | 1,135,515,827 |
| **Finance and other income** | | | | | |
| Finance income | 25,543,141 | - | - | - | 25,543,141 |
| Other income | 16,793,288 | - | - | - | 16,793,288 |
| Gain on bargain purchase | 10,290,264 | - | - | - | 10,290,264 |
| **Income from deferred government grant** | **2,333,333** | **-** | **-** | **-** | **2,333,333** |

Year ended 31 August 2025 (In AED):

| | School operations | Nursery operations* | Corporate head office | Adjustments and eliminations | Consolidated |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Staff costs and other benefits | (645,193,611) | (19,805,382) | (8,997,872) | 19,805,382 | (654,191,483) |
| Operating and administrative expenses | (189,405,047) | (7,302,828) | (6,700,000) | 7,302,828 | (196,105,047) |
| Depreciation, impairment and amortisation | (109,022,733) | (6,966,433) | - | 6,966,433 | (109,022,733) |
| Finance costs | (44,538,506) | (2,669,642) | - | 2,669,642 | (44,538,506) |
| **Segment profit / (loss) before tax** | **202,315,956** | **(10,723,905)** | **(15,697,872)** | **10,723,905** | **186,618,084** |
| Income tax expense | (16,098,691) | 941,571 | - | (941,571) | (16,098,691) |
| **Segment profit / (loss) after tax** | **186,217,265** | **(9,782,334)** | **(15,697,872)** | **9,782,334** | **170,519,393** |

**Nursery operations represent investment in a joint venture (Note 9). The Group's chief operating decision maker regularly reviews the segment information related to the nursery operations based on its aggregate revenue and profit/(loss) to make decisions about resources to be allocated to the segment and assess its performance. However, as required by IFRS 11 Joint Arrangements, the Group's interest in the joint venture is accounted for in the consolidated financial statements using the equity method. The adjustments and eliminations arising on account of the differences between financial information in the segment information and the equity method are included under "Adjustments and eliminations".*

| | 2026 AED | (Restated) 2025 AED |
|---|---|---|
| **Reconciliation of profit after tax** | | |
| Segment profit after tax | 129,882,339 | 170,519,393 |
| Less: Share of Group's loss of a joint venture | (4,323,584) | (10,771,572) |
| Add: Rental income | 1,640,630 | 3,286,985 |
| **Profit for the year** | **127,199,385** | **163,034,806** |

## Other segment information

Segment assets and liabilities comprise all assets and liabilities reflected in the consolidated statement of financial position as at 31 August 2026. This is attributable to the "School operations" segment except investment in a joint venture attributable to the "Nursery operations" (refer Note 9 for details on the investment in a joint venture). All such assets (including capital expenditure) and liabilities are significantly relating to the Group's operations in UAE.

## 32. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to the shareholders by weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent (adjusted for the effect of dilution, if any) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 August 2026 and 2025, there were no shares which were dilutive in nature.

The information necessary to calculate basic and diluted earnings per share is as follows:

| | 2026 AED | (Restated) 2025 AED |
|---|---|---|
| **Profit for the year attributable to equity holders** | | |
| of the Company (AED) | 127,199,385 | 163,034,806 |
| **Weighted average number of shares*** | **999,379,424** | **998,285,820** |
| **Attributable to the shareholders:** | | |
| **Basic and diluted earnings per share (AED per share)** | **0.13** | **0.16** |

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

## 33. 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 consolidated statement of profit or loss are:

| | 2026 AED | (Restated) 2025 AED |
|---|---|---|
| **Current income tax** | | |
| Current income tax expense | (13,583,633) | (16,823,184) |
| **Deferred tax** | | |
| Deferred income tax expense relating to origination and reversal of temporary differences | 860,494 | 724,493 |
| **Income tax expense reported in the consolidated statement of profit or loss** | **(12,723,139)** | **(16,098,691)** |

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

| | 2026 AED | (Restated) 2025 AED |
|---|---|---|
| Accounting profit for the period before tax | 139,922,524 | 179,133,497 |
| At the UAE statutory tax rate of 9% charged during the year | (12,593,027) | (16,122,015) |
| **Adjustments in respect of standard deduction as per the Law*** | **67,500** | **101,250** |
| **Non-deductible expense for tax purpose:** | | |
| Entertainment expense (50% allowed as per the Law) | (87,280) | (82,321) |
| Fines and penalties (disallowed as per the Law) | (26,522) | (3,773) |
| Adjustment on business combinations, net | (663,021) | (673,007) |
| Exempted income (gain on bargain purchase and share of loss of joint venture) | (389,123) | (43,318) |
| Other adjustments | 107,840 | - |
| **Current income tax** | **(13,583,633)** | **(16,823,184)** |
| Effective current income tax rate | 9.71% | 9.39% |

**The Group has structured two separate tax groups and one standalone entity (31 August 2025: two separate tax groups and one standalone entity) for the purpose of submission of tax returns to the UAE Federal Tax Authority ("FTA") in accordance with Federal Decree Law No. (47) of 2022 concerning Corporate and Business Tax (the "law"). As per the law, maximum standard deduction applicable for each tax group is AED 375,000.*

### Reconciliation of income tax provision, net:

| | 2026 AED | 2025 AED |
|---|---|---|
| As at beginning of the year | 17,030,248 | 16,706,004 |
| Add: provision for the year | 13,583,633 | 16,823,184 |
| Add: acquisition of LLFPM (Note 6(a)) | - | 876,464 |
| Less: payments made during the year | (17,057,408) | (17,374,898) |
| Less: other adjustments | - | (506) |
| **As at 31 August** | **13,556,473** | **17,030,248** |

| | 2026 AED | 2025 AED |
|---|---|---|
| **Reconciliation of deferred tax liabilities, net:** | | |
| As at 1 September | (41,366,715) | (27,338,083) |
| Add: Acquisition during the year (Note 6(a)) | - | (14,753,125) |
| Tax benefit due to amortisation during the year | 860,494 | 724,493 |
| **As at 31 August** | **(40,506,221)** | **(41,366,715)** |

The deferred tax liability comprises of the following temporary differences:

| | 2026 AED | 2025 AED |
|---|---|---|
| Goodwill | 21,599,798 | 21,599,798 |
| Other intangible assets | 5,208,145 | 6,789,515 |
| Other fair value adjustments (mainly relates to property and equipment) | 13,698,278 | 12,977,402 |
| **As at 31 August** | **40,506,221** | **41,366,715** |

For the purpose of determining income tax expense for the year, 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.

### Pillar Two Anti-Global Base Erosion Rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has published the Pillar Two Anti-Global Base Erosion Rules ("GloBE Rules"), which are designed to address the tax challenges arising from the digitalisation of the global economy. These rules provides a coordinated system to ensure that multinational enterprises (MNEs) with revenue above Euro 750 million pay at least an effective tax rate of 15% in each of the jurisdiction in which they operate. The UAE published Federal Decree-Law No. 60 of 2023 on 24 November 2023. This law amends specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of the UAE's commitment to the OECD guidelines.

On 11 February 2025, the Ministry of Finance of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 regarding the Imposition of Top-Up Tax on Multinational Enterprises on its website. This decision provides further details on the UAE Domestic Minimum Top-up Tax (UAE DMTT), which will apply to fiscal years starting on or after 1 January 2025. The UAE DMTT aims to ensure that certain in-scope UAE entities of a multinational enterprise (MNE) meet a 15% effective tax rate (ETR) on profits derived in the UAE. As of 31 August 2026, the Group's revenue does not exceed the required threshold of Euro 750 million, and accordingly, is not within the scope of the Pillar Two rules or the UAE DMTT, and no top up tax arises for the year. The Group will continue to monitor the related developments and assess any potential exposure in accordance with the relevant legislation.

## 34. Subsequent events

Subsequent to the year, the Board of Directors of the Company has proposed a cash dividend of AED 120 million (0.12 AED per share), which is subject to the approval of the shareholders at the forthcoming Annual General Assembly of the Company. There were no other significant events subsequent to the year-end that requires either adjustments or disclosures in the consolidated financial statements.

## 35. Comparative information

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements. Such reclassifications do not affect the previously reported consolidated profit or equity.

## 36. Impact of geopolitical developments

Geopolitical tensions in parts of the Middle East during early 2026 initially resulted in heightened uncertainty across the region. Subsequent diplomatic developments, including a de-escalation of tensions, have contributed to improved regional stability. Public communications from Government and regulatory authorities have continued to emphasise the resilience of the UAE economy and the uninterrupted continuation of operations across key sectors, including education.

The Group has continued to operate without significant disruption, supported by established contingency arrangements. The Group's management has assessed the impact of these geopolitical developments on the business operations, financial performance and position taking into consideration, amongst others, the safety and well-being of students', staff and wider stakeholder community, student turnover and monitoring cash flows. Based on the assessment, there has been no significant impact on the financial position or performance for the year, and no significant changes to key estimates and judgments.

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