



الفالھ  
التعليمية القابضة  
**AL FALEH**  
EDUCATIONAL HOLDING

## Al-Faleh Educational Holding Group

Qatari Public Shareholding Company (Q.P.S.C.)

# Disclosure Report

On the transfer of the group's listing from the venture  
market to the main market

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EDUCATIONAL HOLDING

December 2023

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AL FALEH

EDUCATIONAL HOLDING

## 1. General information

Al-Faleh Educational Holding Company was established as a limited liability company under Commercial Registration Number 71150 on March 1, 2015. It is led by Her Excellency Dr. Sheikha Aisha bint Faleh Al Thani, whose vision is to contribute to the education and development of future leaders in Qatar in line with Qatar's National Vision 2030. The company's legal entity was converted to a Qatari public shareholding company by the decree of the Minister of Commerce and Industry, Number 18 for the year 2021, issued on March 11, 2021. The authorized and paid-up capital of the company is 240,000,000 QR, divided into 240,000,000 ordinary shares, with a nominal value of 1 QR per share.

Al Faleh Educational Holding Group Q.P.S.C. is the legal and commercial name of the company and its registered office are located in Doha - 22 Duhail Street, Al Waab, State of Qatar. The company was listed on the venture market on the Qatar Stock Exchange on April 13, 2021. The company submitted a request to the Qatar Financial Markets Authority and the Qatar Stock Exchange to transfer the listing of the group's shares on the main market of the Qatar Stock Exchange. It is expected that the trading of shares on the main market of the Qatar Stock Exchange will commence on January 28, 2024.

## 2. About the Group

Al-Faleh Educational Group is a group of prestigious Qatari educational companies working in the field of education at a national and international level. Al Faleh Group was established at the initiative of Her Excellency Dr. Sheikha Aisha bint Faleh Al Thani, and this group has grown to include a number of distinguished educational entities in various fields of education with the aim of contributing to education and empowering future leaders in Qatar in line with Qatar National Vision 2030. Al-Faleh Educational Group Q.P.S.C. is also a distinctive and vital initiative in Qatari market that aims to achieve excellence in the field of education and provide distinguished and integrated educational services to the Qatari community. This group offers a wide range of educational services targeting all segments of society, from children in the early stages of education to youth and adults who wish to develop their skills, learn new subjects, and achieve multiple educational goals, including but not limited to:

Enhancing the quality of education By providing high-quality educational programs in accordance with the latest educational standards and curricula.

Developing students' skills: By providing educational courses that include a variety of subjects and skills that meet the needs of the individual and contribute to the development of his or her skills.

Promoting learning throughout life: By providing continuous learning opportunities for adults and professionals who wish to develop their knowledge and skills.

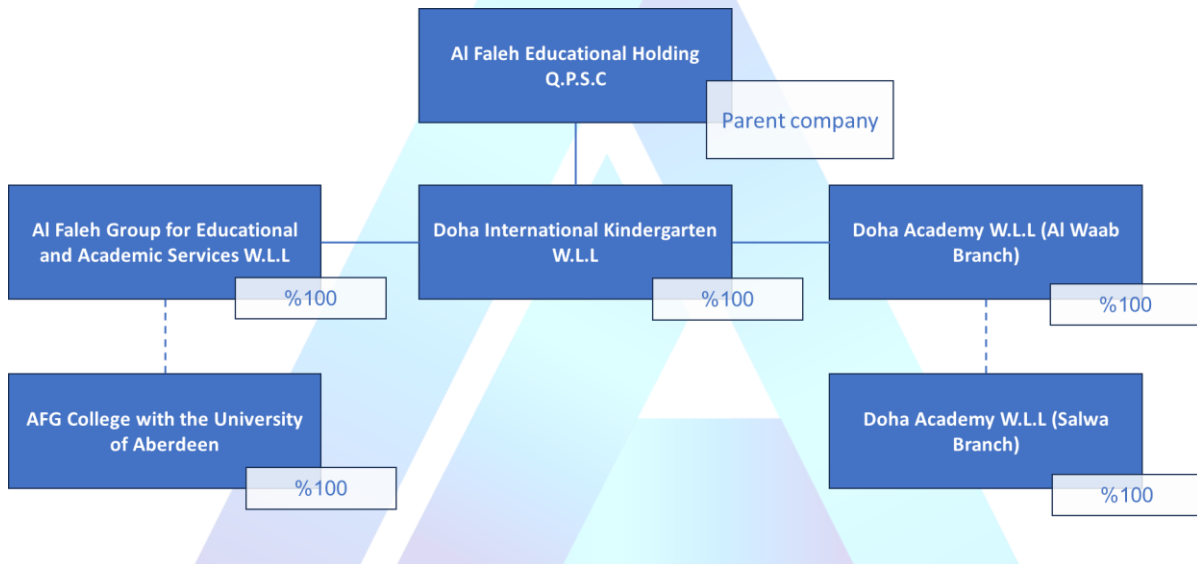
Promoting critical thinking and creativity: By providing educational programs that encourage critical thinking and develop students' creative abilities.

Promoting innovation and entrepreneurship: By providing educational courses that help entrepreneurs and business owners develop their skills and improve the chances of success of their projects.

Thanks to its focus on providing distinguished and integrated educational services, this group is considered a strategic partner for individuals and institutions in Qatar in their educational and development journey. Thanks to dedication to providing quality and attention to detail, this group

seeks to achieve excellence in the field of education and provide effective value to the Qatari community as a whole.

The Group conducts its business through its subsidiaries and prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Standards Board (IASB) and the requirements of the Qatari Commercial Companies Law. The following chart shows an overview of the group structure:



**The leading companies affiliated with Al Faleh Educational Group Q.P.S.C. include:**

**Doha Academy:** These schools provide primary and secondary education at a high level through its branches (Al Waab and Salwa), and seek to develop advanced educational curricula through the British National Curriculum and provide a stimulating learning environment within the framework of our Islamic traditions and societal customs.

**Doha International Kindergarten:** This institution provides early education system through three main aspects: communication, language, physical, personal, social and emotional development. In addition to four specific areas of learning: literacy, mathematics, understanding the world, expressive arts and design.

**Al-Faleh Group for Educational and Academic Services:** It engages in educational activities that include university education. It is one of the most prominent educational institutions in the country that offers a distinguished set of academic programs in various specializations through its cooperation with the most prominent British universities.

**AFG College with the University of Aberdeen:** AFG College, in cooperation with the University of Aberdeen, is the first British university to offer British university degrees in State of Qatar on a dedicated campus. It works to expand access to distinguished university education, in order to achieve Qatar National Vision 2030 The University Partnership provides the opportunity for students living and working in Qatar to obtain a Bachelor of Accounting and Finance, Bachelor of Business Administration, Bachelor's in Business Administration and International Relations, Bachelor's in Business Administration and Information Systems, Bachelor's in Business

Administration and Business Studies Law, Bachelor's degree in Politics and International Relations , Bachelor of Science in Computing, in addition to the Master of Business Administration, Master of Science in International Business Administration , Master of Science in International Human Resource Management, Master of Science in International Business Law , Master of Science in Business Communications Global Workers, Master of Science in Global Energy Transmission Systems and Technologies and Master of Public Health .

### 3. Management and shareholders

#### 3.1 Major shareholders in the company's capital

The company's issued and paid-up capital is 240,000,000 QR, divided into 240,000,000 ordinary shares, the nominal value of each share being 1 QR. The following is a table showing the percentage of major shareholders (more than 5%) as of November 30, 2023:

The name	Nationality	Number of Shares	ownership percentage
Sheikha Aisha Faleh Nasser Ahmed Al Thani	Qatari	158,157,570	61.17%
Other shareholders		81,842,430	38.83%
<b>Total</b>		240,000,000	100%

#### 3.2 Board of Directors

The Board of Directors was formed in accordance with the Corporate Governance System and the Articles of Association, which stipulate that at least one-third of Board of Directors shall be independent and that the majority of the Board shall be non-executives.

Directors shall be elected for a term not exceeding three years, subject to renewal, with the exception of the first Board, which was appointed for five years that expires on March 20, 2026.

#### Her Excellency Dr. Sheikha Aisha bint Faleh Al Thani

She holds a Bachelor's degree in Education and a Bachelor's degree in English Literature (with honors) from Qatar University. She also holds a Master's degree in Business Administration from the University of Hull in the United Kingdom. She later obtained a PhD from Cass Business School in UK in the field of corporate governance. She is also a founding member of the Sponsors Council of the Global Islamic Giving Forum and was a member of the Supreme Education Council, where she was appointed in 2006 and served two terms until 2014. She was also a member of the board of directors of Reach Out to Asia Foundation, a charitable initiative that provides support to schools in Asian countries.

#### Sheikh Khalid bin Nawaf Al Thani

Holding a Bachelor's degree in Business Administration from Middlesex University, an MBA from University of Hull and a certificate in Investment Management, he has extensive experience in many areas and has a proven track record of success in leadership and strategic decision-making roles.

### **Sheikh Mohammed bin Nawaf Al Thani**

He graduated from the British Royal Naval College in 2009 and worked as an officer in the Qatari Navy and Army. He also leads the Qatari Endurance Racing Club and serves as the Chairman of the Board for Mokadam Holding Group Q.S.C. With several years of successful experience in corporate management, he has cultivated a strong network of relationships in the country. He possesses proven expertise in making strategic decisions, formulating growth plans, and demonstrates professional acumen and skill in planning, execution, and supervision.

### **Hussein Ahmed Abdullah Al-Siddiqi**

He obtained a master's degree from the University of Washington in 1990, and assumed the position of Chief Operating Officer of Nasser Bin Khaled Al Thani Holding Company. Mr. Al-Seddiqi also worked for the Nasser Bin Khaled Group of Companies for nineteen years, where he was initially appointed Director of the Group's Administration.

### **Rajesh Manu**

He is a senior strategist and business and professional services leader with deep experience in leadership and management acquired in the Middle East markets. He held several leadership positions, most recently as managing partner of Beacon Consulting. He also served as a non-executive director of Springtime Global LLC and a director of MBLFi Holdco LLC, as well as a consultant to Arthur D. Little, a global consulting firm, holds a Bachelor of Commerce and is a Chartered Accountant with the Institute of Chartered Accountants of India. He also completed the Strategy and Leadership Program at INSEAD, France.

### **Aisha Muhammad Hamad Al-Nasr**

A graduate of Virginia Commonwealth University, she holds a Bachelor of Fine Arts as well as a Master of Education from the University of Exeter. She held various marketing and events roles at Qatar Foundation which led her to work as a Marketing and Events Executive. She is an advocate for promoting the development of children with disabilities in an open and inclusive society where they can achieve Maximize their potential and enhance their own abilities, which led her to establish the Leo Kanner Center for Educational Therapy in 2019, which provides several services including psychological testing, applied behavioral analysis (ABA), speech and language therapy, psychomotor therapy, and others. In 2019, Ms. Aisha also founded Care Nursing Services, an agency that provides nursing services to clinics, nurseries and home care. She also participates in many social and educational initiatives, all of which have shaped Mrs. Aisha's image as a Qatari leader.

### **Classification of board members**

Below is a breakdown of the Board of Directors and the classification of its members for the first session from March 21, 2021 until March 20, 2026:

The name	Position	Membership status
Her Excellency Dr. Sheikha Aisha bint Faleh Al Thani	Chairman of Board of Directors	Non-independent - non-executive
Sheikh Khalid bin Nawaf Al Thani	Deputy Chairman of Board of Directors	Non-independent - non-executive
Sheikh Mohammed bin Nawaf Al Thani	Member of the Board of Directors	Non-independent - non-executive
Hussein Ahmed Abdullah Al-Siddiqi	Director	independent

Rajesh Manu	Director	independent
Aisha Muhammad Hamad Al-Nasr	Director	independent

### Contributions of board members

The following table shows the ownership of each Board of Directors in Al Falih Educational Group Q.P.S.C. as of November 30, 2023:

The name	Position	ownership percentage
Her Excellency Dr. Sheikha Aisha bint Faleh Al Thani	Chairman of Board of Directors	61.17%
Sheikh Khalid bin Nawaf Al Thani	Deputy Chairman of Board of Directors	2.00%
Sheikh Mohammed bin Nawaf Al Thani	Director	0.50%
Hussein Ahmed Abdullah Al-Siddiqi	Director	-
Rajesh Manu	Director	-
Aisha Muhammad Hamad Al-Nasr	Director	-

### 3.3 The group's senior executive management

The Group's Board of Directors has authorized senior management headed by the CEO to manage the day-to-day business of the Group's operations.

#### Sheikha Anwar bint Nawaf Al Thani - Group Chief Executive Officer

Sheikha Anwar graduated from the University of Minnesota, where she obtained a Bachelor's degree in Management Sciences. She was also included on the deans' list at the University of Minnesota due to her outstanding performance and academic excellence. During her relevant career, she founded and managed many educational institutions that provide basic stage services for the first years of students in the state.

#### Mohammad Ahmed Deeb Abdalla -Group Chief Financial Officer

He has more than 20 years of experience in financial management, investment, business planning, performance measurement, capital market transactions, growth and innovation strategies, risk management, resource management, corporate governance, and operational efficiency management. Before joining Al-Faleh Educational Holding Q.P.S.C., he held a number of management positions in large institutions, including Investment Holding Q.P.S.C. and United Development Company Q.P.S.C., he obtained a bachelor's degree in banking and finance from Philadelphia University and an MBA from the University of Aberdeen in Britain.

#### Brian Buckley-Director of Academic Affairs Department - Higher Education

A senior higher education practitioner, he has over 22 years of experience in the sector and has been instrumental in developing local and international partnership agreements for the university sector in Britain. He was a senior board member of one of the largest independent tertiary education providers in Britain, which included strategic partnerships with the University of Hull and the University of Plymouth. He served as CEO of one of the largest Executive MBA programs in London, and was instrumental in bringing one of the leading Executive MBA programs to Shanghai. Mr. Brian

has extensive experience in public-private partnerships. He has worked closely with a leading private equity firm. In the field of independent higher education in Britain, he holds an MBA from the University of Hull and an MA in European Policy Sciences from Birkbeck College, University of London.

#### **Edward Cooper-Director of Academic Affairs - Primary and Secondary Education**

Highly qualified with more than 23 years of British and international experience, having held several positions in the education sector including Primary Department Director, School Principal, Project Start-up, CEO, Management Consultant, Teacher, External Assessor, Educational Consultancy, Accreditation Management, Qualified as a Secondary Teacher. School of English Language and Drama in United Kingdom in 1998, and chaired the Drama Department in London. Beginning his international career as Head of English at Qatar International School in 2001, he has gained over 14 years of headship experience in the UK, Qatar, UAE and South America in primary and secondary schools in the public and private sectors, in addition. Edward has worked as a trainer and management consultant in the Middle East and North Africa region. In 2013, he started voluntary school inspections, working part-time for AdvancED/Cognia in America, ISI in the UK, and BSO and NEASC (as Lead Inspector) internationally.

#### **Michael Harris-Director of Strategic Communications Department**

He has over 15 years of educational experience in higher education sector . He worked with several British universities and higher education institutions. He was a member of the senior strategic management team at GSM London (a private higher education provider) for eight years, during which he served as Middle East Development Director for that institution. This role included establishing links between educational institutions, government agencies and multinational organizations in the specialized sector to deliver capacity building programs for managers in the Gulf region. He has extensive experience in the region, having worked with the embassies of the United Arab Emirates, Bahrain and Qatar to develop cultural ties in the fields of education, law and the arts. He holds a Bachelor's degree from the University of London (Honours), a Postgraduate Diploma in Law from (BBB University) and a Master's in Strategic Management from the University of Wales. He currently holds the position of Director of Strategic Communications and Public Affairs.

#### **Jad Hardan-Director of Information Technology Department**

He holds an MBA from University of Roehampton in the United Kingdom and a Bachelor's degree in Information Technology. He has more than 15 years of experience in this field. Jad served as a certified project manager for Oracle products before joining Al-Faleh Educational Holding Company. He has pioneered more than 50 major hospitality projects in Qatar and the Middle East.

#### **Hisham Hendricks-actions Director**

He graduated from University of the Western Cape in South Africa with a Bachelor of Arts degree, and holds a postgraduate degree in Industrial and Organizational Psychology from the University of Cape Town in South Africa. In 1991 he was registered as a psychometrician at the South African Dental Medical Centre. In 1993 he completed a Postgraduate Diploma in Education from the University of the Western Cape.



### Ownership of members of senior executive management

The following table shows the number of group shares owned by members of executive management as of November 30, 2023:

The name	Position	ownership percentage
Sheikha Anwar bint Nawaf Al Thani	Group CEO	2.00%
Mohammed Ahmed Deeb Abdalla	Head of Group Finance	-
Brian Buckley	Director of Academic Affairs Department - Higher Education	-
Edward Cooper	Director of Academic Affairs - Primary and Secondary Education	-
Michael Harris	Director of Strategic Communications Department	-
Jad Hardan	Director of Information Technology Department	-
Hisham Hendricks	Operations Director	-

The group has set a clear policy that obligates board members, senior executive management and all insiders, their spouses and minor children to disclose the trading operations they carry out on the group's shares and all its other securities. All insiders have provided comprehensive information about the number of securities traded in the group when necessary.

### 4. Summary of the company's business for the years 2022-2023

Management's discussion and analysis of the Group's financial position and results of operations is based on the financial statements and accompanying notes as at and for the financial years ending 31 August 2022 and 2023 and should be read in conjunction with them.

#### 4.1 Income statement

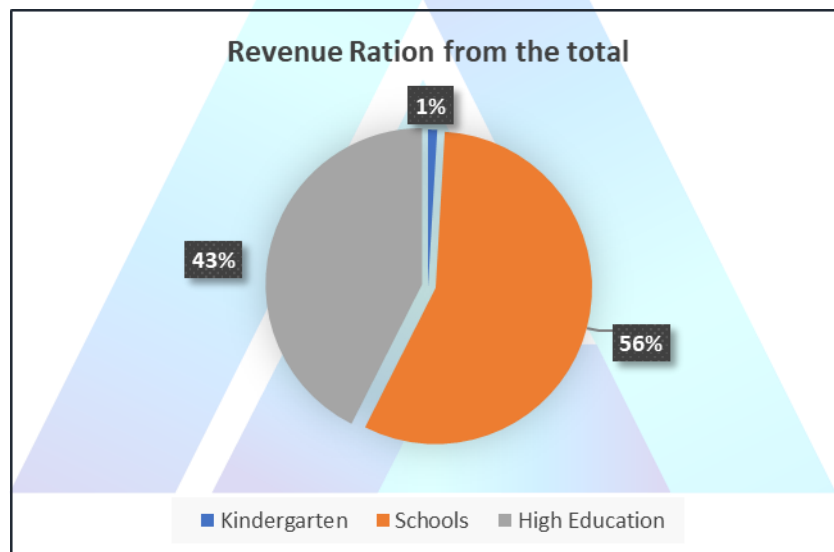
In Qatari Riyal	2023	2022
Revenues	115,603,551	126,787,324
Operational cost	(58,012,569)	(65,025,021)
Gross profit	57,590,982	61,762,303
Other income	1,455,809	542,527
General and administrative expenses	(43,401,528)	(46,959,245)
Operating profit for the year	15,645,263	15,345,585
Financing Cost	(3,296,647)	(5,490,980)
<b>Profit before taxes</b>	<b>12,348,616</b>	<b>9,854,605</b>
Income tax	(327,696)	(204,735)
<b>Net profit for the year</b>	<b>12,020,920</b>	<b>9,649,870</b>

Source: The Group's consolidated financial statements for the year ending August 31, 2023

The following discussion provides a general analysis of the material factors affecting the Group's results of operations for financial years ending 31 August 2022 and 2023.

## Revenues

The group obtains its revenues mainly through three sectors: the kindergarten sector, the schools sector, and the higher education sector. Through these sectors, the educational mission is presented at all stages, starting from the early education stage and ending with postgraduate studies in bachelor's and master's degrees. During the two years, the revenue contribution from the sectors represented 1% from the kindergarten sector, 56% from the schools sector, and 43% from the higher education sector.



Source: The Group's audited consolidated financial statements for the year ending August 31, 2023

## Operational cost

The operational cost represents all expenses that the Group must pay and/or incur on a regular basis to ensure the continued provision of the educational service. This cost includes all expenses related to the daily and administrative operations of the group that are directly related to the revenues generated, including, but not limited to, infrastructure maintenance, salaries and wages, educational materials, public services, which include the cost of electricity, water, maintenance, transportation services, the cost of evaluation and tests, and additional programs. The cost of implementing additional programs such as sports, artistic, and cultural activities includes administrative costs, maintenance and repair, insurance costs, and other costs.

Given the importance of operational costs in relation to revenues, the following is the data related to them:

In Qatari Riyal	2023	2022
Operational cost	(58,012,569)	(65,025,021)
As a percentage of revenue (%)	50%	51%

Operating costs have decreased by 11% in 2023 from 65 million Qatari riyals in 2022 to 58 million Qatari riyals in 2023. This decrease indicates the group's ability to manage its resources in an effort to achieve exceptional returns for its shareholders.

### Gross profit

In 2023, the level of gross profit margin increased from 48% in 2022 to 50% in 2023. This resulted mainly from the strength of management and its ability to reduce direct costs without affecting the quality of services, in line with the decrease in gross profit.

In Qatari Riyal	2023	2022
Gross profit	57,590,982	61,762,303
Gross profit margin (%)	50%	48%

### Administrative and General Expenses

General and administrative expenses consist of costs incurred by the Group in the course of managing and operating its overall business, but are not directly linked to revenue. These expenses include a group of expenses that are necessary to ensure the continuity of the group's daily operations, including, but not limited to, employee wages such as managers, administrative staff, technical support staff and administrative matters, office rent, real estate costs, information technology, office supplies, marketing and advertising costs, travel costs and some Other expenses.

In Qatari Riyal	2023	2022
Administrative and General expenses	43,401,528	46,959,245
As a percentage of revenue (%)	37.5%	37%

The group was able to reduce administrative and general expenses in light of the decrease in revenues, to maintain the same percentages in relation to revenues for those expenses.

### Financing Cost

The financing cost is interest and Murabaha expenses on loans and bank facilities, in addition to interest expenses on lease liabilities. The following table shows the amounts of these expenses and their percentage of revenues:

In Qatari Riyal	2023	2022
Financing Cost	(3,296,647)	(5,490,980)
As a percentage of revenue (%)	2.9%	4.3%

Financial charges decreased by 40% from 5.49 million Qatari riyals in 2022 to 3.29 million Qatari riyals in 2023. This reflects the group's ability to pay its financiers obligations and its ability to finance its business through its annual profits. The group has five loans and bank facilities with profit and interest rates ranging between 4% and 6.5%, and the maturity period of these loans is until the end of 2024.

### Net profit for the year

During 2023, the net profit of the owners of the group is 12.02 million Qatari riyals, with a growth rate of 25% compared to the previous year 2022, which was 9.64 million Qatari riyals.

In Qatari Riyal	2023	2022
Net profit for the year	12,020,920	9,649,870
As a percentage of revenue (%)	10.4%	7.6%

#### 4.2 Statement of financial position

The following table shows the statement of the group's financial position for 2022 and 2023

In Qatari Riyal	2023	2022
<b>Assets</b>		
Non-current assets	336,020,001	337,794,445
Current assets	26,403,345	25,427,851
<b>Total assets</b>	<b>362,423,346</b>	<b>363,222,296</b>
<b>Owner's rights and liabilities</b>		
Property rights	258,122,817	253,902,420
Non-current liabilities	27,694,618	38,718,060
Current liabilities	76,605,911	70,601,816
<b>Total equity and liabilities</b>	<b>362,423,346</b>	<b>363,222,296</b>

#### Non-current Assets

##### Property and Equipment

The net book value did not witness a material fluctuation in the period from September 1, 2022 to August 32, 2023, with the exception of the addition of some equipment, furnishings, building improvements, and capital works during 2023, with a total value of 1.7 million Qatari riyals, in line with the volume of business that the Group plans to achieve in meeting the highest levels of provision. the service.

In Qatari Riyal	2023	2022
Buildings	68,636,961	69,760,518
Machines and equipment	158,869	166,064
Computer and equipment	904,043	826,159
Cars	117,829	140,586
Furniture and equipment	1,604,191	1,784,732
advertisement boards	212,187	148,626
Building improvements	1,447,413	1,496,235
Educational resources	1,277,685	1,282,921
Capital work in progress	4,349,804	3,781,443
<b>Net Book value</b>	<b>78,708,982</b>	<b>79,387,284</b>
As a percentage of total assets (%)	22%	22%

#### Intangible assets and goodwill

The intangible assets are goodwill, trademark, learner registration, franchise rights and academic visits (development). Goodwill and learner registration are allocated to cash-generating units for the purposes of impairment testing under IAS 36. The recoverable amount is determined for the

cash-generating unit based on the calculation of the utilized value using cash flow expectations, while the evaluation of the brand is done using the intellectual property royalty relief method. As for both franchise rights and academic visits (development), these intangible assets are amortized according to the specified useful life.

In Qatari Riyal	2023	2022
Goodwill	96,520,330	96,520,330
Trademark	17,210,000	17,210,000
Student registration	15,847,175	15,847,175
Franchise rights	92,257,784	94,893,721
Academic visits	4,811,249	-
<b>Total intangible Assets and Goodwill</b>	<b>226,646,538</b>	<b>224,471,226</b>
As a percentage of total assets (%)	63%	62%

### Current Assets

#### Cash and bank Balances

Cash and bank balances consist of bank balances and margin cash held against bank guarantees.

In Qatari Riyal	2023	2022
Cash in hand	526,512	302,155
Cash at banks - guarantee deposits	1,732,693	653,000
Cash in banks - current accounts	5,255,854	11,742,279
Cash at banks - demand deposits	-	355,186
Cash in banks – dividend distribution account	-	130,631
<b>Total cash and bank balances</b>	<b>7,515,059</b>	<b>13,183,251</b>
As a percentage of total assets (%)	2%	3.6%

#### Trade and other Receivable

Trade and other Receivable consist of amounts due that are charged to customers and parents as claims on the date of issuance of each statement of financial position. Trade and other Receivable increased by 53% at 31 August 2023 from QAR 11 million in 2022 to QAR 17 million in 2023.

In Qatari Riyal	2023	2022
Trade Receivables	11,807,486	7,880,980
Other Receivables	5,434,681	3,388,399
<b>Total Trade and other Receivable</b>	<b>17,242,167</b>	<b>11,269,379</b>
As a percentage of total assets (%)	5%	3%

The group follows a policy of setting a provision for receivables in accordance with IFRS 9. The following table shows the total receivables according to their maturity dates, noting that the group did not see any need to take additional allocations according to the standard, as no provisions are made for receivables due from the Ministry of Education and other government sectors

In Qatari Riyal	2023	2022
Receivables that are not past due or impaired for a period of up to 160 days	4,913,449	4,723,760
Receivables that are not past due or impaired 161 - 365 days	6,894,037	3,157,220
Receivables are overdue or impaired for more than 360 days	3,197,487	3,197,487
<b>Total Trade and other Receivable</b>	<b>15,004,973</b>	<b>11,269,379</b>
Other Receivable	5,434,681	3,388,399
Allowance for impairment of receivables	(3,197,487)	(3,197,487)
<b>Net Trade and other Receivable</b>	<b>17,242,167</b>	<b>11,269,379</b>
As a percentage of total assets (%)	5%	3%

## Liabilities

### Loans and bank facilities

The group obtained loans due on varying dates for the purposes of financing working capital and establishing schools. Loans decreased by 26% from 23.4 million Qatari riyals in 2022 to 17.2 million Qatari riyals in 2023.

In Qatari Riyal	2023	2022
Guaranteed bank loans	14,301,134	22,806,849
Overdraft	2,966,051	613,910
<b>Total bank liabilities and facilities</b>	<b>17,267,185</b>	<b>23,420,759</b>
As a percentage of total liabilities and shareholders' equity (%)	5%	6%

### Trade and other payable

Trade and other payable mainly consist of suppliers of educational materials, support services, royalties to the University of Aberdeen and payments from customers. Receivables increased by 6.2% from 47.4m in 2022 to 50.4m in 2023 due to an increase in the credit ratio of suppliers.

In Qatari Riyal	2023	2022
Trade and other payable	50,413,133	47,438,972
As a percentage of total liabilities and shareholders' equity (%)	14%	13%

### End of service benefits of employees

The end-of-service gratuity is a legal provision binding on all Qatari companies. It is amounts payable to employees upon termination or expiration of their services and contracts in the group, as stipulated in the law. The end-of-service allowance for employees increased by 19% from 2.93 million Qatari riyals in 2022 to 3.48 million Qatari riyals in 2023.

## Shareholders' equity

In Qatari Riyal	2023	2022
Capital	240,000,000	240,000,000
Contribution to capital	817,013	817,013
Legal reserve	5,684,998	4,482,906
The retained earnings	11,620,806	8,602,501
<b>Total equity</b>	<b>258,122,817</b>	<b>253,902,420</b>

The issued and fully paid-up capital of the Group is 240,000,000 Qatari Riyals (240 million ordinary shares at one Qatari Riyal per share).

The legal reserve is calculated in accordance with the provisions of the Qatari Commercial Companies Law and the company's articles of association at 10% of the net profit for the year. The transfer is made to the reserve until it equals at least 50% of the paid-up capital. The reserve is not distributable except in cases stipulated in the Qatari Commercial Companies Law.

### 4.3 Cash flows

The following table shows the statement of cash flows for the years ending August 31, 2022 and 2023

In Qatari Riyal	2023	2022
Net cash generated from operating activities	27,119,364	32,262,320
Net cash used in investing activities	(6,555,656)	(1,930,908)
Net cash used in financing activities	(28,434,041)	(25,212,719)
Net (decrease)/increase in cash and cash equivalents	(7,870,333)	5,118,693
Cash and cash equivalents at the beginning of the year	11,916,341	6,797,648
<b>Cash and cash equivalents at the end of the year</b>	<b>4,046,008</b>	<b>11,916,341</b>

#### Net cash generated from operating activities

Achieving positive net cash resulting from operational activities is an important indicator of the ability to generate cash and manage it effectively during the course of business. It also shows the strength and sustainability of the company's operational business, as it indicates the extent of its ability to finance its expenses and its legitimacy for the future.

#### Net cash used in investing activities

Net cash used in investing activities represents the purchase of fixed assets and the recognition of intangible assets during 2023

#### Net cash used in financing activities

The company is still able to distribute fixed returns to its shareholders and pay off its bank obligations, and this is mainly represented by cash used for financing activities.

### 4.4 Substantial and negative change

There have been no negative changes to the Group's financial position since the issuance of the audited financial statements for the year ending August 31, 2023 to date.

#### 4.5. Discussing the group's activity during (2023)

According to the profit and loss statement for the year ending August 31, 2023, the group was able to achieve a growth in earnings per share of 25%, as the basic earnings per share increased to 0.050 QR per share compared to 0.040 QR per share in the previous year, and an increase in net profits. Attributable to the owners of the company, these profits amounted to 12.02 million Qatari riyals, compared to 9.65 million Qatari riyals in the previous year.

For its part, the group's management expressed its full confidence in the stability of the performance of the group and its subsidiaries and their strength in investing their investments in a way that strengthens their position in the Qatari market and is consistent with the group's long-term strategic plans. They are constantly striving to maintain this positive continuity of the group's financial and investment capabilities. The upcoming investment opportunities with positive returns are closely monitored. The management is confident in the Group's continued achievement of exceptional returns, enhancing its position in the Qatari market under the auspices of a state with insightful vision and consistent growth rates, guided by the wise vision of His Highness Sheikh Tamim bin Hamad Al Thani, the beloved Amir of the State, may God protect him.

#### 5. Summary of the company's business for the first quarter of 2022-2023

Management's discussion and analysis of the Group's financial position and results of operations is based on the financial statements and accompanying notes as at and for the financial periods ending 30 November 2022 and 2023 and should be read in conjunction with them.

##### 5 1. Income statement

In Qatari Riyal	Q1 2023	Q1 2022
Revenues	29,703,213	31,278,263
Operational cost	(14,118,897)	(17,834,135)
Gross profit	15,584,316	13,444,128
Other income	--	--
General and administrative expenses	(12,821,525)	(11,095,062)
Operating profit for the period	2,762,791	2,349,066
Financing Cost	(865,583)	(1,296,942)
<b>Net profit for the period</b>	<b>1,897,208</b>	<b>1,052,124</b>

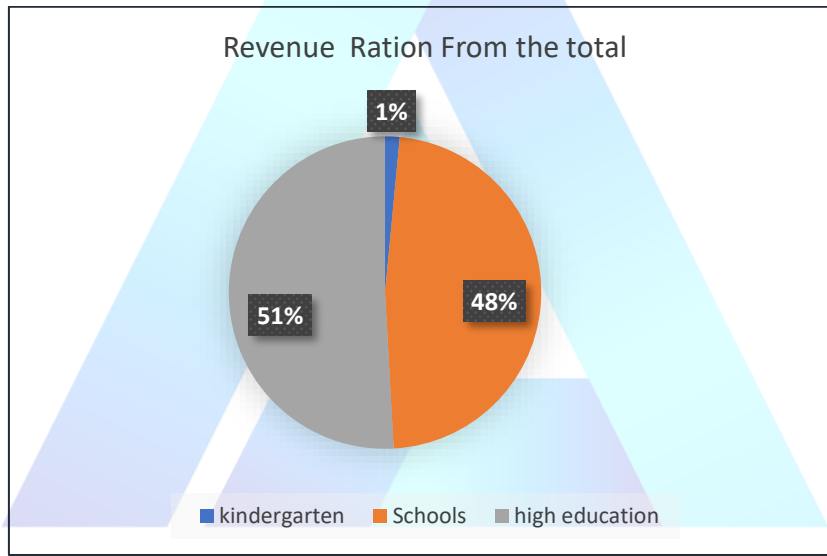
Source: The Group's consolidated financial statements for the period ending 30 November, 2023

The following discussion provides a general analysis of the material factors affecting the Group's results of operations for financial periods ending 30 November 2022 and 2023.



## Revenues

The group obtains its revenues mainly through three sectors: the kindergarten sector, the schools sector, and the higher education sector. Through these sectors, the educational mission is presented at all stages, starting from the early education stage and ending with postgraduate studies in bachelor's and master's degrees. During the two years, the revenue contribution from the sectors represented 1% from the kindergarten sector, 51% from the schools sector, and 48% from the higher education sector.



Source: The Group's consolidated financial statements for the period ending November 30, 2023

## Operational cost

The operational cost represents all expenses that the Group must pay and/or incur on a regular basis to ensure the continued provision of the educational service. This cost includes all expenses related to the daily and administrative operations of the group that are directly related to the revenues generated, including, but not limited to, infrastructure maintenance, salaries and wages, educational materials, public services, which include the cost of electricity, water, maintenance, transportation services, the cost of evaluation and tests, and additional programs. The cost of implementing additional programs such as sports, artistic, and cultural activities includes administrative costs, maintenance and repair, insurance costs, and other costs.

Given the importance of operational costs in relation to revenues, the following is the data related to them:

In Qatari Riyal	Q1 2023	Q1 2022
Operational cost	(14,118,897)	(17,834,135)
As a percentage of revenue (%)	48%	57%

Operating costs have decreased by 20% in 2023 from 17.8 million Qatari riyals in 2022 to 14 million Qatari riyals in 2023. This decrease indicates the group's ability to manage its resources in an effort to achieve exceptional returns for its shareholders.

### Gross profit

In 2023, the level of gross profit margin increased from 43% in 2022 to 52% in 2023. This resulted mainly from the strength of management and its ability to reduce direct costs without affecting the quality of services, in line with the decrease in gross profit.

In Qatari Riyal	Q1 2023	Q1 2022
Gross profit	15,584,316	13,444,128
Gross profit margin (%)	%52	%43

### Administrative and General Expenses

General and administrative expenses consist of costs incurred by the Group in the course of managing and operating its overall business, but are not directly linked to revenue. These expenses include a group of expenses that are necessary to ensure the continuity of the group's daily operations, including, but not limited to, employee wages such as managers, administrative staff, technical support staff and administrative matters, office rent, real estate costs, information technology, office supplies, marketing and advertising costs, travel costs and some Other expenses.

In Qatari Riyal	Q1 2023	Q1 2022
Administrative and General expenses	(12,821,525)	(11,095,062)
As a percentage of revenue (%)	%43	%35

### Financing Cost

The financing cost is interest and Murabaha expenses on loans and bank facilities, in addition to interest expenses on lease liabilities. The following table shows the amounts of these expenses and their percentage of revenues:

In Qatari Riyal	Q1 2023	Q1 2022
Financing Cost	(865,583)	(1,296,942)
As a percentage of revenue (%)	3%	4%

Financial charges decreased by 33% from 1.2 million Qatari riyals in 2022 to 865 thousand Qatari riyals in 2023. This reflects the group's ability to pay its financiers obligations and its ability to finance its business through its periodic profits. The group has five loans and bank facilities with profit and interest rates ranging between 4% and 6.5%, and the maturity period of these loans is until the end of 2024.

### Net profit for the period

During 2023, the net profit of the owners of the group is 1.897 million Qatari riyals, with a growth rate of 80 % compared to the previous period 2022, which was 1.052 million Qatari riyals.

In Qatari Riyal	Q1 2023	Q1 2022
Net profit for the year	1,897,208	1,052,124
As a percentage of revenue (%)	6.4%	3.4%

## 6. Expectations for the future period

The overall financial results clearly indicate an improvement in our business performance. Looking to the future, we will continue our growth plans by providing distinguished educational services.

Within future plans, the company's strategy is based on creating opportunities, establishing partnerships, achieving growth, and reducing risks by selecting projects and investment opportunities with high profit margins and risk ratios commensurate with the targeted return.

As part of the Board of Directors and Executive Management's efforts to develop the company's performance, we emphasize that it is studying long-term investment opportunities that allow the company to strengthen its leading position, expand in the local and international market, diversify sources of income, and provide the best return to shareholders.

In addition, the company will continue to support its subsidiaries to maintain a high level of performance in providing its educational mission, which will reflect positively on the company's activity in the coming future years.

## 7. Subsequent events (after the end of the financial period)

There are no subsequent events after the financial year ending on August 31, 2023 other than those disclosed.