

Alef Education Holding PLC

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2024

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF

ALEF EDUCATION HOLDING PLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Alef Education Holding Plc (the “Company”) and its subsidiary (together referred to as the “Group”) as at 30 June 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024, and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three and six month periods then ended and explanatory notes. Management is responsible for the preparation and fair 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.

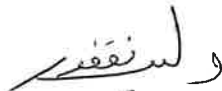
Conclusion

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, “*Interim Financial Reporting*”.

Other matter

The interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity, interim consolidated statement of cash flows and related notes for the three-month and six-month periods ended 30 June 2023 were not reviewed by an auditor and are presented for comparison purposes only.

For Ernst & Young Middle East (ADGM Branch)



Walid J Nakfour

29 July 2024
Abu Dhabi, United Arab Emirates

Alef Education Holding PLC
Interim consolidated statement of financial position
As at 30 June 2024

	<i>Note</i>	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
ASSETS			
Non-current assets			
Property and equipment		2,210,869	2,540,005
Right of use asset		7,811,268	480,533
Intangible assets	4	135,984,617	79,898,352
Trade and other receivables	5	5,337,848	12,425,319
Total non-current assets		151,344,602	95,344,209
Current assets			
Trade and other receivables	5	357,385,583	154,947,624
Amounts due from related parties	7	-	109,755,488
Cash and bank balances	6	427,919,349	261,773,715
Total current assets		785,304,932	526,476,827
TOTAL ASSETS		936,649,534	621,821,036
EQUITY AND LIABILITIES			
Equity			
Share capital	14	70,000,000	-
Shareholders' contribution		167,559,022	167,559,022
Statutory reserve		75,000	75,000
Retained earnings		502,946,434	346,786,283
Total equity		740,580,456	514,420,305
Non-current liabilities			
Provision for employees' end of service benefits		14,363,121	12,921,328
Lease liability		4,684,145	241,965
Total non-current liabilities		19,047,266	13,163,293
Current liabilities			
Trade and other payables	8	173,945,538	94,008,382
Lease liability		3,076,274	229,056
Total current liabilities		177,021,812	94,237,438
Total liabilities		196,069,078	107,400,731
TOTAL EQUITY AND LIABILITIES		936,649,534	621,821,036



Director



Chief Executive Officer

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

Alef Education Holding PLC

Interim consolidated statement of comprehensive income
For the three and six month periods ended 30 June 2024



		Three-month period ended		Six-month period ended	
		30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED
INCOME					
Education solution fees		165,110,790	163,764,743	329,189,445	327,494,917
IT maintenance fees		12,398,330	11,945,898	24,970,501	24,089,951
Revenue from contracts with customers	9	177,509,120	175,710,641	354,159,946	351,584,868
EXPENSES					
Salaries and other benefits		(26,829,182)	(28,643,042)	(53,932,200)	(58,832,257)
Technology expenses		(8,361,161)	(6,583,925)	(16,870,069)	(13,451,158)
Software licenses		(5,838,293)	(5,515,331)	(12,251,843)	(10,813,647)
Amortisation for intangible assets	4	(8,279,473)	(7,596,264)	(16,688,585)	(15,374,994)
Legal and professional fees		(3,512,739)	(5,303,644)	(5,562,369)	(11,091,310)
Depreciation on property and equipment		(422,173)	(1,073,517)	(818,844)	(2,492,821)
Lease expenses		(986,108)	(882,424)	(1,927,888)	(1,768,404)
Marketing expenses		(1,539,277)	(2,123,354)	(2,663,124)	(4,771,889)
Others		(1,026,349)	(559,496)	(1,779,770)	(1,400,296)
Total expenses		(56,794,755)	(58,280,997)	(112,494,692)	(119,996,776)
OPERATING PROFIT FOR THE PERIOD		120,714,365	117,429,644	241,665,254	231,588,092
Income from financial assets carried at fair value through profit or loss		-	51,604,226	-	142,967,209
Interest income		3,607,282	1,112,286	6,825,296	1,647,131
PROFIT FOR THE PERIOD BEFORE TAX		124,321,647	170,146,156	248,490,550	376,202,432
Income tax expense	12	(11,188,948)	-	(22,330,399)	-
NET PROFIT FOR THE PERIOD		113,132,699	170,146,156	226,160,151	376,202,432
Other comprehensive income		-	-	-	-
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD		113,132,699	170,146,156	226,160,151	376,202,432
Basic earnings per share (AED)	13	0.03	-	0.06	-

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

Alef Education Holding PLC

Interim consolidated statement of changes in equity For the six-month period ended 30 June 2024



	Share capital AED	Shareholders' contribution AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2023 (audited)	-	167,559,022	75,000	1,392,473,762	1,560,107,784
Total comprehensive income for the period	-	-	-	376,202,432	376,202,432
Balance at 30 June 2023 (unaudited)	-	167,559,022	75,000	1,768,676,194	1,936,310,216
Balance at 1 January 2024 (audited)	-	167,559,022	75,000	346,786,283	514,420,305
Issuance of share capital (note 14)	70,000,000	-	-	(70,000,000)	-
Total comprehensive income for the period	-	-	-	226,160,151	226,160,151
Balance at 30 June 2024 (unaudited)	70,000,000	167,559,022	75,000	502,946,434	740,580,456

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

Alef Education Holding PLC
Interim consolidated statement of cash flows
For the six-month period ended 30 June 2024



		Six-months period ended	
		30 June 2024	30 June 2023
		(unaudited)	(unaudited)
		AED	AED
Notes			
	Operating activities		
	Profit for the period before tax	248,490,550	376,202,432
	<u>Adjustments for:</u>		
	Depreciation on property and equipment	818,844	2,492,821
	Depreciation on right of use asset	886,105	97,830
4	Amortisation of intangible assets	16,688,585	15,374,994
	Income from financial assets carried at fair value through profit or loss	-	(142,967,209)
	Interest expense on lease liability	144,890	17,306
	Provision for employees' end of service benefits	2,263,785	2,081,277
10	Interest income	(6,825,296)	(1,647,131)
		<u>262,467,463</u>	<u>251,652,320</u>
	Working capital changes:		
	Amounts due from related parties	353,154	(151,759)
	Trade and other receivables	(191,740,142)	(97,065,083)
	Trade and other payables	57,606,757	(48,121,997)
		<u>128,687,232</u>	<u>106,313,481</u>
	Cash generated from operating activities		
	Employees' end of service benefits paid	(821,992)	(854,220)
		<u>127,865,240</u>	<u>105,459,261</u>
	Investing activities		
	Purchase of property and equipment	(489,708)	(615,337)
	Purchase of financial assets carried at fair value through profit or loss	-	(496,596,912)
	Dividend income from financial assets at fair value through profit or loss	-	9,788,070
	Receipt of amounts due from related parties	109,402,334	265,898,769
	Placement of term deposits with original maturity of more than three months	(265,000,000)	-
6	Purchase of intangible assets	(72,774,850)	(15,869,691)
		<u>(228,862,224)</u>	<u>(237,395,101)</u>
	Financing activities		
	Interest income received	3,214,950	1,647,131
	Payment of principal portion of lease liability	(1,072,332)	(258,931)
		<u>2,142,618</u>	<u>1,388,200</u>
	Net cash from financing activities		
		<u>(98,854,366)</u>	<u>(130,547,640)</u>
	Net decrease in cash and cash equivalents		
	Cash and cash equivalents at the beginning of the period	261,773,715	171,437,937
		<u>162,919,349</u>	<u>40,890,297</u>
	Cash and cash equivalents at the end of the period		
6		<u>162,919,349</u>	<u>40,890,297</u>

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

Alef Education Holding PLC
Notes to the interim condensed consolidated financial statements
for the six-month period ended 30 June 2024



1 GENERAL INFORMATION

Alef Education Holding Plc (the “Company” or the “Parent”) is registered in Abu Dhabi Global Market (ADGM) under license number 17843 as a Public Company Limited by Shares. The Company was incorporated on 15 March 2024. The registered address of the Company is External Office 2332, 23rd Floor, Sky Tower, Al Reem Island, Abu Dhabi, United Arab Emirates. The Company and its subsidiary, Alef Education Consultancy LLC are collectively referred to as the Group (the “Group”).

The principal activities of the Group are computer systems, software designing, educational consultancy, studies and research in renewable energy in the United Arab Emirates.

The Group includes one fully owned subsidiary, Alef Education Consultancy LLC which is incorporated in the United Arab Emirates. Alef Education Consultancy LLC has a subsidiary, Arabic Scale Educational Consultancy – Sole Proprietorship LLC which is incorporated in the United Arab Emirates and its primary activities are a computer systems, software designing and educational consultancy studies. Alef Education Consultancy LLC also has a branch in the Emirate of Abu Dhabi in Abu Dhabi Creative Media Zone Authority and a branch office in Amman, Hashemite of Jordan under an establishment number # 200181807 which provides support in content designing and writing.

On 12 June 2024, the Company listed 20% of its share capital on Abu Dhabi Securities Exchange (“ADX”) as part of Initial Public Offering (“IPO”) (note 14).

The interim condensed consolidated financial statements were recognized for issue in accordance with a resolution of the Director on 29 July 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting issued by International Accounting Standards Board (“IASB”).

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s consolidated financial statements as at 31 March 2024. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

These interim condensed consolidated financial statements have been prepared on the historical cost basis.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (“AED”), which is the functional and the presentational currency of the Group.

2 BASIS OF PREPARATION (continued)

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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 applied by the Group in the preparation of the consolidated financial statements as at and for the period ended 31 March 2024, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of liabilities as Current or Non-current

3.2 Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the period ended 31 March 2024.

4 INTANGIBLES

	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
Balance at the beginning of the period / year	79,898,352	74,785,546
Additions during the period / year*	72,774,850	35,845,700
Amortisation during the period / year	(16,688,585)	(30,732,894)
Net book value at the end of the period / year	135,984,617	79,898,352

* Included in additions during the period ended 30 June 2024 is the acquisition of education products called Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (Note 7)

Included in additions during the period ended 30 June 2024 is the acquisition of education product called Abjadiyat for a total amount of AED 11.2 million.

On 29 March 2024, the Group signed a partnership agreement with a US-based developer, MetaMetrics® to develop an Arabic reading scale to improve the literacy skills of K-12 Arabic speakers in collaboration with 6 Arab speaking countries. The newly developed Arabic scale is being branded as “Miqyas Al-Dhad Scale”. Included in additions during the period ended 30 June 2024 is an amount of AED 3.5 million incurred towards its ongoing development.

Additions during the period ended 30 June 2024 also include AED 22.8 million representing the development of new products around assessments and pathways product lines. These include pathways products for Math, English, Arabic and Science along with an assessment solution. Moreover, the Group is supporting growth through internationalization and other key features.

5 TRADE AND OTHER RECEIVABLES

	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
Trade receivables*	317,302,090	133,752,712
Prepayments	17,334,246	11,913,674
Retention receivable and other receivables	22,450,089	8,339,893
Advances	1,376,733	3,497,603
Refundable deposits	4,260,273	9,869,061
	362,723,431	167,372,943
Current	357,385,583	154,947,624
Non-current	5,337,848	12,425,319
	362,723,431	167,372,943

* Included in trade receivables balance as of 30 June 2024 is an amount of AED 105,915,955 pertaining to the solution fee for the month of July and August 2024, which was billed during the period ended 30 June 2024, and is a part of deferred revenues (Note 8). The remaining balance of trade receivables has been recognized as education solution fees during the period amounting to AED 211,386,135.

The ageing analysis of trade receivables is as follow:

	<i>Total AED</i>	<i>Neither past due nor impaired AED</i>	<i>0-30 days AED</i>	<i>31-60 days AED</i>	<i>61-90 days AED</i>	<i>91-120 days AED</i>	<i>Above 120 days AED</i>
30 June 2024	317,302,090	222,475,090	608,877	-	93,484,397	733,726	-
31 December 2023	133,752,712	3,637,285	90,471,090	674,997	33,871,137	5,098,203	-

No provision for expected credit losses was recorded for trade receivables at 30 June 2024 (31 December 2023: nil)

6 CASH AND BANK BALANCES

Cash and cash equivalents at the end of the period as shown in the interim consolidated statement of cash flows comprise of:

	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
Cash on hand	20,810	6,606
Cash at bank	427,898,539	261,767,109
Cash and bank balances	<u>427,919,349</u>	<u>261,773,715</u>
Less: term deposits with original maturity of more than three months	<u>(265,000,000)</u>	-
Cash and cash equivalents	<u><u>162,919,349</u></u>	<u><u>261,773,715</u></u>

Included in bank balances are bank deposits amounting to AED 265,000,000 (31 December 2023: AED 78,501) deposited with commercial banks and carry interest at prevailing market rates.

7 RELATED PARTIES BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
Amounts due from related parties		
<i>Entities under common control</i>		
Capital Investments L.L.C.	-	109,402,334
SAAL Operating System - Sole Proprietorship L.L.C.	-	195,579
New Century Education - Sole Proprietorship L.L.C.	-	157,575
	<u>-</u>	<u>109,755,488</u>

Transaction with related parties are as follows:	Three-month period ended		Six-month period ended	
	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED
Interest income from a related party	<u>-</u>	<u>1,112,286</u>	<u>2,636,820</u>	<u>1,646,614</u>
Revenue from contracts with customers	<u>142,449</u>	<u>44,497</u>	<u>186,947</u>	<u>88,995</u>

During the period ended 30 June 2024, the Group has purchased the business of Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (Note 4).

7 RELATED PARTIES BALANCES AND TRANSACTIONS (continued)

Compensation of key management personnel

	Three-month period ended		Six-month period ended	
	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED
Short term benefits	<u>1,881,989</u>	<u>1,656,057</u>	<u>3,755,868</u>	<u>3,476,978</u>
Employees' end of service benefits	<u>78,254</u>	<u>44,199</u>	<u>129,132</u>	<u>123,258</u>

8 TRADE AND OTHER PAYABLES

	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
Trade payables	8,002,382	16,649,944
Accrued expenses and other payables	19,470,452	36,689,925
Deferred revenues*	105,915,955	12,640,807
Advances from customers	8,234,752	18,160,832
Income tax payable (note 12)	22,330,399	-
VAT payable	9,991,598	9,866,874
	<u>173,945,538</u>	<u>94,008,382</u>

*deferred revenue balance as of 30 June 2024 pertains to the solution fee for the month of July and August 2024, which was billed during the period ended 30 June 2024, and is a part of trade receivables (Note 5).

9 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Three-months period ended		Six-month period ended	
	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED
Timing of revenue recognition				
Revenue recognized over the time	<u>177,509,120</u>	<u>175,710,641</u>	<u>354,159,946</u>	<u>351,584,868</u>

Geographical markets

Revenue based on the geographical location of customers are as follows:

	Three-months period ended		Six-month period ended	
	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED
United Arab Emirates	177,500,191	175,690,655	354,145,651	351,564,880
United States of America	3,175	19,986	3,175	19,988
Indonesia	5,754	-	11,120	-
	<u>177,509,120</u>	<u>175,710,641</u>	<u>354,159,946</u>	<u>351,584,868</u>

10 REPORTING SEGMENTS

The Group is organized into business units based on its products and services for management purposes. The Chief Executive Officer (CEO) is the Chief Operating Decision Maker (CODM) for the Group and monitors the operating results of its business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements.

Based on the information reported to the Group's senior management for the allocation of resources, and measurement of performance of business, the reportable segments under IFRS 8 were identified as below:

- i) Education solution segment, which provides customers the right of access to the Group's learning platform.
- ii) Support and services segment, includes ancillary services such as IT infrastructure set up and maintenance support and services.
- iii) Financial investments segment pertains to maintenance of investment portfolio for returns based on market dynamics.

No operating segments have been aggregated to form the reportable operating segments below.

	Education solution	Support and services	Financial Investments	Unallocated	Consolidated
As at and for the six-month period 30 June 2024	AED	AED	AED	AED	AED
Revenue from contracts with customers	329,189,445	24,970,501	-	-	354,159,946
Depreciation on property and equipment	-	-	-	(818,844)	(818,844)
Amortisation of intangible assets	(16,688,585)	-	-	-	(16,688,585)
Other expenses	<u>(57,466,718)</u>	<u>(20,796,290)</u>	-	<u>(16,724,255)</u>	<u>(94,987,263)</u>
Total expenses	<u>(74,155,303)</u>	<u>(20,796,290)</u>	-	<u>(17,543,099)</u>	<u>(112,494,692)</u>
Operating profit for the period	255,034,142	4,174,211	-	(17,543,099)	241,665,254
Interest income	-	-	6,825,296	-	6,825,296
Profit before tax	255,034,142	4,174,211	6,825,296	(17,543,099)	248,490,550
Income tax expense	-	-	-	(22,330,399)	(22,330,399)
Profit and comprehensive income for the period after tax	<u>255,034,142</u>	<u>4,174,211</u>	<u>6,825,296</u>	<u>(39,873,498)</u>	<u>226,160,151</u>
Assets	<u>918,857,991</u>	<u>3,509,133</u>	-	<u>14,282,410</u>	<u>936,649,534</u>
Liabilities	<u>185,932,615</u>	<u>2,376,044</u>	-	<u>7,760,419</u>	<u>196,069,078</u>
Other disclosures					
Capital expenditures					
Purchase of property and equipment	-	-	-	489,708	489,708
Purchase of intangibles	<u>72,774,850</u>	-	-	-	<u>72,774,850</u>
Total	<u>72,774,850</u>	-	-	<u>489,708</u>	<u>73,264,558</u>

**Notes to the interim condensed consolidated financial statements
for the six-month period ended 30 June 2024 (continued)**

10 REPORTING SEGMENTS (continued)

	Education solution	Support and services	Financial Investments	Unallocated	Consolidated
For the six month period 30 June 2023 & as at 31 December 2023	AED	AED	AED	AED	AED
Revenue from contracts with customers	327,494,917	24,089,951	-	-	351,584,868
Depreciation on property and equipment	-	-	-	(2,492,821)	(2,492,821)
Amortisation of intangible assets	(15,374,994)	-	-	-	(15,374,994)
Other expenses	(69,929,269)	(15,566,579)	-	(16,633,113)	(102,128,961)
Total expenses	(85,304,263)	(15,566,579)	-	(19,125,934)	(119,996,776)
Operating profit for the period	242,190,654	8,523,372	-	(19,125,934)	231,588,092
Income from financial assets carried at fair value through profit or loss	-	-	142,967,209	-	142,967,209
Interest income	-	-	1,647,131	-	1,647,131
Profit and comprehensive income for the period ended 30 June 2023	<u>242,190,654</u>	<u>8,523,372</u>	<u>144,614,340</u>	<u>(19,125,934)</u>	<u>376,202,432</u>
Assets at 31 December 2023	<u>461,524,455</u>	<u>38,004,648</u>	<u>109,402,334</u>	<u>12,889,599</u>	<u>621,821,036</u>
Liabilities at 31 December 2023	<u>96,965,586</u>	<u>9,964,124</u>	<u>-</u>	<u>471,021</u>	<u>107,400,731</u>
Other disclosures at 31 December 2023					
Capital expenditures					
Purchase of property and equipment				1,162,776	1,162,776
Purchase of intangibles	35,845,700	-	-	-	35,845,700
Total	<u>35,845,700</u>	<u>-</u>	<u>-</u>	<u>1,162,776</u>	<u>37,008,476</u>

11 SEASONALITY OF RESULTS

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed consolidated financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.

**Notes to the interim condensed consolidated financial statements
for the six-month period ended 30 June 2024 (continued)**

12 INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss are:

Current income tax

The movement in the current taxation account is as follows:

	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
Balance at the beginning of the period / year	-	-
Income tax expense during the period / year	22,330,399	-
Balance at end of the period / year	22,330,399	-

At 30 June 2024, there were no amounts recognised directly to equity or in other comprehensive income.

13 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. As at 30 June 2024, there were no potential dilutive shares and hence, the basic and diluted EPS is same (30 June 2023: none).

The information necessary to calculate basic and diluted earnings per share is as follows:

	Three-month period ended		Six-month period ended	
	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED	30 June 2024 (unaudited) AED	30 June 2023 (unaudited) AED
Earnings:				
Profit for the period	113,132,699	170,146,156	226,160,151	376,202,432
Number of shares				
Weighted average number of ordinary shares for basic and diluted earnings per share**	3,615,384,615	_*	3,615,384,615	_*
Earnings per share				
Basic earnings per share (AED)	0.03	-	0.06	-

*The earning per share for 30 June 2023 is not calculated considering shares were only issued on 15 March 2024 by the Company.

** The weighted average number of shares takes into account the weighted average effect of period from the date of incorporation of the Company and the reporting date. Had the earning per share been calculated assuming the entire 7 billion shares were issued for the full period, the earnings per share for the three month and six month period ended 30 June 2024 would have been AED 0.016 and AED 0.032 respectively.

14 SHARE CAPITAL

	30 June 2024 (unaudited) AED	31 December 2023 (audited) AED
<i>Authorised, issued and fully paid</i>		
30 June 2024: 7,000,000,000 shares of AED 0.01 each (US\$ 0.027)	<u>70,000,000</u>	<u>-</u>

The share capital of the Company was funded by transferring AED 70,000,000 from the retained earnings. Moreover, the legal formalities with the ADGM were completed on 15 March 2024, and the ADGM issued a Certificate of Incumbency and Business Extract with an amount of USD 19,060,585 (equivalent to AED 70,000,000), divided into 7,000,000,000 (seven billion) ordinary shares with a par value of US\$ 0.027 (equivalent to AED 0.01) as the authorised and paid up share capital of the Company.

On 12 June 2024, the Company listed 1,400,000,000 (20%) of its ordinary shares on the Abu Dhabi Securities Exchange (“ADX”).

15 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors, in their meeting held on 29 July 2024, approved an interim cash dividend of 90% of the Group's profit amounting to AED 203.6 million.