

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

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE NINE-MONTH PERIOD ENDED 31 MAY 2026

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Taaleem Holdings P.J.S.C. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the interim condensed consolidated statement of financial position as at 31 May 2026, and the related interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Middle East (Dubai Branch)



Thodla Hari Gopal
Registration No: 689

9 July 2026

Dubai, United Arab Emirates

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 May 2026

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

| | <i>Notes</i> | 31 May 2026 AED (Unaudited) | 31 August 2025 AED (Audited) (Restated*) |
|--|--------------|--|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 5 | 2,295,958,243 | 2,040,247,788 |
| Investment property | | 9,824,206 | 10,080,750 |
| Intangible assets | 4(c) | 69,186,644 | 74,520,613 |
| Goodwill | 4(a) | 239,997,759 | 239,997,759 |
| Right-of-use assets | 19(i) | 240,977,812 | 252,737,809 |
| Investment in finance lease, net | | 3,015,113 | 3,071,823 |
| Investment in a joint venture | 6 | 925,004,948 | 914,292,378 |
| Capital advances | 5 | 28,641,659 | 43,395,636 |
| Derivative asset | 6 | 9,800,000 | 9,800,000 |
| | | 3,822,406,384 | 3,588,144,556 |
| Current assets | | | |
| Fees and other receivables | 7 | 95,622,728 | 94,283,773 |
| Wakala and short-term deposits | 8 | 54,053,674 | 134,779,476 |
| Cash and cash equivalents | 9 | 266,146,031 | 396,653,456 |
| | | 415,822,433 | 625,716,705 |
| TOTAL ASSETS | | 4,238,228,817 | 4,213,861,261 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 16 | 1,000,000,000 | 1,000,000,000 |
| Statutory reserve | 16 | 542,459,941 | 542,459,941 |
| Own shares | 17 | (861,204) | (239,676) |
| Own shares reserve | 17 | (2,743,957) | (6,695,169) |
| Retained earnings | | 370,296,083 | 243,006,545 |
| TOTAL EQUITY | | 1,909,150,863 | 1,778,531,641 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Interest bearing loans and borrowings | 10 | 1,294,461,585 | 1,142,532,053 |
| Other non-current financial liability | | 1,023,169 | - |
| Lease liabilities | 19(ii) | 289,343,481 | 283,986,087 |
| Deferred income on government grant | | 38,523,336 | 40,273,332 |
| Debentures payable | 11 | 4,407,922 | 5,324,917 |
| Retentions payable | 11 | 30,928,342 | 7,174,365 |
| Provision for employees' end of service benefits | | 69,663,148 | 55,631,845 |
| Deferred tax liabilities | 24 | 40,720,182 | 41,366,715 |
| | | 1,769,071,165 | 1,576,289,314 |

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 May 2026

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

| | <i>Notes</i> | 31 May 2026 AED (Unaudited) | 31 August 2025 AED (Audited) (Restated*) |
|---------------------------------------|--------------|--|---|
| Current liabilities | | | |
| Trade and other payables | 11 | 255,740,113 | 233,749,407 |
| Fees received in advance | | 42,023,664 | 399,589,525 |
| Interest bearing loans and borrowings | 10 | 212,839,459 | 184,654,226 |
| Lease liabilities | 19(ii) | 13,591,259 | 15,483,567 |
| Deferred income on government grant | | 2,333,333 | 2,333,333 |
| Income tax provision | 24 | 27,278,961 | 17,030,248 |
| Derivative liability | | 6,200,000 | 6,200,000 |
| | | 560,006,789 | 859,040,306 |
| TOTAL LIABILITIES | | 2,329,077,954 | 2,435,329,620 |
| TOTAL EQUITY AND LIABILITIES | | 4,238,228,817 | 4,213,861,261 |

These interim condensed consolidated financial statements were approved by the Board of Directors on 9 July 2026 and signed on their behalf by:



Khalid Ahmed Humaid Matar Altayer
Chairman



Adel Mohammed Saleh Alzarouni
Vice Chairman

*Certain numbers presented here do not correspond to the consolidated financial statements for the year ended 31 August 2025 (Audited) and reflect adjustments and reclassifications as detailed in Note 6.

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month period ended 31 May 2026

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

| | Notes | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|--|-------|--|--|--|--|
| | | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated*)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated*)</i> |
| REVENUE | 12 | 399,831,170 | 335,423,494 | 1,166,170,203 | 984,179,778 |
| FINANCE AND OTHER INCOME | | | | | |
| Rental income | | 406,850 | 1,013,622 | 1,222,988 | 2,680,041 |
| Income from deferred government grant | | 583,332 | 583,332 | 1,749,996 | 1,749,996 |
| Finance income | | 3,251,111 | 6,326,912 | 10,210,021 | 19,790,586 |
| Gain on bargain purchase | 4(b) | - | - | - | 10,290,264 |
| Share of profit of a joint venture | 6 | 1,170,040 | - | 10,712,570 | - |
| Other income | | 2,006,191 | 3,732,514 | 4,914,990 | 11,232,128 |
| TOTAL FINANCE AND OTHER INCOME | | 7,417,524 | 11,656,380 | 28,810,565 | 45,743,015 |
| EXPENSES | | | | | |
| Operating costs | 13 | (205,035,985) | (175,713,894) | (603,173,815) | (511,827,147) |
| General and administrative expenses | 14 | (38,430,038) | (37,388,669) | (131,500,407) | (119,407,526) |
| Amortisation of intangible assets | | (1,777,988) | (2,024,502) | (5,333,969) | (5,169,690) |
| Depreciation on property and equipment | 5 | (25,173,050) | (20,783,486) | (72,961,755) | (62,064,498) |
| Depreciation on investment property | | (124,326) | (142,620) | (256,544) | (427,858) |
| Amortisation of right-of-use assets | 19(i) | (4,179,872) | (4,668,824) | (12,586,688) | (13,882,707) |
| Finance costs | | (16,811,008) | (10,523,629) | (59,303,057) | (32,574,806) |
| TOTAL EXPENSES | | (291,532,267) | (251,245,624) | (885,116,235) | (745,354,232) |
| PROFIT FOR THE PERIOD BEFORE TAX | | 115,716,427 | 95,834,250 | 309,864,533 | 284,568,561 |
| Current income tax expense | 24 | (10,282,271) | (8,809,010) | (27,306,121) | (25,448,185) |
| Deferred income tax benefit | 24 | 213,959 | 285,674 | 646,533 | 776,509 |
| PROFIT FOR THE PERIOD | | 105,648,115 | 87,310,914 | 283,204,945 | 259,896,885 |
| OTHER COMPREHENSIVE INCOME | | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 105,648,115 | 87,310,914 | 283,204,945 | 259,896,885 |
| Earnings per share | | | | | |
| Basic and diluted, profit for the period attributable to ordinary equity holders of the Company (in AED per share) | 22 | 0.11 | 0.09 | 0.28 | 0.26 |

*Certain numbers presented here do not correspond to the interim condensed consolidated financial statements for the three-month and nine-month period ended 31 May 2025 (Unaudited) and reflect adjustments and reclassifications as detailed in Note 5.

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 31 May 2026

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

| <i>31 May 2025 (Unaudited)</i> | <i>Share capital AED</i> | <i>Statutory reserve AED</i> | <i>Own Shares AED</i> | <i>Own shares reserve AED</i> | <i>Retained earnings AED</i> | <i>Total AED</i> |
|---|------------------------------|----------------------------------|---------------------------|-----------------------------------|----------------------------------|----------------------|
| As at 1 September 2024 (Audited) | 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 period (Unaudited) (Restated*) | - | - | - | - | 259,896,885 | 259,896,885 |
| Own Shares (Note 17) (Unaudited) | - | - | 5,329,857 | 15,412,007 | - | 20,741,864 |
| Dividends (Note 18) (Unaudited) | - | - | - | - | (120,000,000) | (120,000,000) |
| Dividends from own shares (Note 17) (Unaudited) | - | - | - | - | 8,292 | 8,292 |
| As at 31 May 2025 (Unaudited) (Restated*) | 1,000,000,000 | 542,459,941 | (605,256) | (7,593,774) | 339,868,624 | 1,874,129,535 |
| <i>31 May 2026 (Unaudited)</i> | | | | | | |
| As at 1 September 2025 (Audited) (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 period (Unaudited) | - | - | - | - | 283,204,945 | 283,204,945 |
| Own Shares (Note 17) (Unaudited) | - | - | (621,528) | (2,003,932) | - | (2,625,460) |
| Dividends (Note 18) (Unaudited) | - | - | - | - | (150,000,000) | (150,000,000) |
| Dividends from own shares (Note 17) (Unaudited) | - | - | - | - | 39,737 | 39,737 |
| Transferred to retained earnings (Note 17) | - | - | - | 5,955,144 | (5,955,144) | - |
| As at 31 May 2026 (Unaudited) | 1,000,000,000 | 542,459,941 | (861,204) | (2,743,957) | 370,296,083 | 1,909,150,863 |

*Certain number presented here do not correspond to the interim condensed consolidated financial statements for the nine-month period ended 31 May 2025 (Unaudited) and the consolidated financial statements for the year ended 31 August 2025 (Audited), and reflect adjustments and reclassifications as detailed in Note 5 and 6.

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 31 May 2026

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

| | | <i>Nine-month period ended</i> | |
|------------------------------------|---|--------------------------------|--------------------|
| | | <i>31 May</i> | <i>31 May</i> |
| | | <i>2026</i> | <i>2025</i> |
| | | <i>AED</i> | <i>AED</i> |
| <i>Notes</i> | | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| | | | <i>(Restated*)</i> |
| OPERATING ACTIVITIES | | | |
| | Profit for the period before income tax | 309,864,533 | 284,568,561 |
| Adjustments for: | | | |
| | Depreciation on property and equipment | 5 72,961,755 | 62,064,498 |
| | Depreciation on investment property | 256,544 | 427,858 |
| | Amortisation of right-of-use assets | 19(i) 12,586,688 | 13,882,707 |
| | Amortisation of intangible assets | 5,333,969 | 5,169,690 |
| | Provision for employees' end of service benefits | 16,555,445 | 13,335,712 |
| | Provision for long-term incentive plan | 3.2 1,023,169 | - |
| | Allowance for impairment on fees receivable | 14 5,863,318 | 1,502,057 |
| | Gain on disposal of property and equipment | (26,251) | (31,238) |
| | Impact on modification of leases | - | 2,063,128 |
| | Finance income | (10,210,021) | (19,790,586) |
| | Finance costs | 59,303,057 | 32,574,806 |
| | Income from deferred government grant | (1,749,996) | (1,749,996) |
| | Income from unwinding of debentures payable | (483,318) | (499,950) |
| | Share of profit of a joint venture | 6 (10,712,570) | - |
| | Gain on bargain purchase | 4(b) - | (10,290,264) |
| | Operating cash flows before changes in working capital | 460,566,322 | 383,226,983 |
| Changes in working capital: | | | |
| | Fees and other receivables | (7,162,536) | (11,476,919) |
| | Restricted cash | 25,404,106 | (78,346,691) |
| | Fees received in advance | (357,565,861) | (296,657,391) |
| | Trade and other payables | 30,991,610 | 154,671,964 |
| | Cash flows generated from operations | 152,233,641 | 151,417,946 |
| | Payment of employees' end of service benefits | (2,524,142) | (1,966,105) |
| | Income tax paid | 24 (17,057,408) | (17,374,898) |
| | Net cash flows generated from operating activities | 132,652,091 | 132,076,943 |
| INVESTING ACTIVITIES | | | |
| | Additions to property and equipment - net of retentions payable | 5 (295,270,434) | (244,890,013) |
| | Proceeds from disposal of property and equipment | 26,251 | 31,238 |
| | Receipts from sub-lessor | 184,693 | 277,039 |
| | Capital advances | 14,753,977 | (35,196,384) |
| | Changes in wakala and short-term deposits, net | 82,042,833 | 104,658,108 |
| | Acquisition of subsidiary (net of cash acquired) | 4(b) - | (308,714,802) |
| | Interest received | 8,765,007 | 19,654,833 |
| | Net cash flows used in investing activities | (189,497,673) | (464,179,981) |
| FINANCING ACTIVITIES | | | |
| | (Acquisition) / Sale of own shares (net) | (2,625,460) | 20,741,864 |
| | Proceeds from bank borrowings | 10 390,500,143 | 536,499,907 |
| | Repayment of bank borrowings | 10 (210,570,454) | (126,500,000) |
| | Payments towards lease liabilities | 19(ii) (17,895,413) | (16,312,652) |
| | Interest paid on bank borrowings | 10 (53,820,481) | (19,131,874) |
| | Dividends paid | 18 (150,000,000) | (120,000,000) |
| | Repayment of debentures | (3,846,072) | (5,182,526) |
| | Net cash flows (used in) / from financing activities | (48,257,737) | 270,114,719 |
| | NET DECREASE IN CASH AND CASH EQUIVALENTS | (105,103,319) | (61,988,319) |
| | Cash and cash equivalents at the beginning of the period | 330,500,518 | 340,445,295 |
| | CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 9 225,397,199 | 278,456,976 |

*Certain numbers presented here do not correspond to the interim condensed consolidated financial statements for the nine-month period ended 31 May 2025 (Unaudited) and reflect adjustments and reclassifications as detailed in Note 5.

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 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. 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:

| <i>Name</i> | <i>Percentage of equity interest</i> | <i>Country of incorporation</i> | <i>Principal Activities</i> |
|--|--------------------------------------|---------------------------------|---|
| 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 4(b)).

***** During 2024-25, the Group incorporated a private limited company under the laws of the Cayman Islands (Note 6).

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

1 STATUS AND PRINCIPAL ACTIVITIES (continued)

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 5 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

1 STATUS AND PRINCIPAL ACTIVITIES (continued)

Managed School operations (continued)

- 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, 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 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”

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine-month period ended 31 May 2026 have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 August 2025 (Audited).

The preparation of interim condensed consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group’s interim condensed consolidated financial statements are largely consistent with the annual consolidated financial statements for the year ended 31 August 2025 (Audited) and should be read in conjunction thereof.

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

2 BASIS OF PREPARATION (continued)

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

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

Seasonality

The Group's operations is subject to cyclical fluctuations during the financial year due to the academic break during the summer months, typically from July to August. Whilst revenue from tuition and other fees are recognised by the Group's management over the academic term (i.e. typically 10 months), the underlying costs of school operations are over the full financial year (i.e. 12 months). Accordingly, the interim period revenue and earnings of each quarter is not necessarily indicative of the results that may be achieved for any other quarter or the full financial year ending 31 August 2026. In particular, the Group's financial results for the last quarter of the financial year will reflect lower revenue against costs for the entire quarter.

3 ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 August 2025 (Audited), except for the accounting policy on long term incentive plan (LTIP) (note 3.2) and the adoption of new standards effective as of 1 January 2025, which had no significant impact on the interim condensed consolidated financial statements of the Group.

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

3.2 Accounting policy on long term incentive plan (LTIP)

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 interim condensed 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 interim condensed consolidated statement of profit or loss. As at 31 May 2026 (Unaudited), the carrying amount of the liability related to LTIP of AED 1,023,169 (31 August 2025 (Audited): Nil) has been recorded under other non-current financial liability.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

4 GOODWILL AND BUSINESS COMBINATION

(a) Goodwill

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|--|--|---|
| Acquisition through business combination: | | |
| - Taaleem LLC and Taaleem Management LLC (referred together as “Taaleem acquisition”) | 204,932,063 | 204,932,063 |
| - Jebel Ali School | 35,065,696 | 35,065,696 |
| | 239,997,759 | 239,997,759 |

The Group’s management has reviewed the underlying assumptions used to determine the recoverable amount of goodwill and intangible assets as at 31 August 2025 (Audited), and concluded that there were no indicators of impairment as at 31 May 2026 (Unaudited).

(b) 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 (Audited). 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 (Audited). 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:

| | <i>AED</i> |
|---|---------------------|
| 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 | (8,077,485) |
| Trade and other payables | (15,949,019) |
| Income tax provision | (876,464) |
| Deferred tax liabilities | (14,753,125) |
| Total Liabilities (B) | (44,344,093) |
| Total identifiable net assets at fair value (C = A+B) | 311,273,340 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

4 GOODWILL AND BUSINESS COMBINATION (continued)

| | <i>AED</i> |
|---|--------------------|
| Purchase consideration | 340,000,000 |
| Consideration towards net assets (Note (i)) | 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 (ii)) | 10,290,264 |

Cash outflows on acquisition

| | <i>AED</i> |
|--|---------------------|
| 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) 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).

ii) As at the acquisition date, the fair value of the identifiable net assets (including student relationship) 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 result in a bargain gain of AED 10.3 million relating to the acquisition.

(c) Intangible assets

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|---|--|---|
| Acquisition through business combination: | | |
| - Student relationships* | 59,535,544 | 64,537,338 |
| - Below market leases | 9,651,100 | 9,983,275 |
| | 69,186,644 | 74,520,613 |

*includes student relationships on acquisition of LLFPM amounting to AED 38,035,514 (31 August 2025 (Audited): AED 41,424,815) (Note 4(b)).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

5 PROPERTY AND EQUIPMENT

During the nine-month period ended 31 May 2026 (Unaudited), the additions to property and equipment amounted to AED 328,672,210 (nine-month period ended 31 May 2025 (Unaudited): AED 573,935,940) which includes capitalisation of borrowing costs of AED 5,377,290 (nine-month period ended 31 May 2025 (Unaudited): AED 2,576,900). The addition also includes the capitalisation of a depreciation charge of AED 1,732,185 relating to the right-of-use asset as well as finance cost of AED 4,541,584 on the lease liability for the building under construction.

The additions during the nine-month period ended 31 May 2026 (Unaudited) mainly include capital work-in-progress amounting to AED 263 million for schools under construction and a plot of land amounting to AED 40 million acquired in Dubai for construction and development of a school.

The depreciation expense for the nine-month period ended 31 May 2026 (Unaudited) amounted to AED 72,961,755 (nine-month period ended 31 May 2025 (Unaudited) (Restated): AED 62,064,498).

There were no significant disposals during the nine-month periods ended 31 May 2026 (Unaudited) and 31 May 2025 (Unaudited).

The Group's management has assessed and concluded there were no indicators of impairment as at 31 May 2026 (Unaudited).

At the beginning of the previous financial year, management engaged an independent external specialist to reassess the estimated useful lives of buildings included within property and equipment. The assessment was completed during fourth quarter of the previous financial year, and the useful life of buildings was revised from 30 years to 50 years. Accordingly, management applied the change in accounting estimate with effect from 1 September 2024. This resulted in restatement of comparative information reflected in the interim condensed consolidated financial statements as at and for the three-month and nine-month period ended 31 May 2025 (Unaudited) relating to the net carrying value of buildings and the resultant decrease in depreciation charge by an amount of AED 5,804,912 (AED 5,282,469 net of tax) and AED 18,373,394 (AED 16,719,788 net of tax), respectively.

Capital advances

- a) During 2024-25 (Audited), the Group paid advances of AED 25,300,000 towards the construction and development of the school building and premises for HSD. Further, during the nine-month period ended 31 May 2026 (Unaudited), the Group has paid additional capital advance of AED 9,000,000.

Of this, an amount of AED 19,773,348 has been transferred to capital work-in-progress during the nine-month period ended 31 May 2026 (Unaudited) (31 August 2025 (Audited): AED 3,980,107). As at 31 May 2026 (Unaudited), capital advances amounted to AED 10,546,545 (31 August 2025 (Audited): AED 21,319,893). The school construction and development activities are expected to be completed during the year 2025-26.

- b) During 2024-25 (Audited), the Group had paid advances of AED 25,270,000 (Audited) towards the construction and development of the school building and premises for HSAD.

Of this, an amount of AED 3,980,629 has been transferred to capital work-in-progress during the nine-month period ended 31 May 2026 (Unaudited) (31 August 2025 (Audited): AED 3,194,257). As at 31 May 2026 (Unaudited), capital advances amounted to AED 18,095,114 (31 August 2025 (Audited): AED 22,075,743). The school construction and development activities are expected to be completed during the year 2026-27.

6 INVESTMENT IN A JOINT VENTURE

On 19 June 2025 (the "acquisition date"), the Group, through its wholly owned subsidiary Taaleem Limited, had entered into a Share Purchase Agreement ("SPA") with the former shareholders of Kids First Group Limited ("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 during the year ended 31 August 2025 (Audited). 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 interim condensed consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

6 INVESTMENT IN A JOINT VENTURE (continued)

As at 31 August 2025 (Audited), 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 nine-month period ended 31 May 2026 (Unaudited), 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 (Audited).

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:

| | <i>19 June 2025 AED (Restated)</i> |
|---|--|
| 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:

| | <i>19 June 2025 AED (Restated)</i> |
|---|--|
| 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:

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited) (Restated)</i> |
|--|--|--|
| As at 1 September | 914,292,378 | - |
| Addition during the period / year | - | 925,063,950 |
| Share of profit /(loss) of a joint venture for the period / year, net* | 10,712,570 | (10,771,572) |
| As at the end of the period / year | 925,004,948 | 914,292,378 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

*includes amortisation of brand value for the period/year.

6 INVESTMENT IN A JOINT VENTURE (continued)

The following tables illustrates the summarised financial information (Unaudited) of the joint venture, and reconciliation with the carrying amount of the investment in the Group's interim condensed consolidated financial statements are set out below:

Summarised statement of consolidated financial position of KFG:

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited) (Restated)</i> |
|---|--|--|
| Current assets | 28,546,102 | 62,082,996 |
| Non-current assets | 283,986,966 | 294,146,768 |
| Current liabilities | (81,789,992) | (125,171,512) |
| Non-current liabilities | (124,549,005) | (141,897,324) |
| Equity | 106,194,071 | 89,160,928 |
| Less: fair value adjustments* | (70,213,290) | (68,883,289) |
| Equity, net | 35,980,781 | 20,277,639 |
| Group's share in equity, net – 95% | 34,181,742 | 19,263,757 |
| Goodwill | 780,287,555 | 780,287,555 |
| Brand value | 106,802,187 | 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 | 925,004,948 | 914,292,378 |

*fair value adjustments as part of purchase price allocation exercise performed by the Group which includes following:

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited) (Restated)</i> |
|--|--|--|
| Derecognition of goodwill recorded by KFG | (71,790,242) | (71,790,242) |
| Fair value upliftment of right-of-use asset, net | 12,851,708 | 14,751,058 |
| Deferred tax liability, net | (11,274,756) | (11,844,105) |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

6 INVESTMENT IN A JOINT VENTURE (continued)

| | <i>31 May 2026 AED (Unaudited)</i> |
|---|--|
| Revenue | 198,190,800 |
| Operating costs | (104,163,259) |
| Depreciation and amortization | (28,172,473) |
| General and administrative expenses | (38,249,811) |
| Finance costs | (9,230,451) |
| Profit for the period before tax | 18,374,806 |
| Income tax expenses | (1,341,663) |
| Profit for the period | 17,033,143 |
| Total comprehensive income for the period | 17,033,143 |
| Group's share of profit for the period - 95% | 16,181,486 |
| Less: fair value adjustments* | (5,468,916) |
| Group's share of profit for the period, net – 95% | 10,712,570 |

*the fair value adjustments mainly includes amortisation of brand value.

The joint venture had no significant contingent liabilities or commitments as at 31 May 2026 (Unaudited), for which the Group has a corresponding commitment. KFG cannot distribute its profits without the consent from its shareholders.

Goodwill

The Group's management has reviewed underlying assumptions used to determine the recoverable amount of goodwill, and concluded that there were no indicators of impairment as at 31 May 2026 (Unaudited).

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.

Derivative asset and Derivative liability

The Shareholders' agreement ("SHA") includes a call and put option vested with the Group and the joint venture partner over their respective shareholding interest. Accordingly, the Group has recognised a derivative asset and derivative liability for the call and put option, respectively.

During the nine-month period ended 31 May 2026 (Unaudited), there is no significant fair value movement in derivative asset and derivative liability (31 August 2025 (Audited): Net loss on derivative instruments at fair value through profit or loss of AED 1,500,000).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

7 FEES AND OTHER RECEIVABLES

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|---|--|---|
| Fees receivable | 33,050,936 | 6,377,475 |
| Less: allowance for impairment of fees receivable | (10,525,461) | (5,483,873) |
| Net fees receivable (a) | 22,525,475 | 893,602 |
| Other receivables | 9,800,223 | 6,847,602 |
| Less: allowance for impairment of other receivables | (528,621) | (772,736) |
| Net other receivables (b) | 9,271,602 | 6,074,866 |
| Net fees and other receivables (a + b) | 31,797,077 | 6,968,468 |
| Prepayments* | 14,219,839 | 22,335,372 |
| VAT receivables | 20,466,719 | 22,169,067 |
| Deposits and advances** | 29,139,093 | 42,810,866 |
| | 95,622,728 | 94,283,773 |

As at 31 May 2026 (Unaudited), fees and other receivables with a nominal value of AED 11,054,082 (31 August 2025 (Audited): AED 6,256,609) were impaired.

*Prepayments mainly includes AED 6.4 million (Unaudited) (31 August 2025 (Audited): AED 16.8 million) paid towards staff accommodation.

**During the nine-month period ended 31 May 2026 (Unaudited), the Group has provided advance of AED 5 million to its liquidity provider to buy and sell its own shares in conjunction with an agreement entered by the Group. As at 31 May 2026 (Unaudited), the amount held by the liquidity provider amounted to AED 1.4 million (31 August 2025 (Audited): AED 24.5 million) (Note 17).

8 WAKALA AND SHORT-TERM DEPOSITS

(a) Wakala deposits

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|---|--|---|
| Wakala deposits | 20,049,111 | 207,046,994 |
| (Less): Wakala deposits – original maturity less than 3 months (Note 9) | (20,049,111) | (105,024,383) |
| | - | 102,022,611 |

Wakala deposits are placed with a local bank carrying profit mark-up rates ranging from 3.00% to 4.18% (31 August 2025 (Audited): 3.70% to 4.70% per annum).

During the nine-month period ended 31 May 2026 (Unaudited), the Group has earned an interest income amounting to AED 3,028,945 from Wakala deposits (nine-month period ended 31 May 2025 (Unaudited): AED 11,161,089).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

8 WAKALA AND SHORT-TERM DEPOSITS (continued)

(b) Short-term deposits

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|---|--|---|
| Short-term deposits | 74,127,007 | 68,957,985 |
| (Less): Short-term deposits – original maturity less than 3 months (Note 9) | (20,073,333) | (36,201,120) |
| | <u>54,053,674</u> | <u>32,756,865</u> |

Short-term deposits are placed with a local bank carrying profit mark-up rates ranging from 3.90% to 4.55% (31 August 2025 (Audited): 4.20% to 4.75%).

During the nine-month period ended 31 May 2026 (Unaudited), the Group has earned an interest income amounting to AED 1,569,929 from short term deposits (nine-month period ended 31 May 2025 (Unaudited): AED 961,724)

9 CASH AND CASH EQUIVALENTS

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|--|--|---|
| Cash in hand | 84,457 | 61,116 |
| Cash at banks | 57,827,449 | 87,150,570 |
| Sukuk deposits (Note 15) | 168,111,681 | 168,216,267 |
| Wakala deposits (Note 8) | 20,049,111 | 105,024,383 |
| Short-term deposits (Note 8) | 20,073,333 | 36,201,120 |
| | <u>266,146,031</u> | <u>396,653,456</u> |
| (Less): Restricted cash* | (40,748,832) | (66,152,938) |
| Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows | <u>225,397,199</u> | <u>330,500,518</u> |

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 carries 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 without penalty 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. During the nine-month period ended 31 May 2026 (Unaudited), the Group has earned an interest income amounting to AED 5,426,577 from sukuk deposits (nine-month period ended 31 May 2025 (Unaudited): AED 7,445,982).

*The cash and cash equivalents disclosed above include AED 40,748,832 (Unaudited) (31 August 2025 (Audited): AED 66,152,938) which are held by the subsidiaries of the Company (i.e. Taaleem Holdings Sole Proprietorship LLC and Taaleem Management LLC). These bank balances are held for the restricted purpose of managing the operations of the ADEK and ESE charter schools and therefore not available for use by the Group for its own school operations.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

10 INTEREST BEARING LOANS AND BORROWINGS

| | 31 May 2026 AED (Unaudited) | 31 August 2025 AED (Audited) |
|--|--|---|
| As at beginning of the period / year | 1,327,186,279 | 140,178,508 |
| Add: finance costs charged for the period / year | 48,628,267 | 24,094,687 |
| Add: borrowing cost capitalized during the period / year | 5,377,290 | 4,100,136 |
| Add: loans drawn down | 390,500,143 | 1,332,032,053 |
| Less: finance costs paid for the period / year | (53,820,481) | (25,719,105) |
| Less: loans repaid during the period / year | (210,570,454) | (147,500,000) |
| As at the end of the period / year | 1,507,301,044 | 1,327,186,279 |
| Less: Current portion | (212,839,459) | (184,654,226) |
| Non-current portion | 1,294,461,585 | 1,142,532,053 |

- (i) During the period ended 31 May 2026 (Unaudited), 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 nine-month period ended 31 May 2026 (Unaudited), the Group had drawn down an amount of AED 100,000,000.

- (ii) During the year ended 31 August 2025 (Audited), the Group obtained a short-term liquidity murabaha facility of AED 341,999,972 to fund the acquisition of LLFPM (Note 4(b)) 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 on 30 January 2025, which is repayable on 30 January 2028 and,
- AED 70,000,000 has been converted to a Islamic Covered Drawing (ICD) facility on 30 January 2025. During the nine-month period ended 31 May 2026 (Unaudited), in multiple tranches, the Group had drawn down an additional amount of AED 98,000,158 and repaid AED 70,000,000. As of 31 May 2026 (Unaudited): AED 69,000,158 were utilized from this facility (31 August 2025 (Audited): AED 41,000,000).

- (iii) During the year ended 31 August 2025 (Audited), 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 nine-month period ended 31 May 2026 (Unaudited), the Group had drawn down an additional amount of AED 32,999,920. As of 31 May 2026 (Unaudited), AED 63,032,131 was utilized from this facility (31 August 2025 (Audited): AED 30,032,211).

- (iv) 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 nine-month period ended 31 May 2026 (Unaudited), the Group had in multiple tranches drawn down an additional borrowing of AED 19,500,065 and repaid AED 570,454. As of 31 May 2026 (Unaudited), AED 129,429,546 has been utilized from this facility (31 August 2025 (Audited): AED 110,499,935)

- (v) As at 31 August 2025 (Audited), 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 nine-month period ended 31 May 2026 (Unaudited), the Group repaid and subsequently drew down AED 140,000,000. As of 31 May 2026 (Unaudited): AED 140,000,000 was utilized from this facility. The loan is due and fully repayable in April 2027.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

10 INTEREST BEARING LOANS AND BORROWINGS (continued)

- (vi) During the year ended 31 August 2025 (Audited), the Group obtained a long-term liquidity murabaha facility amounting to AED 729,999,935 to fund the acquisition of KFG (Note 6). 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 (Audited): 1-3 months EIBOR plus a profit mark-up per annum), which is payable on monthly and quarterly basis.

During the nine-month period ended 31 May 2026 (Unaudited), the Group has capitalised borrowings costs amounting to AED 5,377,290 (31 August 2025 (Audited): AED 4,100,136) as a part of qualifying assets.

The securities for above loans and borrowings are largely consistent with those disclosed for the year ended 31 August 2025 (Audited).

11 TRADE AND OTHER PAYABLES

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|------------------------------|--|---|
| Trade payables | 35,205,923 | 74,857,609 |
| Accruals and other payables | 90,558,443 | 145,660,544 |
| Unearned income* | 121,909,037 | - |
| Retentions payable | 37,928,342 | 16,177,625 |
| Debentures payable | 5,429,632 | 9,507,911 |
| Dividends payable | 45,000 | 45,000 |
| | 291,076,377 | 246,248,689 |
| <i>Less:</i> | | |
| Long-term retentions payable | (30,928,342) | (7,174,365) |
| Long-term debentures payable | (4,407,922) | (5,324,917) |
| | 255,740,113 | 233,749,407 |

*Represents revenue which has been invoiced but not recognised during the nine-month period ended 31 May 2026 (Unaudited).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

12 REVENUE

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|--|--|--|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> |
| Gross tuition fees | 381,402,788 | 325,998,189 | 1,116,061,165 | 945,333,054 |
| (Less): Discounts | (7,891,348) | (7,053,421) | (23,324,834) | (21,612,088) |
| Net tuition fees | 373,511,440 | 318,944,768 | 1,092,736,331 | 923,720,966 |
| Management fees | 13,829,894 | 4,622,450 | 23,877,386 | 16,756,834 |
| Application fees (on initial admission) | 1,494,550 | 1,247,971 | 4,145,847 | 3,294,038 |
| Other operating income | 10,995,286 | 10,608,305 | 45,410,639 | 40,407,940 |
| | 399,831,170 | 335,423,494 | 1,166,170,203 | 984,179,778 |

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|--|--|--|--|--|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> |
| Set out below is the disaggregation of the Group's revenue: | | | | |

Timing of revenue recognition

| | | | | |
|---|--------------------|-------------|----------------------|-------------|
| Services transferred over time | 397,861,592 | 333,487,172 | 1,155,947,829 | 975,122,712 |
| Services transferred at a point in time | 1,969,578 | 1,936,322 | 10,222,374 | 9,057,066 |
| Total revenue from contracts with customers | 399,831,170 | 335,423,494 | 1,166,170,203 | 984,179,778 |

The revenue is entirely earned in United Arab Emirates.

13 OPERATING COSTS

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|--|--|--|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> |
| Staff costs and other benefits | 189,313,407 | 156,772,815 | 551,311,905 | 464,346,015 |
| School supplies | 10,264,469 | 12,766,555 | 33,411,083 | 30,930,124 |
| Lease rent and service charges | 3,776,577 | 3,303,217 | 11,182,390 | 8,506,710 |
| Others (mainly recruitment and training expenses, visa charges etc.) | 1,681,532 | 2,871,307 | 7,268,437 | 8,044,298 |
| | 205,035,985 | 175,713,894 | 603,173,815 | 511,827,147 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

14 GENERAL AND ADMINISTRATIVE EXPENSES

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|--|--|--|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> |
| Staff costs and other benefits | 11,772,190 | 9,392,232 | 34,297,837 | 28,952,360 |
| Water and electricity charges | 4,440,466 | 5,326,046 | 22,000,339 | 20,926,419 |
| Repairs and maintenance | 6,328,184 | 5,142,124 | 22,650,719 | 17,527,929 |
| Janitorial and security | 3,926,365 | 5,102,172 | 13,581,919 | 13,497,235 |
| Marketing and advertisement | 1,605,849 | 1,725,203 | 8,058,227 | 6,404,357 |
| Legal and professional expenses | 2,333,106 | 2,897,254 | 7,247,616 | 11,399,562 |
| Bank charges | 2,071,811 | 1,958,784 | 6,201,034 | 5,257,393 |
| Impairment loss on fees receivable | 2,682,032 | 38,373 | 5,863,318 | 1,502,057 |
| Board remuneration, compensation and other benefits (Note 15) | 1,312,500 | 1,312,500 | 3,937,500 | 3,937,500 |
| Printing and stationery | 596,211 | 1,040,056 | 2,651,446 | 2,786,132 |
| Travel and communication | 737,845 | 744,970 | 2,363,344 | 2,154,847 |
| Office rent | 62,948 | 61,504 | 187,429 | 229,198 |
| Others (mainly insurance, recruitment etc.) | 560,531 | 2,647,451 | 2,459,679 | 4,832,537 |
| | 38,430,038 | 37,388,669 | 131,500,407 | 119,407,526 |

15 RELATED PARTY TRANSACTIONS AND BALANCES

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

(a) Significant related party transactions

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

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|--|--|--|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> |
| <i>Entities with significant influence:</i> | | | | |
| National Bonds Corporation | | | | |
| Sole Proprietorship P.S.C. ("NBC") | | | | |
| Profit from sukuk deposits | 2,198,635 | 2,995,335 | 5,426,577 | 7,445,982 |
| Cash dividends paid | - | - | (33,545,270) | (26,887,379) |
| Knowledge Fund Establishment ("KFE") | | | | |
| Rent payment | (2,300,354) | (973,506) | (4,074,986) | (2,965,445) |
| Cash dividends paid | - | - | (20,456,020) | (16,364,816) |
| Tuition fees earned from Board of Directors, net of discounts | 24,606 | 35,802 | 73,820 | 107,406 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Significant related party transactions (continued)

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|------------------------------------|--|--|--|--|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> |
| Joint venture | | | | |
| KFG* | | | | |
| Share of profit of a joint venture | 1,170,040 | - | 10,712,570 | - |
| Rental income | 310,412 | - | 931,235 | - |

*KFG became a related party effective from 19 June 2025.

Material benefits and compensation to key management personnel

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|--|--|--|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited)</i> |
| Short-term employee benefits | 2,189,220 | 2,167,982 | 6,252,990 | 6,190,142 |
| Provision for employees' end of service benefits and LTIP | 261,474 | 54,757 | 1,381,761 | 242,811 |
| Tuition fee discounts | 35,302 | 33,094 | 105,905 | 99,282 |
| Executive Committee and Audit Committee compensation | 325,000 | 325,000 | 975,000 | 975,000 |
| Board remuneration, compensation and other benefits (Note 14) | 1,312,500 | 1,312,500 | 3,937,500 | 3,937,500 |
| | 4,123,496 | 3,893,333 | 12,653,156 | 11,444,735 |

(b) Related party balances

Due from related parties

Entities with significant influence:

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|--------------------------------|--|---|
| NBC | | |
| Sukuk deposits (Note 8) | 168,111,681 | 168,216,267 |
| KFE | | |
| Trade (payables) / receivables | (240,505) | 300,632 |
| KFG | | |
| Other receivables | 2,025,506 | 775,000 |

(c) Share capital

As at 31 May 2026 (Unaudited), the shareholding includes 9.58% of shares in the Company held by certain members of the Board of Directors comprising 95,821,043 shares (31 August 2025 (Audited): 9.58%, comprising 95,821,043 shares).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Terms and conditions of transactions with related parties

Except for the sukuk deposits (unsecured), other outstanding balances at the period-end are unsecured, interest free and settlement generally occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the nine-month period ended 31 May 2026 (Unaudited), the Group has not recognised any provision for expected credit losses relating to amounts owed by the related parties (31 August 2025 (Audited): Nil).

16 SHARE CAPITAL

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|--|--|---|
| <i>Authorised, issued and fully paid up capital:</i> | | |
| 1,000,000,000 ordinary shares of AED 1 each (Note 1) | <u>1,000,000,000</u> | <u>1,000,000,000</u> |

The total proceeds received from the IPO subscription were AED 750,000,000. Of this, AED 250,000,000 had 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 had been classified as part of statutory reserve in accordance with Article 196 of the UAE Federal Decree Law No (32) of 2021 before deduction of the IPO transaction costs amounting to AED 20,297,275 that were directly attributable to issuance of such new shares.

17 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 nine-month period ended 31 May 2026 (Unaudited), 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 nine-month period ended 31 May 2026 (Unaudited), the Group appointed another licensed Liquidity Provider on the Dubai Financial Market for a similar liquidity provision services.

As at 31 May 2026 (Unaudited), the Liquidity Provider held 861,204 (31 August 2025 (Audited): 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 2.7 million (31 August 2025 (Audited): AED 6.70 million), which is classified under equity as at 31 May 2026 (Unaudited).

The dividends from own shares earned during the nine-month period ended 31 May 2026 (Unaudited) amounts to AED 39,737 (31 August 2025 (Audited): AED 8,292).

18 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 nine-month period ended 31 May 2026 (Unaudited). (31 August 2025 (Audited): 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 (Audited)).

As at 31 May 2026 (Unaudited), the Group has dividend payable amounting to AED 45,000 pertaining to 2021-22 (Note 11) (31 August 2025 (Audited): AED 45,000).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

19 LEASES

i. Right-of-use assets

During the nine-month period ended 31 May 2026 (Unaudited), there were no additions of right-of-use assets (nine-month period ended 31 May 2025 (Unaudited): AED 12,751,269). The amortisation charge for the nine-month period ended 31 May 2026 (Unaudited) amounted to AED 12,586,688 (nine-month period ended 31 May 2025 (Unaudited): AED 13,882,707).

During the nine-month period ended 31 May 2026 (Unaudited), 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 6,395,236 (nine-month period ended 31 May 2025 (Unaudited) : Nil).

ii. Lease liabilities

During the nine-month period ended 31 May 2026 (Unaudited), there were no additions of lease liabilities (nine-month period ended 31 May 2025 (Unaudited): AED 12,427,987). The finance costs for the nine-month period ended 31 May 2026 (Unaudited) amounted to AED 10,423,679 (nine-month period ended 31 May 2025 (Unaudited): AED 14,595,010).

During the nine-month period ended 31 May 2026 (Unaudited), 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 (nine-month period ended 31 May 2025 (Unaudited): AED 2,063,128).

The Group has made payments of AED 17,895,413 towards lease liabilities during the nine-month ended 31 May 2026 (Unaudited) (nine-month ended 31 May 2025 (Unaudited): AED 16,312,652).

20 GUARANTEES, CONTINGENCIES AND CAPITAL COMMITMENTS

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|-------------------------|--|---|
| (a) Capital commitments | <u>277,960,412</u> | <u>391,705,037</u> |
| (b) Bank guarantee | <u>423,039,860</u> | <u>366,282,124</u> |

As at 31 May 2026 (Unaudited), the Group's capital commitments mainly relates to the on-going construction of HSAD and HSD. Refer Note 6 for the commitment related to put option over the Group's investment in a joint venture.

Bank guarantee 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 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

21 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. On 19 June 2025, the Group acquired 95% equity interest in KFG whose principal activity is to provide nursery education and related facilities (Note 6). 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.

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 decisions 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.

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 May 2026 (Unaudited), all of the business activities and operations of the Group are significantly located in the UAE.

Primary segment information

Segmental information is presented below:

Nine-month period ended 31 May 2026 (In AED) (Unaudited):

| | <i>School operations</i> | <i>Nursery operations*</i> | <i>Corporate head office</i> | <i>Adjustments and eliminations</i> | <i>Consolidated</i> |
|---|------------------------------|--------------------------------|----------------------------------|---|---------------------|
| Revenue | | | | | |
| External customers | 1,166,170,203 | 192,483,176 | - | (192,483,176) | 1,166,170,203 |
| Finance and other income | | | | | |
| Finance income | 10,210,021 | - | - | - | 10,210,021 |
| Other income | 4,914,990 | 5,707,624 | - | (5,707,624) | 4,914,990 |
| Income from deferred government grant | 1,749,996 | - | - | - | 1,749,996 |
| Expenses | | | | | |
| Staff costs and other benefits | (577,869,086) | (101,631,622) | (7,740,656) | 101,631,622 | (585,609,742) |
| Operating and administrative Expenses | (144,151,980) | (40,781,448) | (4,912,500) | 40,781,448 | (149,064,480) |
| Depreciation and amortisation | (91,138,956) | (28,172,473) | - | 28,172,473 | (91,138,956) |
| Finance costs | (59,303,057) | (9,230,451) | - | 9,230,451 | (59,303,057) |
| Segment profit / (loss) before tax | 310,582,131 | 18,374,806 | (12,653,156) | (18,374,806) | 297,928,975 |
| Income tax expense | (26,659,588) | (1,341,663) | - | 1,341,663 | (26,659,588) |
| Segment profit / (loss) after tax | 283,922,543 | 17,033,143 | (12,653,156) | (17,033,143) | 271,269,387 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

21 SEGMENT INFORMATION (continued)

Three-month period ended 31 May 2026 (In AED) (Unaudited):

| | <i>School operations</i> | <i>Nursery operations*</i> | <i>Corporate head office</i> | <i>Adjustments and eliminations</i> | <i>Consolidated</i> |
|---|--------------------------|----------------------------|------------------------------|-------------------------------------|---------------------|
| Revenue | | | | | |
| External customers | 399,831,170 | 57,592,389 | - | (57,592,389) | 399,831,170 |
| Finance and other income | | | | | |
| Finance income | 3,251,111 | - | - | - | 3,251,111 |
| Other income | 2,006,191 | 5,707,624 | - | (5,707,624) | 2,006,191 |
| Income from deferred government grant | 583,332 | - | - | - | 583,332 |
| Expenses | | | | | |
| Staff costs and other benefits | (198,599,601) | (33,765,988) | (2,485,996) | 33,765,988 | (201,085,597) |
| Operating and administrative Expenses | (40,742,926) | (13,642,648) | (1,637,500) | 13,642,648 | (42,380,426) |
| Depreciation and amortisation | (31,255,236) | (9,636,396) | - | 9,636,396 | (31,255,236) |
| Finance costs | (16,811,008) | (2,889,723) | - | 2,889,723 | (16,811,008) |
| Segment profit / (loss) before tax | 118,263,033 | 3,365,258 | (4,123,496) | (3,365,258) | 114,139,537 |
| Income tax expense | (10,068,312) | (214,719) | - | 214,719 | (10,068,312) |
| Segment profit / (loss) after tax | 108,194,721 | 3,150,539 | (4,123,496) | (3,150,539) | 104,071,225 |

*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 interim condensed consolidated financial statements using the equity method. The adjustments and eliminations arise from differences between the aggregate revenue and profit/(loss) of the nurseries and those reported at the Group level and are included under "Adjustments and eliminations".

Nine-month period ended 31 May 2025 (In AED) (Unaudited)(Restated) :

| | <i>School operations</i> | <i>Corporate head office</i> | <i>Consolidated</i> |
|---|--------------------------|------------------------------|---------------------|
| Revenue | | | |
| External customers | 984,179,778 | - | 984,179,778 |
| Finance and other income | | | |
| Finance income | 19,790,586 | - | 19,790,586 |
| Other income | 11,232,128 | - | 11,232,128 |
| Gain on bargain purchase | 10,290,264 | - | 10,290,264 |
| Income from deferred government grant | 1,749,996 | - | 1,749,996 |
| Expenses | | | |
| Staff costs and other benefits | (486,766,140) | (6,532,235) | (493,298,375) |
| Operating and administrative expenses | (133,023,798) | (4,912,500) | (137,936,298) |
| Depreciation and amortization | (81,544,753) | - | (81,544,753) |
| Finance costs | (32,574,806) | - | (32,574,806) |
| Segmental profit / (loss) before tax | 293,333,255 | (11,444,735) | 281,888,520 |
| Income tax expense | (24,671,676) | - | (24,671,676) |
| Segmental profit / (loss) after tax | 268,661,579 | (11,444,735) | 257,216,844 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

21 SEGMENT INFORMATION (continued)

Three-month period ended 31 May 2025 (In AED) (Unaudited)(Restated):

| | <i>School operations</i> | <i>Corporate head office</i> | <i>Consolidated</i> |
|---|------------------------------|----------------------------------|---------------------|
| Revenue | | | |
| External customers | 335,423,494 | - | 335,423,494 |
| Finance and other income | | | |
| Finance income | 6,326,912 | - | 6,326,912 |
| Other income | 3,732,514 | - | 3,732,514 |
| Income from deferred government grant | 583,332 | - | 583,332 |
| Expenses | | | |
| Staff costs and other benefits | (163,909,214) | (2,255,833) | (166,165,047) |
| Operating and administrative expenses | (45,300,016) | (1,637,500) | (46,937,516) |
| Depreciation and amortization | (27,619,432) | - | (27,619,432) |
| Finance costs | (10,523,629) | - | (10,523,629) |
| Segmental profit / (loss) before tax | 98,713,961 | (3,893,333) | 94,820,628 |
| Income tax expense | (8,523,336) | - | (8,523,336) |
| Segmental profit / (loss) after tax | 90,190,625 | (3,893,333) | 86,297,292 |

The above summary financial statements do not include the impact of fair value adjustments on acquisition of KFG, the impact of which can be seen in the reconciliation below.

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|---|--|---|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> |
| Reconciliation of profit after tax | | | | |
| Segment profit after tax | 104,071,225 | 86,297,292 | 271,269,387 | 257,216,844 |
| Add: Share of Group's profit of a joint venture | 1,170,040 | - | 10,712,570 | - |
| Add: Rental income | 406,850 | 1,013,622 | 1,222,988 | 2,680,041 |
| Profit for the period | 105,648,115 | 87,310,914 | 283,204,945 | 259,896,885 |

Other segment information

Segment assets and liabilities comprise all assets and liabilities reflected in the interim condensed consolidated statement of financial position as at 31 May 2026 (Unaudited) and 31 August 2025 (Audited) (Restated). This is attributable to the "School operations" segment except investment in a joint venture attributable to the "Nursery operations" (Note 6). All such assets (including capital expenditure) and liabilities are significantly relating to the Group's operations in the UAE.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

22 EARNINGS PER SHARE

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

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|---|--|---|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> |
| Profit for the period | 105,648,115 | 87,310,914 | 283,204,945 | 259,896,885 |
| Weighted average number of shares in issue outstanding during the period* | 999,165,867 | 998,349,359 | 999,435,731 | 997,906,731 |
| Earnings per share – basic (AED) | 0.11 | 0.09 | 0.28 | 0.26 |

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

23 FAIR VALUE MEASUREMENT

Financial instruments comprise financial assets and financial liabilities.

Financial assets mainly consists of fees and other receivables, wakala and short term deposits, bank balance, derivative asset and sukuk deposits. Financial liabilities consist of interest-bearing loans and borrowings, trade and other payables, debenture payables and derivative liability.

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 as at 31 August 2025 (Audited) and noted no significant difference as at 31 May 2026 (Unaudited). 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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

24 CURRENT INCOME TAX AND DEFERRED TAX

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

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|---|--|---|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> |
| <i>Current income tax</i> | | | | |
| Current income tax expense | (10,282,271) | (8,809,010) | (27,306,121) | (25,448,185) |
| <i>Deferred tax</i> | | | | |
| Deferred income tax expense relating to origination and reversal of temporary differences | 213,959 | 285,674 | 646,533 | 776,509 |
| Income tax expense reported in the interim condensed consolidated statement of comprehensive income | (10,068,312) | (8,523,336) | (26,659,588) | (24,671,676) |

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

| | <i>Three-month period ended</i> | | <i>Nine-month period ended</i> | |
|---|--|---|--|---|
| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> | <i>31 May 2026 AED (Unaudited)</i> | <i>31 May 2025 AED (Unaudited) (Restated)</i> |
| Accounting profit for the period before tax | 115,716,427 | 95,834,250 | 309,864,533 | 284,568,561 |
| At the UAE statutory tax rate of 9% charged during the period | 10,414,478 | 8,625,083 | 27,887,808 | 25,611,171 |
| Adjustments in respect of standard deduction as per the law* | - | - | (67,500) | (101,250) |
| Exempted income (share of profit of a joint venture and gain on bargain purchase) | (105,303) | - | (964,131) | (926,124) |
| Non-deductible expense for tax purpose: | | | | |
| Entertainment expense (50% allowed as per the Law) | 11,269 | 25,569 | 48,264 | 59,809 |
| Fines and penalties (disallowed as per the Law) | 812 | - | 12,065 | - |
| Other expenses (disallowed as per the Law) | 68,835 | 158,358 | 497,435 | 804,579 |
| Other adjustments | (107,820) | - | (107,820) | - |
| Current income tax expense | 10,282,271 | 8,809,010 | 27,306,121 | 25,448,185 |
| Effective current income tax rate | 8.9% | 9.2% | 8.8% | 8.9% |

* The Group has structured two separate tax groups (31 May 2025 (Unaudited): three separate tax groups) 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 31 May 2026

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

24 CURRENT INCOME TAX AND DEFERRED TAX (continued)

Reconciliation of income tax provision, net:

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|--|--|---|
| As at beginning of the period / year | 17,030,248 | 16,706,004 |
| Add: provision for the period / year | 27,306,121 | 16,823,184 |
| Add: acquisition of LLFPM (Note 4(b)) | - | 876,464 |
| Less: payments made during the period / year | (17,057,408) | (17,374,898) |
| Less: other adjustments | - | (506) |
| | <u>27,278,961</u> | <u>17,030,248</u> |

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|--|--|---|
| | <u>27,278,961</u> | <u>17,030,248</u> |

Reconciliation of deferred tax liabilities, net:

| | | |
|--|---------------------|---------------------|
| As at 1 September | (41,366,715) | (27,338,083) |
| Tax expense recognise* | - | (14,753,125) |
| Tax benefit due to amortization during the period/year** | 646,533 | 724,493 |
| | <u>(40,720,182)</u> | <u>(41,366,715)</u> |

*In previous year, the deferred tax liability was recognised in relation to business combinations undertaken in UAE (Note 4 (b)).

The deferred tax liability comprises of the following temporary differences:

| | <i>31 May 2026 AED (Unaudited)</i> | <i>31 August 2025 AED (Audited)</i> |
|--|--|---|
| Goodwill | 21,599,798 | 21,599,798 |
| Other intangible assets | 5,358,199 | 5,808,361 |
| Other fair value adjustments (mainly relates to property, plant and equipment) | 13,762,185 | 13,958,556 |
| | <u>40,720,182</u> | <u>41,366,715</u> |

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

24 CURRENT INCOME TAX AND DEFERRED TAX (continued)

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 at 31 May 2026 (Unaudited), the Group does not meet the required threshold as per the requirements of the UAE DMTT. The Group continues to monitor the related developments and assess any potential exposure in accordance with the relevant legislation.

25 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 period, and no significant changes to key estimates and judgements.

26 COMPARATIVE INFORMATION

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