

Important Announcement regarding the Offer Price Range for the Shares in Taaleem Holdings PJSC (Under Conversion) (under conversion in the Emirate of Dubai, United Arab Emirates, as a Public Joint Stock Company) and Listing of Its Shares on Dubai Financial Market



Following its announcement on 31 October 2022 of its intention to float on the Dubai Financial Market ("DFM") through a public subscription of up to 254,237,288 (two hundred fifty four million two hundred thirty seven thousand two hundred and eighty eight) ordinary shares with a nominal value of AED 1 (one dirham) each, representing 25.32% (twenty five and thirty two hundredths per cent) of the issued share capital of the Company (the "Offer Shares") in a public subscription in the United Arab Emirates (the "UAE") by increasing the Company's issued share capital in a nominal amount corresponding with the nominal value of the Offer Shares, Taaleem Holdings PJSC (Under Conversion) (the "Company" or "Taaleem") hereby announces the price range for the sale of its shares (the "Offer Price Range").

The price range has been set at between AED 2.95 to AED 3.00 per share.

The number of ordinary shares, with a nominal value of AED 1 (one dirham) per share, offered for sale by the Company by way of a capital increase will be up to 254,237,288 (two hundred fifty four million two hundred thirty seven thousand two hundred and eighty eight) ordinary shares, including the offer to the Emirates Investment Authority ("EIA"), of up to 8% of the Offer Shares.

If all of the Offer Shares are subscribed for and allocated, the Offer Shares will represent 25.32% (twenty five and thirty two hundredths per cent) of the issued share capital of the Company (the "Shares"). The Company reserves the right to amend the Offering and the tranche sizes at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the Securities and Commodities Authority (the "SCA").

Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Periods in respect of the First Tranche, Second Tranche and the Third Tranche and the completion of the conversion process of the Company from a private joint stock company to a PJSC, the Company will list its Shares on the DFM.

The Final Offer Price will be determined through the application of a book building process, whereby a subscription orders ledger will be created through the subscription orders made only by the Professional Investors. The Company will issue a press release in the UAE setting out the final offer price of the Offer Shares on or around 18 November 2022.

Listing is expected to take place on the DFM on or around 29 November 2022 ("Listing").

The Company is a public joint stock company under conversion in the UAE. Upon the completion of the Offering, the Company's paid-up share capital will be up to AED 1,004,237,288 (one billion four million two hundred thirty seven thousand two hundred and eighty eight UAE dirhams), divided into up to 1,004,237,288 (one billion four million two hundred thirty seven thousand two hundred and eighty eight) Shares with a nominal value of AED 1 (one) Dirham per Share.

All defined terms in this announcement have the same meaning as set out in the Prospectus of the Offering published on 31 October 2022, unless otherwise indicated.

Approval of the Competent Authorities
The SCA has approved the publication of this announcement, the SCA's approval on the publication does not constitute an endorsement of the feasibility of investment nor a recommendation to subscribe to the Offer Shares; this announcement shall be read in conjunction with the Prospectus. The SCA is not considered responsible for the accuracy, completeness or adequacy of the information contained in the Prospectus and SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on the Prospectus or any part of it. The members of the Company's Founders' Committee bear full responsibility regarding the validity of the information and data contained in the Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable studies, that there are no other facts or material information, which were not included in the Prospectus that renders any statement contained therein misleading to the Subscribers or influencing their decision to invest.

Investments Risks
Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the "Investment Risks" and "Important Notice" section of the Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

The following are included in this announcement:

Summary of the Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the years ended 31 August 2020, 2021 and 2022.

Summary of the Founders' Committee Report

Name of the Company:	Taaleem Holdings PJSC (under conversion).	
Primary objects of the Company:	The primary objects that the Company is established for shall be in compliance with the provisions of the laws and regulations in force in the UAE and, pursuant to its Memorandum and Articles of Association set out in Annex (2) of the Prospectus are the following: - Investment in Educational Enterprises and Management; - Investment in Commercial Enterprises and Management; and - Investment in Industrial Enterprises and Management.	
Head office:	Office 105, 1st Floor Century Plaza, Jumeirah Beach Road, P.O. Box 76691, Dubai, United Arab Emirates.	
Details of trade register and date of engaging in the activity:	License No. 591478 The Company was incorporated in the Emirate of Dubai, United Arab Emirates, on 14 February 2007 as a private joint stock company under the trade license number 591478 issued by the Dubai Department of Economy and Tourism and is the process of being converted from a private joint stock company to a PJSC.	
Term of the Company:	100 years commencing from the date the Company is registered in the commercial register, to be automatically renewed thereafter unless terminated.	
Financial year:	1 September to 31 August	
Independent Auditors:	Ernst & Young Middle East (Dubai Branch) of ICD Brookfield Place, Al Mustaqbal Street, P.O. Box 9267, Dubai, United Arab Emirates, have audited the Company's consolidated financial statements for the year ended 31 August 2022, as stated in their report included at Annex (1) of the Prospectus. KPMG Lower Gulf Limited of the Offices 5 at Once Central, Level 4, Office number 04.01, Sheikh Zayed Road, P.O. Box 3800, Dubai, United Arab Emirates, have audited the Company's consolidated financial statements for the years ended 31 August 2021 and 2020, as stated in their reports included at Annex (1) of the Prospectus.	
Major banks dealing with the Company:	Major banks dealing with the Company:	Nature of Relationship
	Emirates Islamic Bank	Current Account/Fixed deposit/Finance facility

2. Strategy of the Company
The Group's core strategy revolves around delivering value-based education in the K-12 premium education segment. Focusing on the K-12 segment allows the Group to maintain a focus on delivering the values of the Group, which include respect, care and inspiration. The Group is committed to developing and retaining high quality staff at all levels, that are committed to the Group's mission and principles of "journey to excellence", through which it can deliver the highest quality education and help students achieve the best possible academic performance. The Group performs regular internal quality assurance reviews that assess the quality of teaching, learning and pastoral care. The Group focuses upon achieving positive inspection outcomes, implementing efficient and standardised practices across its network of schools (including strong cost management and control through benchmarking), as well as on delivering specialised training and development to its principals and teachers, in order to develop and retain a strong staff base. The Group further focuses on the following additional key pillars to deliver its growth strategy:

- Growth in existing schools;
- Ramp up of newly introduced schools;
- Growth through organic and inorganic expansion; and
- Expansion of Government partnership schools' portfolio.

3. List of Company's subsidiaries

Name	Country of incorporation and registered office	Percentage of beneficial interest held by the Company
Taaleem LLC	Dubai, UAE	100%
Taaleem Management LLC	Dubai, UAE	100%
Taaleem SPV Limited	ADGM, UAE	100%
Taaleem Holdings Sole Proprietorship LLC	Abu Dhabi, UAE	100%
Madaares Management Limited	Jebel Ali Free zone, Dubai, UAE	100%
Madaares Operations Limited	Jebel Ali Free zone, Dubai, UAE	100%

4. Securities previously issued by the Company
Save for the shares comprising its capital prior to the Offering, the Company has not issued any securities prior to listing its shares on the DFM.

5. Members of the Board of Directors
Upon Listing, the Board shall be established and is expected to consist of 9 (nine) Directors, all of whom are Non-Executive Directors and 8 (eight) of whom are Independent Non-Executive Directors.

Name	Nationality	Capacity
Mr. Khalid Ahmed Humaid Matar Altayer*	UAE	Chairman
Mr. Adel Mohammed Saleh Alzarouni*	UAE	Vice Chairman
H.E. Helal Saeed Salem Saeed Almarri*	UAE	Director
Mr. Amer Saad Mohammed Fawzi Alkhayyat	UAE	Director
Mr. Ahmad Saed Mohd Fawzi Al Khayyat*	UAE	Director
Mr. Eyad Ismail Sabti Moshal*	Jordan	Director
Mr. Mohammed Abdulla A Rahman Alehalbani*	UAE	Director
H.E. Abdulla Mohd Abdulla Mohd Alawar*	UAE	Director
Ms. Rehab Mohamed Hussain Lootah*	UAE	Director

Notes:
1. (*) denotes that the Director is considered "Independent" under the Governance Rules.
2. All Directors are non-executives.

The business address of each of the Directors is Office 105, 1st Floor, Century Plaza, Jumeirah Beach Road, P.O. Box 76691, Dubai, United Arab Emirates.

6. Members of Senior Management
In addition to the members of the Board, that will be effective from the date of Listing, the day-to-day management of the Company's operations is expected to be conducted by the following senior management team, as follows:

Name	Nationality	Position	Year Appointed
Alan David Williamson	UK	Chief Executive Officer	2019
Amaud Emmanuel Jean Marie Prudhomme	France	Chief Financial Officer	2017
Samuel Truman	UK	Chief Operating Officer	2008

7. The ownership percentage of the members of the Board of Directors, executive management and their first-degree relatives in the Company and its subsidiaries.

Members of the Board of Directors

Name	Number of Shares	Direct or Indirect Ownership
Mr. Khalid Ahmed Humaid Matar Altayer	72,494,720	Indirect
Mr. Amer Saad Mohammed Fawzi Alkhayyat	76,267,480	Indirectly, through custodian, being Al Mal Capital PSC
Mr. Ahmad Saed Mohd Fawzi Al Khayyat*	62,920,000	Directly
Mr. Adel Mohammed Saleh Alzarouni*	10,100,000	Directly
H.E. Helal Saeed Salem Saeed Almarri*	9,999,997	Directly

Members of the Executive Management

• No member of the Executive Management and their first-degree relatives hold shares in the Company and its subsidiaries.

8.Statement of the memberships of the Board of Directors and the Executive Management on the boards of other public joint stock companies in the UAE

• Some of the members of the Board hold memberships on the boards of other public joint stock companies in the UAE, as follows:

Name	Membership on the boards of directors of other public joint stock companies in the UAE
Mr. Adel Mohammed Saleh Alzarouni	National General Insurance Co (PJSC) – Vice Chairman
H.E. Helal Saeed Salem Saeed Almarri	Emaar Properties PJSC – Board Member Dubai Financial Market PJSC – Chairman
H.E. Abdulla Mohd Abdulla Mohd Alawar	Emaar Development PJSC – Board member

No member of the Executive Management hold membership on the board of other public joint stock companies in the UAE

9.List of the owners of 5% or more of the Company's shares and the number of shares owned.

Before Offering

Name	Nationality/ Country of Incorporation	Types of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
National Bonds Corporation PJSC	UAE	Ordinary	172,800,135	172,800,135	23.04%
Al Mal Direct Equity II Limited	UAE	Ordinary	136,373,465	136,373,465	18.18%
Al Mal Capital (P.S.C.)	UAE	Ordinary	76,267,480	76,267,480	10.17%
Investment Trading Group LLC	UAE	Ordinary	72,494,720	72,494,720	9.67%
Ahmad Saad Fawzi Al Khayyat	UAE	Ordinary	62,920,000	62,920,000	8.39%
Emirates Islamic Bank	UAE	Ordinary	50,000,000	50,000,000	6.67%

*Based on the nominal value

After Offering

Name	Nationality/ Country of Incorporation	Types of shares	Number of shares owned	Total value of shares owned*	Ownership proportion
Please review Annex (6) of the Prospectus which includes a list of all the Founders and their details, including the ones owning 5% or more as per the above table.		Ordinary	750,000,000	750,000,000	Not less than 74.68%
Successful Subscribers at Listing	Variable	Ordinary	Up to 254,237,288	Up to 254,237,288	up to 25.32%
Total			up to 1,004,237,288	up to 1,004,237,288	100%

*Based on the nominal value

10. Founders' Committee evaluation of the Company's performance and achievements in comparison with the objective plan.

We have continued to experience strong performance in line with the business plan and management is confident about the performance and prospects of the Group for the current financial year and our near-term targets.

The Group is one of the largest K-12 premium education providers in the UAE with a portfolio as at 31 August 2022 consisting of 26 schools, comprising 10 owned and operated premium private schools, including one private early years facility (offering nursery to foundation stage two education) for children up to the age of three years ("Early Years"), and 16 government-partnership schools operated on behalf of Government entities.

The Group operates two types of schools: (i) premium schools and (ii) Government-partnerships. For the 2021-2022 academic year, the Group's portfolio included 18 schools, including 10 owned and operated premium schools, six Abu Dhabi Charter schools operated on behalf of ADEK and two Dubai Schools operated on behalf of the KFE under the Public Private Partnership ("PPP") programme.

As at 31 August 2022, the Group has a portfolio of 26 schools with a student base comprising of 27,407 students and a teaching staff comprising of 1,721 teachers for the 2022-2023 academic year. The Group's premium portfolio included five schools offering an IB curriculum, four schools offering a British curriculum (including one Early Years facility offering British curriculum), and one school offering an American curriculum as at 31 August 2022. The Group's premium schools portfolio had 952 teachers and 12,468 enrolled students as at 31 August 2022. With respect to the Government-partnership portfolio, for the 2022-2023 academic year as at 31 August 2022, the Group operated nine Abu Dhabi Charter Schools on behalf of ADEK with 10,595 students enrolled, three "Dubai Schools" under the PPP programme operated on behalf of KFE with 1,940 students enrolled and four PPP schools operated on behalf of ESE as part of the Aylal (Generations) Schools Initiative by the Federal Ministry of Education with 2,408 students enrolled. Given that the Government-partnership schools were only established in the 2019-2020 academic year, they represent an opportunity for future growth and potential increase in contribution to the Group's revenue and profits as such schools develop.

11. Dividend Policy
The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. Any level or payment of dividends will depend on, among other things, future profits, discretion of the Board of Directors and the business plan of the Company.

Subject to the foregoing, the Company intends to pay a dividend of AED 67.5 million relating to its financial performance during the year ended 31 August 2022. The dividend would be paid to the Shareholders before the Closing Date. The Company intends to pay dividends at least at the current levels and intends to grow its dividends in line with future earnings growth.

This dividend policy is designed to reflect the Company's expectation of strong cash flows and expected long-term earnings potential, while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long-term growth.

12.Summary of the Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the years ended 31 August 2020, 2021 and 2022

The following should be read in conjunction with the audited consolidated financial statements of the Group for the years ended 31 August 2022, 2021 and 2022 attached in Annex 1 of the Prospectus. Investors should also read certain risks associated with the purchase of Offer Shares in the section of the Prospectus headed "Investment Risks".

1. Consolidated Statement of Profit and Loss Data for the years ended 31 August 2020, 2021 and 2022 (All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	2022	2021	2020
	AED	AED	AED
REVENUE	623,332,614	526,837,903	485,142,841
FINANCE AND OTHER INCOME			
Rental income	911,723	337,675	370,945
Income from deferred government grant	2,437,300	2,437,300	2,437,299
Finance income	1,747,228	896,112	989,461
Other income	12,141,269	4,957,854	10,475
TOTAL FINANCE AND OTHER INCOME	17,237,520	8,628,941	3,808,180

EXPENSES

Operating costs	-370,307,303	-302,252,634	-301,960,756
General and administrative	-95,823,699	-76,722,233	-67,256,027
Impairment of goodwill	-	-3,084,640	-
Amortisation of intangible assets	-1,061,916	-524,416	-795,036
Depreciation on property and equipment	-58,127,333	-44,293,686	-45,032,909
Depreciation on investment property	-237,702	0	0
Amortisation of right-of-use assets	-13,361,870	-12,457,693	-11,865,566
Impairment loss on Amlak wakala deposits	-	-6,964,626	-5,642,035
Finance costs	-18,729,258	-10,890,835	-10,749,780
TOTAL EXPENSES	-557,649,081	-457,190,763	-443,302,109
PROFIT FOR THE YEAR	82,921,053	78,276,081	45,648,912

2. Consolidated Statement of changes in equity data for the years ended 31 August 2020, 2021 and 2022 (All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	Share capital AED	Statutory reserve AED	Fair value reserve AED	Retained earnings AED	Total AED
As at 1 September 2020	750,000,000	45,560,845	1,615,811	92,718,045	889,894,701
Profit for the year	-	-	-	78,276,081	78,276,081
Other comprehensive income for the year	-	-	2,879,508	-	2,879,508
Total comprehensive income for the year	-	-	2,879,508	78,276,081	81,155,589
Dividends	-	-	-	-52,500,000	-52,500,000
Transfer to statutory reserve	-	8,389,738	-	-8,389,738	-
Fair value reserve on equity investments at EVICOL transferred to retained earnings	-	-	-4,495,319	4,495,319	-
As at 31 August 2021	750,000,000	53,950,583	-	114,599,707	918,550,290
As at 1 September 2021	750,000,000	53,950,583	-	114,599,707	918,550,290
Profit for the year	-	-	-	82,921,053	82,921,053
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	82,921,053	82,921,053
Dividends	-	-	-	-67,500,000	-67,500,000
Transfer to statutory reserve	-	9,346,619	-	-9,346,619	-
As at 31 August 2022	750,000,000	63,297,202	-	120,674,141	933,971,343

3. Consolidated Statement of Financial Position data as of 31 August 2022 and 2021 (All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

EXPENSES

	2022	2021
	AED	AED
ASSETS		
Non-current assets		
Property and equipment	1,160,278,413	966,340,768
Investment property	11,438,599	-
Intangible assets	41,119,734	12,081,650
Goodwill	239,997,759	204,932,063
Right-of-use assets	177,130,827	139,554,303
Net investment in finance lease	3,423,325	-
Capital advances	-	1,466,766
	1,633,388,657	1,324,375,550

Current Assets

Fees and other receivables	83,760,649	69,242,798
Wakala deposits	-	45,131,389
Cash and cash equivalents	243,150,477	192,993,687
	326,911,126	307,367,874
Total Assets	1,960,299,783	1,631,743,424

EQUITY AND LIABILITIES

EQUITY		
Share capital	750,000,000	750,000,000
Statutory reserve	63,297,202	53,950,583
Retained earnings	120,674,141	114,599,707
Total Equity	933,971,343	918,550,290

LIABILITIES

NON-CURRENT LIABILITIES		
Interest bearing loans and borrowings	304,125,318	171,553,584
Lease liabilities	187,000,470	144,288,560
Deferred income on government grant	46,308,674	48,745,974
Debentures payable	26,543,685	4,228,908
Provision for employees' end of service benefits	29,443,351	19,154,380
	593,421,498	387,971,406

CURRENT LIABILITIES

Trade and other payables	123,529,684	78,550,806
Fees received in advance	264,643,267	213,841,330
Interest bearing loans and borrowings	28,296,892	24,535,298
Lease liabilities	13,999,789	5,856,994
Deferred income on government grant	2,437,300	2,437,300
	432,906,942	325,221,728
TOTAL LIABILITIES	1,026,328,440	713,193,134
TOTAL EQUITY AND LIABILITIES	1,960,299,783	1,631,743,424

4. Consolidated Statement of Cashflows data for the years ended 31 August 2022 and 2021 (All amounts in United Arab Emirates Dirham (AED), unless otherwise stated)

	2022	2021
	AED	AED
OPERATING ACTIVITIES		
Profit for the year	82,921,053	78,276,081
Adjustments for:		
Depreciation on property and equipment	58,127,333	44,293,686
Depreciation on investment property	237,702	-
Amortisation of right-of-use assets	13,361,870	12,457,693
Amortisation of intangible assets	1,061,916	524,416
Provision for employees' end of service benefits	8,490,458	7,599,809
Allowance for impairment on fees and other receivables	1,647,170	1,335,957
Gain on disposal of property and equipment	-57,143	-78,276
Impact of modification of right-of-use assets and lease liabilities	-221,916	-
Impairment loss on Amlak wakala deposits	-	6,964,626
Impairment of goodwill	-	3,084,640
Loss on derecognition of right-of-use assets	357,380	-
Finance income	-1,747,228	-896,112
Finance costs	18,729,258	10,890,835
Income from deferred government grant	-2,437,300	-2,437,300
Income from unwinding of debentures payable	-711,040	-711,040
Operating cash flows before changes in working capital	179,759,513	161,305,015

CHANGES IN WORKING CAPITAL

EBITDA

For the year ended 31 August			
	2020	2021	2022
	AED	AED	AED
Profit for the year	45,648,912	78,276,081	82,921,053
Less: Finance income	(989,461)	(896,112)	(1,747,228)
Add: Finance cost	10,749,780	10,890,835	18,729,258
Add: Amortisation of right-of-use assets	11,865,566	12,457,693	13,361,870
Add: Depreciation on investment property	-	-	237,702
Add: Depreciation on property and equipment	45,032,909	44,293,686	58,127,333
Add: Amortisation of intangible assets	795,036	524,416	1,061,916
EBITDA	113,102,742	145,546,599	172,691,904
EBITDA margin	23.3%	27.6%	27.7%

Note: EBITDA included certain non-cash and non-recurring items, including other income (related to bad debt recoveries, reversal of excess accruals / provisions and gains on sale of property and equipment), impairment of goodwill and impairment loss on Amikak Wakala deposit. Excluding these components, EBITDA would have been AED 118.7 million, AED 150.6 million and AED 160.8 million for the years ended 31 August 2020, 2021 and 2022, respectively, while EBITDA margins would have been 24.5%, 28.6% and 26.8% for the years ended 31 August 2020, 2021 and 2022, respectively.

13. Recent Developments:

There has been no material development since the issuance of the audited financial statements of the company for the year ended 31 August 2022 and the publication of the Prospectus.

Taaelem Holdings



DIRECTORS' REPORT

The Board of Directors have the pleasure of presenting the annual report and audited consolidated financial statements of Taaelem Holdings Private Joint Stock Company (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 August 2022. The Company operates under the trade name Taaelem Holdings P.S.C. (Private Joint Stock Company) as per the trade license no. 591478 issued by the Department of Economic Development.

Management's responsibilities

The UAE Federal Decree Law No. (22) of 2021 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 International Financial Reporting 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 and business review

The Group has been licensed to provide educational services.

Until the period ended 31 August 2007, the Company had not commenced commercial operations. With effect from 1 September 2007, the Company acquired 100% shares in Taaelem LLC ("Taaelem LLC"), a company incorporated in the Emirate of Dubai and Taaelem Management LLC ("Taaelem Management LLC"), a Limited Liability Company incorporated in the Emirate of Dubai. By virtue of this acquisition, the Group acquired five operating schools in the Emirate of Dubai and one operating school in the Emirate of Abu Dhabi: Dubai British School, Al Mizhar American Academy, Uptown Primary School, The Children's Garden Green Community, Greenfield Community School and Raha International School respectively.

By year ended 31 August 2008, the Group purchased another school building and refurbished it to expand Uptown Primary School to its secondary campus, Uptown High School in the Emirate of Dubai which commenced commercial operations in September 2008.

By 31 August 2009, the Group was involved in the set-up of its 8th campus, a nursery, The Children's Garden, Jumeira ("TCG-J") in the Emirate of Dubai, which started commercial operations in September 2009. In 2017, the Board of Directors of the Company resolved to close TCG-J upon completion of the 2016-17 academic year and twelve months ahead of the lease expiry, mainly due to low demand and limited facilities of the school.

As at 31 August 2014, the Group was involved in the set-up of its 9th campus, Jumeira Baccalaureate School, in the Emirate of Dubai, which started commercial operations in September 2010.

In 2011-12, the Group sold Uptown High School to a third party due to locational disadvantage and limited facilities offered by the campus.

As at 31 August 2012, the Group was involved in the set-up of two new campuses, Uptown School (Phase 1), located on granted land in Mirfah, Dubai and The Children's Garden, Barsha, located in Al Barsha, Dubai. The two campuses commenced commercial operations in September 2012. During 2013, the construction of Uptown School (Phase 2) was completed, following which the Group terminated the long-term lease of Uptown Primary campus and returned the campus back to the lessor.

As at 31 August 2014, the Group was involved in the construction of Uptown School (Phase 3), and Dubai British Foundation, a nursery located in Jumeira Islands, Dubai. Dubai British Foundation commenced commercial operations in September 2014.

As at 31 August 2015, the Group commenced commercial operations of its 11th campus, Dubai British School Jumeirah Park, located in Jumeirah Park, Dubai.

After the completion of the academic year ended 31 August 2019, the Board of Directors of the Company ended the operations of The Children's Garden, Barsha, located in Al Barsha, Dubai.

During the academic year 2018-19, a management agreement was signed with the education regulator for the emirate of Abu Dhabi, ADEK, to run the operations of four Abu Dhabi based charter schools starting from the academic year 2019-20. During the academic year 2020-21, the management agreement was renewed to manage and operate two additional charter schools in Abu Dhabi, UAE commencing from academic year 2021-22.

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Taaelem Holdings P.S.C.
(Private Joint Stock Company)
T +971 (4) 349 8806, F +971 (4) 349 8807
Century Plaza, First Floor, Jumeirah Beach Road
PO Box 76691, Dubai United Arab Emirates

Taaelem Holdings



DIRECTORS' REPORT (continued)

Principal activities and business review (continued)

During the year, the Group entered into a new operating and management agreement with ADEK, (which superseded the original agreement) and incorporates a total of nine schools including the original six plus three schools commencing from 1 September 2022. In addition, the new agreement extends the term of the operation and management of the previously awarded six Abu Dhabi Charter Schools by 5 years.

In June 2022, Taaelem Management LLC entered into a services agreement with Emirates School Establishment ("ESE") to operate and manage four schools on behalf of the ESE in connection with the Ajlul (Consortium) School ("Ajlul Schools") initiative by the Federal Ministry of Education, namely: Al Mokroum School (Dubai), Al Qayran School (Sharjah), Al Manal School (Ras Al Khaimah), and Al Farqan School (Eastern Sharjah). The Schools are commencing operations from academic year 2022-23.

Two new entities were incorporated during the year 2019, which were: Taaelem SPV Limited and Taaelem Holdings Sole Proprietorship LLC.

During the academic year 2018-19, the Group was involved in the construction and set-up of Raha International School Khalifa A ("RIS-KA") in the Emirate of Abu Dhabi. During the year ended 31 August 2020, the construction of Phase 1 of RIS-KA comprising of the School building for early years students was completed and the School operations for early years students commenced from September 2020 for the academic year 2020-21. The construction of Phase II comprising of the School building for students upto Grade 8 was completed subsequent to the year on 5 September 2021.

During the academic year 2019-20, the Board of Directors of the Company resolved to end the operations of The Children's Garden, Green Community, located in Dubai Investments Park, Dubai after the completion of the academic year ended 31 August 2020.

In March 2021, the Group and The Executive Council ("TEC"), a government entity, entered into an Operations & Management Agreement, whereby, the Group through Taaelem Management LLC will operate and manage two schools of TEC in the Emirates of Dubai - Dubai Schools Al Barsha and Dubai Schools Mirfah, starting from the academic year 2021-22.

In June 2022, the Group, TEC and Knowledge Fund Establishment ("KFE") signed a novation agreement whereby all rights and obligations of TEC under the original agreement were novated to KFE. Further, KFE mandated the Group to manage and operate a new school "Dubai Schools" Nad Al Sheba from academic year 2022-23.

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

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

Results

The results of the Group for the year ended 31 August 2022 are set out in the attached consolidated financial statements.

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 2022.

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Taaelem Holdings P.S.C.
(Private Joint Stock Company)
T +971 (4) 349 8806, F +971 (4) 349 8807
Century Plaza, First Floor, Jumeirah Beach Road
PO Box 76691, Dubai United Arab Emirates

Taaelem Holdings



DIRECTORS' REPORT (continued)

Principal activities and business review (continued)

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.

Subsequent events

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

Auditors

Ernst & Young Middle East (Dubai Branch) ("EY") were appointed as external auditors for the Group for the year ended 31 August 2022. EY have expressed their willingness to continue in the office. A resolution for the appointment of the auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Chairman

Date: 30/9/2022

Vice Chairman

Date: 30/9/2022

3

Taaelem Holdings P.S.C.
(Private Joint Stock Company)
T +971 (4) 349 8806, F +971 (4) 349 8807
Century Plaza, First Floor, Jumeirah Beach Road



Ernst & Young Middle East
(Dubai Branch)
P.O. Box 9287
Ground Floor, 17D Brookfield Place
Al Madinat Street
Dubai International Financial Centre
Dubai
United Arab Emirates

Tel: +971 4 701 0100
+971 4 332 4000
Fax: +971 4 332 4004
e: info@ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEM HOLDINGS PRIVATE JOINT STOCK COMPANY

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Taaelem Holdings Private Joint Stock Company (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 August 2022, 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 a summary of significant accounting policies.

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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in United Arab Emirates, and 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.

Other Matter

The consolidated financial statements of the Group for the year ended 31 August 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 16 November 2021 before the effects of reclassifications as indicated in note 34 to these consolidated financial statements.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Directors Report and does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 on other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEM HOLDINGS PRIVATE JOINT STOCK COMPANY (continued)

Report on the Audit of the Consolidated Financial Statements

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, and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Decree Law No. 32 of 2021, 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.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TAALEM HOLDINGS PRIVATE JOINT STOCK COMPANY (continued)

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 August 2022:

- the Company has maintained proper books of account;
- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and the Articles of Association of the Company;
- the financial information included in the Board of Directors' report is consistent with the books of account of the Company;
- investment in shares and stocks during the year ended 31 August 2022, if any, are disclosed in note 1 to the consolidated financial statements;
- note 22 reflects material related party transactions and the terms under which they were conducted;
- 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 2022, any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 August 2022; and
- Note 19 reflects the social contributions made during the year.

For Ernst & Young

Signed by:
Thodha Hari Gopal
Partner
Registration No. 659

30 September 2022

Taaelem Holdings P.S.C. (Private Joint Stock Company) and its subsidiaries

DIRECTORS' REPORT

The Board of Directors have the pleasure of presenting the annual report and audited consolidated financial statements of Taaelem Holdings P.S.C. (Private Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 August 2021.

Principal activities and business review

The Group has been licensed to provide educational services.

Until the period ended 31 August 2007, the Company had not commenced commercial operations. With effect from 1 September 2007, the Company acquired 100% shares in Taaelem LLC ("Taaelem LLC") a company incorporated in the Emirate of Dubai and Taaelem Management LLC ("Taaelem Management LLC") a Limited Liability Company incorporated in the Emirate of Dubai. By virtue of this acquisition, the Group acquired five operating schools in the Emirate of Dubai and one operating school in the Emirate of Abu Dhabi: Dubai British School, Al Mizhar American Academy, Uptown Primary School, The Children's Garden Green Community, Greenfield Community School and Raha International School respectively.

By year ended 31 August 2008, the Group purchased another school building and refurbished it to expand Uptown Primary School to its secondary campus, Uptown High School in the Emirate of Dubai which commenced commercial operations in September 2008.

By 31 August 2009, the Group was involved in the set-up of its 8th campus, a nursery, The Children's Garden, Jumeira ("TCG-J") in the Emirate of Dubai, which started commercial operations in September 2009. In 2017, the Board of Directors of the Company resolved to close TCG-J upon completion of the 2016-17 academic year and twelve months ahead of the lease expiry, mainly due to low demand and limited facilities of the school.

As at 31 August 2010, the Group was involved in the set-up of its 9th campus, Jumeira Baccalaureate School, in the Emirate of Dubai, which started commercial operations in September 2010.

In 2011-12, the Group sold Uptown High School to a third party due to locational disadvantage and limited facilities offered by the campus.

As at 31 August 2012, the Group was involved in the set-up of two new campuses, Uptown School (Phase 1), located on granted land in Mirfah, Dubai and The Children's Garden, Barsha, located in Al Barsha, Dubai. The two campuses commenced commercial operations in September 2012. During 2013, the construction of Uptown School (Phase 2) was completed, following which the Group terminated the long-term lease of Uptown Primary campus and returned the campus back to the lessor.

As at 31 August 2014, the Group was involved in the construction of Uptown School (Phase 3), and Dubai British Foundation, a nursery located in Jumeira Islands, Dubai. Dubai British Foundation commenced commercial operations in September 2014.

As at 31 August 2015, the Group commenced commercial operations of its 11th campus, Dubai British School Jumeirah Park, located in Jumeirah Park, Dubai.

After the completion of the academic year ended 31 August 2019, the Board of Directors of the Company ended the operations of The Children's Garden, Barsha, located in Al Barsha, Dubai.

During the academic year 2018-19, a management agreement was signed with the education regulator for the Emirate of Abu Dhabi, ADEK, to run the operations of four Abu Dhabi based charter schools starting from the academic year 2019-20. During the current year, the management agreement was amended to run the operations of additional two Abu Dhabi based charter schools starting from the academic year 2021-22.

(1)

Taaelem Holdings P.S.C. (Private Joint Stock Company) and its subsidiaries

DIRECTORS' REPORT (continued)

Principal activities and business review (continued)

Two new entities were incorporated during the year 2019, which were: Taaelem SPV Limited and Taaelem Holdings Sole Proprietorship LLC.

During the academic year 2018-19, the Group was involved in the construction and set-up of Raha International School Khalifa A ("RIS-KA") in the Emirate of Abu Dhabi. During the year ended 31 August 2020, the construction of Phase 1 of RIS-KA comprising of the School building for early years students was completed and the School operations for early years students commenced from September 2020 for the academic year 2020-21. The construction of Phase II comprising of the School building for students upto Grade 8 was completed subsequent to the year on 5 September 2021.

During the academic year 2019-20, the Board of Directors of the Company resolved to end the operations of The Children's Garden, Green Community, located in Dubai Investments Park, Dubai after the completion of the academic year ended 31 August 2020.

In March 2021, the Group and The Executive Council ("TEC"), a government entity, entered into an Operations & Management Agreement, whereby, the Group through Taaelem Management LLC will operate and manage two schools of TEC in the Emirates of Dubai - Dubai Schools Al Barsha and Dubai Schools Mirfah, starting from the academic year 2021-22.

Results

The results of the Group for the year ended 31 August 2021 are set out on page 9 of the consolidated financial statements.

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 2021.

Transactions with related parties

The consolidated financial statements disclose 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.

Auditors

KPMG Lower Gulf Limited ("KPMG") were appointed as external auditors for the Group for the year ended 31 August 2021. KPMG have expressed their willingness to continue in the office. A resolution for the appointment of the auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Chairman

Date: 15 NOV 2021

Vice Chairman

(2)



KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4035300, www.kpmg.com/ae

Independent Auditors' Report

To the Shareholders of Taaelem Holdings P.S.C. (Private Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Taaelem Holdings P.S.C. (Private Joint Stock Company) ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 August 2021, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory 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 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that



Other Information (continued)

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 Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 (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.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Taaleem Holdings P.S.C. (Private Joint Stock Company) and its subsidiaries

DIRECTORS' REPORT

The Board of Directors has the pleasure of presenting the annual report and audited consolidated financial statements of Taaleem Holdings P.S.C. (Private Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 August 2020.

Principal activities and business review

The Group has been licensed to provide educational services.

Until the period ended 31 August 2007, the Company had not commenced commercial operations. With effect from 1 September 2007, the Company acquired 100% shares in Taaleem LLC ("Taaleem LLC") a Company incorporated in the Emirate of Dubai and Taaleem Management LLC ("Taaleem Management LLC") a Limited Liability Company incorporated in the Emirate of Dubai. By virtue of this acquisition, the Group acquired five operating Schools in the Emirate of Dubai and one operating School in the Emirate of Abu Dhabi: Dubai British School, Al Mizhar American Academy, Uptown Primary School, The Children's Garden Green Community, Greenfield Community School and Raha International School respectively.

By year ended 31 August 2008, the Group purchased another school building and refurbished it to expand Uptown Primary School to its secondary campus, Uptown High School in the Emirate of Dubai which commenced commercial operations in September 2008.

By 31 August 2009, the Group was involved in the set up its 8th campus, a nursery, The Children's Garden, Jumeira ("TCG-J") in the Emirate of Dubai, which started commercial operations in September 2009.

In 2017, the Board of Directors of the Company resolved to close TCG-J upon completion of the 2016-17 academic year and twelve months ahead of the lease expiry, mainly due to low demand and limited facilities of the school.

As at 31 August 2010, the Group was involved in the set-up of its 9th campus, Jumeira Baccalaureate School, in the Emirate of Dubai, which started commercial operations in September 2010.

In 2011-12, the Group sold Uptown High School to a third party due to locational disadvantage and limited facilities offered by the campus.

As at 31 August 2012, the Group was involved in the set-up of two new campuses, Uptown School (Phase 1), located on granted land in Mirdif, Dubai and The Children's Garden, Barsha, located in Al Barsha, Dubai. The two campuses commenced commercial operations in September 2012. During 2013, the construction of Uptown School (Phase 2) was completed, following which the Group terminated the long-term lease of Uptown Primary campus and returned the campus back to the lessor.

As at 31 August 2014, the Group was involved in the construction of Uptown School (Phase 3), and Dubai British Foundation, a nursery located in Jumeira Islands, Dubai. Dubai British Foundation commenced commercial operations in September 2014.



Other Information (continued)

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 Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, 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.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Taaleem Holdings P.S.C. (Private Joint Stock Company) and its subsidiaries

DIRECTORS' REPORT (continued)

Principal activities and business review (continued)

As at 31 August 2015, the Group commenced commercial operations of its 11th campus, Dubai British School Jumeirah Park, located in Jumeirah Park, Dubai.

After the completion of the academic year ended 31 August 2019, the Board of Directors of the Company ended the operations of The Children's Garden, Barsha, located in Al Barsha, Dubai.

During the academic year 2018-19, a management agreement was signed with the education regulator for the Emirate of Abu Dhabi, ADEK, to run the operations of four Abu Dhabi based public schools, starting from the academic year 2019-20.

Three new entities were incorporated during the year 2019, which were: Taaleem SPV Limited, Taaleem Holdings Sole Proprietorship LLC and Raha International School Khalifa-A.

During the academic year 2019-20, the Board of Directors of the Company resolved to end the operations of The Children's Garden, Green Community, located in Dubai Investments Park, Dubai after the completion of the academic year ended 31 August 2020.

Results

The results of the Group for the year ended 31 August 2020 are set out on page 9 of the consolidated financial statements.

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 2020.

Transactions with related parties

The consolidated financial statements disclose 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.

Auditors

KPMG were appointed as external auditors for the Group for the year ended 31 August 2020. KPMG have expressed their willingness to continue in office. A resolution for the reappointment of the auditors will be proposed at the forthcoming Annual General Meeting.


Chairman


Vice Chairman

Date: 15 NOV 2020



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

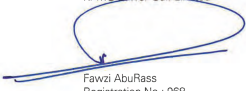


Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015 (as amended), we report that for the year ended 31 August 2021:

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended);
- the Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the books of account of the Group;
- as disclosed in note 1 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 August 2021;
- note 22 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted, and
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 August 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 August 2021.

KPMG Lower Gulf Limited


Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates
Date: 16 NOV 2021



KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04/01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent Auditors' Report

To the Shareholders of Taaleem Holdings P.S.C. (Private Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Taaleem Holdings P.S.C. (Private Joint Stock Company) ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 August 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory 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 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and 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.

Other Information

Management is responsible for the other information. Other information comprises the Directors' report which is set out on pages 1 and 2.

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

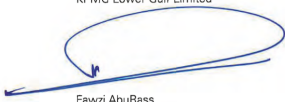


Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;
- the Group has maintained proper books of account;
- the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of account of the Group;
- as disclosed in note 1 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 August 2020;
- note 22 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 August 2020 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or in respect of the Company, its Articles of Association, which would materially affect its activities or its financial position as at 31 August 2020.

KPMG Lower Gulf Limited


Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates
Date: 22 NOV 2020