

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

**LIMITED REVIEW REPORT
AND INTERIM SEPARATE FINANCIAL
STATEMENTS FOR THE THREE-MONTH PERIOD
ENDED 30 NOVEMBER 2025**

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Interim separate financial statements - For the three-month period ended 30 November 2025

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*Limited review report
On the interim separate financial statements*

To the Board of Directors of Taaleem Management Services S.A.E.

Introduction

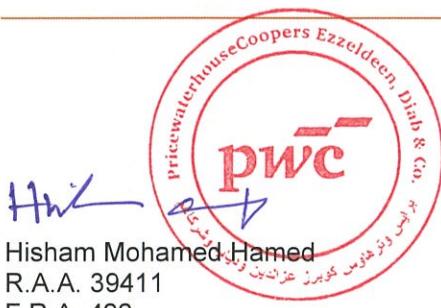
We have conducted a limited review for the accompanying interim separate statement of financial position of Taaleem Management Services S.A.E. (the "Company") as of 30 November 2025 and the related interim separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Egyptian Accounting Standards, and our responsibility is limited to expressing a conclusion on these interim separate financial statements based on our limited review.

Scope of the limited review

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian 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 on these interim separate financial statements.

Conclusion

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as of 30 November 2025, and its financial performance, and its cash flows for the three-month period then ended in accordance with Egyptian Accounting Standards.



15 January 2026

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Interim separate statement of financial position – As of 30 November 2025

(All amounts in Egyptian Pounds)	Note	30 November 2025	31 August 2025
Assets			
Non-current assets			
Fixed assets	5	25,627,999	18,992,304
Investments in subsidiaries	6	2,105,696,055	1,877,418,290
Right of use assets	10	8,645,571	9,346,563
Deferred tax assets	14	12,011,845	11,047,596
Total non-current assets		2,151,981,470	1,916,804,753
Current assets			
Debtors and other debit balances	7	23,477,720	18,109,695
Due from related parties	8/A	8,173,203	38,157,069
Cash and cash equivalents	9	5,719,394	3,374,868
Total current assets		37,370,317	59,641,632
Total assets		2,189,351,787	1,976,446,385
Equity and liabilities			
Equity			
Paid-up capital	11	734,037,191	730,250,000
Reserves	12	30,800,431	37,699,041
Share Premium		36,281,291	-
Retained earnings		477,109,922	452,982,719
Total equity		1,278,228,835	1,220,931,760
Liabilities			
Non-current liabilities			
Lease liabilities	15	10,538,472	11,482,960
Total non-current liabilities		10,538,472	11,482,960
Current liabilities			
Creditors and other credit balances	16	27,887,016	12,404,609
Lease liabilities	15	3,600,534	3,399,780
Due to related parties	8/B	729,378,533	612,467,778
Current income tax liabilities	17	97,748,581	67,462,742
Employee stock ownership plan	13	41,969,816	48,296,756
Total current liabilities		900,584,480	744,031,665
Total liabilities		911,122,952	755,514,625
Total liabilities and equity		2,189,351,787	1,976,446,385

- The accompanying notes on pages 7 – 37 form an integral part of these interim separate financial statements.
- Auditor's report attached.


Mr. Khaled Khater
Chief Financial Officer

15 January 2026


Eng. Mohamed El Rashidi
Chief Executive Officer

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Interim separate statement of profit or loss
For the three-month period ended 30 November 2025

(All amounts in Egyptian Pounds)

	Note	30 November 2025	30 November 2024
Management fees		159,094,987	101,012,488
Salaries		(14,751,848)	(12,485,702)
Board remuneration		(2,010,000)	(1,210,000)
Professional fees		(4,952,933)	(5,956,732)
Employee stock ownership plan expense	13	(21,853,946)	(7,890,449)
Other expenses	18	(2,855,737)	(1,906,370)
Right-of-use assets depreciation	10	(700,992)	(700,992)
Fixed Assets depreciation	5	(1,557,569)	(901,845)
Comprehensive medical expense		(397,829)	(252,634)
Finance income	19/A	666,551	449,584
Finance cost	19/B	(378,662)	(444,833)
Other income		<u>39,930</u>	<u>36,300</u>
Profit before tax		110,341,952	69,748,815
Income tax	20	(29,321,590)	(17,797,927)
Profit for the period		81,020,362	51,950,888

Earnings per Share

Basic earnings per share	21	0.100	0.064
Diluted earnings per share	21	0.100	0.064

- The accompanying notes on pages 7 – 37 form an integral part of these interim separate financial statements.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

**Interim separate statement of comprehensive income
For the three-month period year ended 30 November 2025**

(All amounts in Egyptian Pounds)	30 November 2025	30 November 2024
Profit for the period	81,020,362	51,950,888
Other comprehensive income	-	-
Total comprehensive income for the period	<u>81,020,362</u>	<u>51,950,888</u>

- The accompanying notes on pages 7 – 37 form an integral part of these interim separate financial statements.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Interim separate statement of changes in equity
For the three-month period year ended 30 November 2025

(All amounts in Egyptian Pounds)	Paid-up capital	Reserves	Retained earnings	Share premium	Total
Balance at 1 September 2024	730,250,000	10,256,045	333,149,734		- 1,073,655,779
Transfer to legal reserve	-	10,888,435	(10,888,435)		-
Profit share distribution to board members and employees	-		(45,843,038)		- (45,843,038)
Total comprehensive income for the period	-		51,950,888		- 51,950,888
Balance at 30 November 2024	730,250,000	21,144,480	328,369,149		- 1,079,763,629
Balance at 1 September 2025	730,250,000	37,699,041	452,982,719		- 1,220,931,760
Transfer to legal reserve	-	9,655,951	(9,655,951)		-
Paid up Capital Increase	3,787,191	-	-		3,787,191
Share Premium	-	-	- 20,493,492		20,493,492
Employee stock ownership plan	-	(16,554,561)	766,762	15,787,799	-
Profit share distribution to board members and employees	-		(48,003,970)		- (48,003,970)
Total comprehensive income for the period	-		81,020,362		- 81,020,362
Balance at 30 November 2025	734,037,191	30,800,431	477,109,922	36,281,291	1,278,228,835

- The accompanying notes on pages 7 – 37 form an integral part of these interim separate financial statements.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Interim separate statement of cash flows
For the three-month period year ended 30 November 2025

(All amounts in Egyptian Pounds)	<u>Note</u>	30 November 2025	30 November 2024
Cash flows from operating activities			
Profit for the period before tax		110,341,952	69,748,815
Adjustments for:			
Fixed assets depreciation	5	1,557,569	901,845
Right of use assets depreciation	10	700,992	700,992
Interest income	19	(666,551)	(446,928)
Interest expense – lease	15	375,203	444,833
Employee stock ownership plan expense	13	21,853,946	7,890,449
Operating profit before changes in current assets and liabilities		134,163,111	79,240,006
Changes in operating assets and liabilities			
Debtors and other debit balances		(5,368,025)	(8,904,441)
Due from related parties		29,983,866	(14,667)
Due to related parties		116,910,755	194,289,980
Creditors and other credit balances		7,795,013	(10,179,830)
Net cash flows generated from operating activities		283,484,720	254,431,048
Cash flows from investing activities			
Payments for purchase of fixed assets	5	(8,193,264)	(783,012)
Interest received	19	666,551	446,928
Investments in subsidiaries	6	(228,277,765)	(120,000,000)
Net cash flows used in investing activities		(235,804,478)	(120,336,084)
Cash flows from financing activities			
Profit share distribution to board members and employees		(48,003,970)	(2,081,665)
Capital increase		3,787,191	-
Lease payments	15	(1,118,937)	(1,017,214)
Net cash flows used in financing activities		(45,335,716)	(3,098,879)
Net change in cash and cash equivalents		2,344,526	130,996,085
Cash and cash equivalents at the beginning of the period	9	3,374,868	13,101,802
Cash and cash equivalents at the end of the period		5,719,394	144,097,887

- Refer to note (9) for the non-cash transactions.
- The accompanying notes on pages 7 – 37 form an integral part of these interim separate financial statements.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

1. Introduction

Taaleem Management Services Company S.A.E (the “Company”) was established on 8 September 2014 in accordance with Law No. 159 of 1981 and its executive regulations under the name of Bisco Investment Company, which is changed on 3 July 2016 to be Taaleem Management Services Company S.A.E. The Company was registered in the commercial register under No. 96337. The Company's term is 25 years from the date of registration in the commercial register.

The Company's head office is located at unit number (N3-01), third floor, Neptune building, number (2), Plot number 12, Crazy water axis, Sheikh Zayed.

The purpose of the Company is general trade, facilities, and institutions services (management. Operational, operational lease as a lessee or lessor, planning, marketing, facilities management), human resources management and training, quality assurance management, conferences and events management, general and educational consultancy services (except consultancy and advisory services in relation to stock exchanges, legal, capital increase & acquisition valuation, and capital market advisory listed under article 27 of capital market law and its executive regulations), private universities establishment and management, educational institutions management under law no, 12/2009, the company is allowed to acquire, merge, or partner with other companies to carry its purpose.

The company's shares were listed on the Egyptian Stock Exchange on April 7, 2021, and the ownership structure changed.

The largest shareholder in Taaleem Management Services is Palm Hills Developments S.A.E. owning 32.4% of the company's capital.

The interim separate financial statements have been approved by the Board of Directors on 15 January 2026, and the general assembly of shareholders has the right to amend these interim separate financial statements after their issuance.

The interim separate financial statements of the Company should be read together with its interim consolidated financial statements for the period ended November 30, 2025, to obtain complete information about the Company's financial position, results of operations, cash flows, and changes in equity.

2. Accounting policies

The principal accounting policies applied in the preparation of the interim separate financial statements are summarized below. They were applied consistently over the presented financial periods unless otherwise stated:

2.1 Basis of preparation of the interim separate financial statements

These interim separate financial statements have been prepared in accordance with Egyptian Accounting Standards and the relevant laws, and based on the historical cost convention, except for the employee stock ownership plan that has been measured at fair value.

The Egyptian Accounting Standards (EAS) require the reference to the International Financial Reporting Standards (IFRS) when there is no EAS or legal requirements that explain the treatment of specific balances and transactions.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.1 Basis of preparation of the interim separate financial statements (continued)

The preparation of the interim separate financial statements in conformity with EASs requires the use of certain critical accounting estimates. It also requires the Company's management to exercise its judgment in the process of applying the Company's accounting policies. Note (4) describes the significant accounting estimations and assumptions of these interim separate financial statements, as well as significant judgments used by the Company's management when applying the Company's accounting policies.

The Company has prepared the interim separate financial statements of the Company and its subsidiaries under the Egyptian Accounting Standards. The interim separate financial statements are available from the Company's management and issued and approved by the board of directors on 15 January 2026. Investments in subsidiaries are presented in these interim separate financial statements and accounted for at cost method.

2.2 Foreign currency transaction

(a) Functional and presentation currency

The functional currency of the entity is the currency of the primary economic environment in which the Company operates "the functional currency". The interim separate financial statements are presented in Egyptian Pounds, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions made in foreign currency during the period are initially recognised in the functional currency of the Company on the basis of translation of foreign currency using the spot prevailing exchange rates between the functional currency and the foreign currency at the date of the transaction and the monetary items denominated in foreign currency are also translated using the closing rates at the end of each financial period.

Foreign exchange gains and losses resulting from the settlement of such monetary items and from the translation of monetary items denominated in foreign currencies are recognised by the Company in the profit and loss in the period in which these differences arise.

Translation differences on non-monetary financial assets and liabilities that are measured by fair value are recognised as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised as profit or loss as part of fair value gain or loss. For available for sale financial assets, which do not represent monetary items (e.g. equity instruments), gains or losses recognised within other comprehensive income.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.3 Fixed assets

The company applies the cost model for measurement of fixed assets, and the fixed assets are recognised on their costs net of the accumulated depreciation and accumulated impairment losses. The cost of fixed asset includes any costs directly associated with bringing the asset to a working condition for its use intended by the management of the company.

The company recognises subsequent costs of the acquisition of the fixed asset as a separate asset, only when it is probable that future economic benefits will flow to the company and the cost of the item can be measured reliably. The company recognises in the carrying value of fixed asset the cost incurred to replace part of that asset at the date such costs are borne, and the carrying amount of replaced parts are derecognised. The company recognises the costs of daily servicing of the fixed assets in the interim separate statement of profit or loss.

The company applies the straight-line method to allocate depreciation of property, plant, and equipment on a systematic basis over their estimated useful lives, except for land, which is considered to have an indefinite useful life. The estimated useful lives for each class of assets are as follows:

Vehicles	4 – 5 years
Electrical devices	4 years
Furniture and office equipment	4 years
Computers	4 years

The Company reviews the residual value of fixed assets and estimated useful lives of fixed assets at the end of each fiscal year and adjusted when expectations differ from previous estimates.

The carrying amount of the fixed asset is reduced to the recoverable amount. If the recoverable amount of an asset is less than its carrying amount. This reduction is considered as a loss resulting from impairment and is recognized in the interim separate statement of profit or loss.

Gains or losses on the disposal of an item of fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the book value of the item and the gain or loss resulting from the disposal of fixed assets is included in the interim separate statement of profit and loss "Other expenses - income".

2.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the interim separate financial statements by using the cost method of accounting. The Cost method require recognition of investment at cost and recording of investment income to the extent of dividends distribution received from investee. The subsidiaries are entities controlled by the Company, a subsidiary is interim separate when the Company 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.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.5 Financial assets

Accounting policies according to the Egyptian Accounting Standard No. (47) "Financial Instruments"

(i) Classification

The company classifies financial assets in the following measurement categories:

- Assets measured at fair value (either through comprehensive income or through profit or loss);
or
- Asset measured at amortized cost. Financial assets at amortized cost consists of debtors and other debit balances, due from related parties and cash and cash equivalents.

The classification depends on the Company's business model for managing the related assets portfolio and the cash flow characteristics of the asset.

As for the financial assets measured at fair value, the profits or losses will be recorded in the interim separate statement of profit or loss or the interim separate statement of comprehensive income. As for the investments in equity instruments not held for trading, it depends on whether the Company has made an irrevocable election at initial recognition to measure the equity investment at fair value through other comprehensive income. Debt instruments are reclassified only when the Company's business model for managing these assets changes.

(ii) Recognition and Derecognition

Regular transactions of financial assets are recognized on the trade date, which is the date the entity commits to the purchase or sale. A financial asset is derecognized when the contractual rights to receive cash flows from the asset expire, or when the entity transfers substantially all the risks and rewards of ownership of the financial asset.

(iii) Subsequent measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iv) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the related assets portfolio and the cash flow characteristics of the asset. There are three measurement categories in which the Company's debt instruments are classified:

- Amortized Cost: Assets held solely to collect the contractual cash flows from the assets; as these cash flows only represents payments of principal and interest is measured at amortized cost. Interest income from these financial assets is presented in finance income using the effective interest method. Any profit or loss resulting from the derecognition of these financial assets is presented in the interim separate profit or loss statements as other income/loss in addition to the foreign exchange gains or losses as other income/loss. Impairment expense is presented as a interim separate line item in the interim separate statement of profit or loss.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.5 Financial assets (continued)

(iv) Debt instruments (continued)

- Fair value through other comprehensive income: Assets held to collect both the contractual cash flows and the cash flows arising from the sale of assets; as these cash flows only represents payments of principal and interest at fair value through Interim separate statement of comprehensive income.
- Movements in the carrying amount are presented through the interim separate statement of other comprehensive income, with the exception of recognizing impairment gains or losses, interest income and foreign exchange gains and losses recognized in the interim separate statement of profit or loss.
- On the financial asset derecognition, retained earnings/losses -previously recognized in the statement of other comprehensive income- from the statement of equity to the statement of profit or losses and recognized in other income/(loss). Interest income from these financial assets is included in financing income using the effective interest method. Foreign exchange gains and losses are presented in other income/(loss) and impairment expense is presented as a interim separate line item in the statement of profit or loss.
- Fair value through profit or loss: Assets not meeting the criteria of amortized cost or fair value through other comprehensive income is measured at fair value through profit or loss. The income or loss from debt instrument that is subsequently measured at fair value through profit or loss in the Interim separate statement of profit or loss (net) included in the other income/loss during the period it was originated in.

2.6 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss (“ECL”) associated with its financial assets carried at amortized cost.

As permitted by EAS 47, the Company applies the simplified approach for ECL debtors and the other debit balances and due from related parties. The Company uses a provision matrix in the calculation of the ECL on debtors and the other debit balances and due from related parties to estimate the lifetime expected credit losses, applying certain provision rates to respective aging buckets.

Expected loss rates are determined using the historical propensity for the receivables to become uncollectible and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability to settle receivables.

Cash and cash equivalents are also subject to the impairment requirements of EAS 47; however, the identified impairment loss was immaterial.

Financial assets are written off when all of the following conditions are met:

- (i) the receivable is at least one year past due,
- (ii) the Company has attempted to recover and engaged in all relevant legal enforcement activities,
- (iii) it is concluded that there is no reasonable expectation of recovery, and
- (iv) the write-off is approved by the management.

Recoveries made are recognized in the interim separate statement of profit or loss.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for reversal at each reporting date.

The carrying amount of the asset is reduced using an impairment account, and the loss is recognized in the separate statement of profit or loss using the expected credit loss model. Amounts subsequently recovered from previously written-off balances are included in the interim separate statement of profit or loss.

2.8 Cash and cash equivalents

In the interim separate statement of cash flows, "cash and cash equivalents" includes cash on hand and with banks and deposits with maturities less than 3 months from the date of placement and treasury bills that are less than 3 months.

2.9 Capital

Ordinary shares

Ordinary shares are classified within equity.

2.10 Leases

Lease contracts are recognized as a right-of-use asset and a corresponding liability on the date the leased asset becomes available for use by the entity. Each lease payment is allocated between the liability and finance costs. Finance costs are charged to the profit or loss statement over the lease term to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the useful life of the asset or the lease term, whichever is shorter.

The entity leases certain buildings as a lessee, which are used to carry out its activities in the field of educational services. The terms of these contracts range from one to five years and do not include any non-lease components.

Lease contracts were accounted for as operating leases until August 31, 2021, and from September 1, 2021, these contracts have been accounted for in accordance with the requirements of Egyptian Accounting Standard No. (49) 'Leases.' Accordingly, the entity recognized right-of-use assets and related lease liabilities.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.10 Leases (continued)

(a) Right of use assets:

Management starts by calculating the initial measurement amount of the lease obligation, at the present value of the unpaid lease payments on that date.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- costs to restore the asset to the conditions required by lease agreements.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets' useful lives. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives.

(b) Lease liabilities.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and adjusts specific to the lease, e.g. term, country, currency and collateral.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.10 Leases (continued)

(b) Lease liabilities (continued)

Lease payments are allocated between principal and finance costs. The finance costs are charged to interim separate profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in interim separate profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.11 Employees' benefits

Employee Profit-sharing

According to Companies law, employees are entitled to profit-sharing equivalent to 10% of the value of cash dividends, not exceeding the total wages at the last fiscal year, according to the proposals made by the company's board of directors and subject to approval by the general assembly of shareholders. Profit sharing is recognised as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

Defined contribution plan

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law No. 79 for the year 1975 and its amendments. The subsidiary's liability is confined to the amount of its contribution. Contributions are charged to the interim separate statement of profit and loss using the accrual basis of accounting.

Employees Share Ownership Plan

Taaleem Management Services Company S.A.E. promises to sell shares to the company's selected employees in accordance with the criteria, principles and rules that are set by the supervisory committee to implement the plan. The main aim of the scheme is to link the interests of the beneficiaries of the scheme with the interests of the Company shareholders and to ensure that highly qualified participants receive the appropriate incentive to support the growth and stability of the Company.

The company's supervisory committee supervises the implementation of the system under the supervision of the company's board of directors.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.11 Employees' benefits (continued)

Elements of the scheme:

- Each beneficiary is granted units that are considered the basis on which allocated shares are calculated.
- The supervisory committee determines the date of the grant.
- The scheme period is seven years starting from the date of listing of the company's shares on the Egyptian Stock Exchange on April 7, 2021.
- The total shares allocated to each beneficiary shall be allocated over five years with each year grant calculated based on the following formula:
 - The difference between the share price on the first trading day of the company's shares on the Egyptian Stock Exchange, which was EGP 5.75, and the share price at the time of exercising the right. Then, the difference is multiplied by the number of units allocated to each participant to calculate the grant. The monetary allocation shall be then divided into three equal values and exercised over three consecutive years through the ownership of shares at the share market price at the time of each exercise.
 - Starting from April 2021, the number of units allocated to the scheme is 83,978,750 units to be allocated over five years for 16,795,750 units per year.
 - The company recognizes the cost related to the services performed by the employees participating in the scheme over the period of performing the service. The company recognizes the obligations related to the scheme at the date of each financial position according to the fair value of the consideration expected to be paid to employees on the date of grant. The fair value of these obligations is estimated at the date of the financial position by taking into consideration all the circumstances related to the cash flows expected to be paid discounted at the market rate of return.

The change in the fair value of these obligations is recognized in the interim separate statement of profit or loss.

During the year, the total employee stock ownership plan expenses amounted to EGP 21,853,946 (30 November 2024: EGP 7,890,449).

2.12 Segments reporting

Business segments are reported in accordance with internally submitted reports to senior management which makes decisions on the resource's allocation and performance assessment of the Company's segments and are represented to the central management committee. The Company has one business segment which provides educational services to the university's students and all its operations are in Egypt.

2.13 Current and deferred income tax

The company recognises the current and deferred tax in the profit or loss for the year. Current and deferred tax is recognised in other comprehensive income or directly in equity if it is related to items recognised - in the same period or different periods.

The income tax for the year is calculated on the basis of the tax laws enacted at the balance sheet date. Management annually evaluates tax situation through tax returns, taking into account the differences that may arise from some interpretations issued by administrative or regulatory authorities, and establishes the appropriate provisions on the basis of amounts expected to be paid to the tax authority.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.13 Current and deferred income tax (continued)

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim separate financial statements.

Deferred tax is determined using tax rates and laws that have been enacted at the date of the interim separate financial statements and are expected to apply when the related deferred income tax asset is used, or the deferred tax liability is settled.

The deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not recognised if it arises from initial recognition of an asset or liability in a transaction - other than a business combination - that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on temporary differences arising from investments in subsidiaries, associates and shares in joint arrangements, except for such cases where the timing of the settlement of the temporary difference is controlled by the Company and it is probable that the temporary differences will not be settled in the foreseeable future. Generally, the Company is unable to control the settlement of the temporary difference for associates, only where there is an agreement in place that gives the Company the ability to control the settlement of the temporary difference.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and equity shares in joint ventures only to the extent that it is probable the temporary differences will be settled in the future and there is future taxable profit available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current taxable liabilities and assets on a net basis.

2.14 Provisions

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as borrowing cost in the statement of profit or loss.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the Company recognises the reimbursement when it is virtually certain that reimbursement will be received if the Company settles the liability. The reimbursement should be recognised as a separate asset in the statement of financial position. The amount recognised should not exceed the amount of the provision.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.15 Creditors and other credit balances

Creditors and other credit balances are recognised initially at the amount of goods or services received from others, whether the invoices received or not. When they are material, goods and services received, as well as the trade payables are recognised at the present value of the cash outflow expected by using the interest rate of similar term loans. Trade payables are then carried at amortised cost using the effective interest rate.

2.16 Revenue recognition

The company recognizes revenue from contracts with customers based on a five-step model as determined in EAS No. 48:

Step (1) Identify the contract with the customer:

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and meets the specified criteria for those rights and obligations.

Step (2) Identify the performance obligations in the contract:

A performance obligation is a promise to transfer a good or service to the customer.

Step (3) Determine the transaction price:

The transaction price is the amount of consideration that the entity expects to be entitled to in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties..

Step (4) Allocate the transaction price to the performance obligations in the contract:

For contracts that include more than one performance obligation, the entity allocates the transaction price to each performance obligation in an amount that reflects the consideration the entity expects to receive in exchange for satisfying each performance obligation.

Step (5) Recognition of revenue when the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, including cash and receivables arising from the provision of educational services in the ordinary course of the entity's business.

Revenue represents the fair value of the consideration received or receivable, including cash and receivables arising from the provision of educational services through the Group's ordinary activities.

Revenue is recognized when it can be measured reliably and when it is probable that the economic benefits associated with the rendering of services will flow to the Group, provided that other conditions specific to each activity of the Group are met. Revenue is not considered reliably measurable unless all related uncertainties have been resolved. The Group bases its estimates on historical results, taking into account the type of customers, the nature of transactions, and the specific arrangements applicable to each.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Accounting policies (continued)

2.16 Revenue recognition (continued)

Below are the types of revenue generated by the Company

a) Administrative and Operational Services Revenue

The company provides management and operational services to the universities it operates, including oversight of academic and administrative processes. Revenue from these services is recognized on an accrual basis, in line with the service period agreed upon in the contracts.

2.17 Dividends

Dividends are recognised as liabilities in the interim separate financial statements upon the approval of the Company's General Assembly of Shareholders. The company is obligated to deduct 10% of the dividend tax from the shareholders' share and pay it within one month from the date of the approval of the ordinary general assembly for dividends.

3. Financial risk management

3.1 Financial risks factors

The Company's activities expose it to a variety of financial risks. These risks include market risks (including foreign currency exchange rate, cash flow and fair value interest rate), credit risk, and liquidity risk. The Company is not exposed to price risk as it doesn't have investments measured at fair value.

The Company's management aims to minimise the potential adverse effects on the Company's financial performance. The Company does not use any derivative financial instruments to hedge specific risks.

(a) Market risk

(i) Foreign currency exchange rate risks

Foreign currency exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates.

At the end of the year, the Company does not have any material monetary assets and liabilities in foreign currency.

(ii) Cash flows and fair value interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in the market's interest rates.

The Company is exposed to interest rate risk on all interest bearing assets and liabilities represented by treasury bills. The Company maintains an appropriate mix of fixed rate and variable rate borrowings to manage the interest rate risk. The impact on profit for the three months period ended 30 November 2025 (30 November 2024) is not material.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

3. Financial risk management (continued)

3.1 Financial risks factors (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, due from related parties and Debtors and other debit balance.

Cash at banks is placed with local banks that are subject to the supervision of the Central Bank of Egypt. Accordingly, the Company's management believes that credit risk resulting from the cash at banks is not material.

Balances exposed to credit risks are as follows:

	30 November 2025	31 August 2025
Due from related parties	8,173,203	38,157,069
Cash and cash equivalents	5,719,394	3,374,868
Debtors and other debit balances*	498,844	403,914
	14,391,441	41,935,851

* Debtors and other debit balances excluding withholding taxes, prepaid expenses and advances to suppliers.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, due to shortage of funding. The company's exposure to liquidity risk results primarily from the lack of offset between the maturities of assets and liabilities.

The management makes cash flow projections on periodic basis and takes the necessary actions in order to ensure sufficient cash is maintained to discharge the Company's liabilities.

The Company's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs to be able to maintain financial terms, guarantees and covenants at all times. Balances due to suppliers are normally settled within 45 days from the date of purchase.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

3. Financial risk management (continued)

3.1 Financial risks factors (continued)

(c) Liquidity risk (continued)

The table below summarises the maturities of the Company undiscounted financial liabilities (excluding income tax liabilities), based on contractual payment dates and current market interest rates.

	Less than 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 year to 5 years	Total
30 November 2025					
Lease liabilities	2,424,367	2,461,665	5,374,634	6,408,533	16,669,199
Creditors and other credit balances	27,887,016	-	-	-	27,887,016
Due to related parties	318,189,974	318,189,974	92,998,585	-	729,378,533
Employee stock ownership plan	-	41,969,816	-	-	41,969,816
Total	348,501,357	362,621,455	98,373,219	6,408,533	815,904,564
31 August 2025					
Lease liabilities	2,312,473	2,461,665	5,251,551	7,762,449	17,788,138
Creditors and other credit balances	12,404,609	-	-	-	12,404,609
Due to related parties	202,024,974	202,024,974	208,417,830	-	612,467,778
Employee stock ownership plan	-	48,296,756	-	-	48,296,756
Total	216,742,056	252,783,395	213,669,381	7,762,449	690,957,281

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the interim separate financial statements. The Company also aims to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Company's debts. The Company's management monitors the capital structure using the ratio of net debt to total capital. Net debt is the total of the due to related parties, lease liabilities and creditors and other credit balances less cash and cash equivalents. The total capital is the Company's total equity as described in the interim separate statement of financial position plus net debt.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

3. Financial risk management (continued)

3.2 Capital risk management (continued)

Net debt to total capital ratio is as follows:

	30 November 2025	31 August 2025
Total debt		
Due to related parties	729,378,533	612,467,778
Lease liabilities	14,139,006	14,882,740
Creditors and other credit balances	27,887,016	12,404,609
Less: Cash and cash equivalents	<u>(5,719,394)</u>	<u>(3,374,868)</u>
Net debt	765,685,161	636,380,259
Total equity	<u>1,278,228,835</u>	<u>1,220,931,760</u>
Total capital	<u>2,043,913,996</u>	<u>1,857,312,019</u>
 Net debt to total capital ratio	 37%	 34%

The table below sets out an analysis of liabilities from financing activities and the movements in the company's liabilities from financing activities for the three-month period ended 30 November 2025 and 31 August 2025. The items of these liabilities are those that are reported as financing in the statement of cash flows.

	Lease liability	Cash and Cash equivalent	Total
Net debt in 31 August 2024	17,542,114	(13,101,802)	4,440,312
Cash flow	(4,340,118)	9,726,934	5,386,816
Lease liabilities (including interest)	1,680,744	-	1,680,744
Net debt in 31 August 2025	14,882,740	(3,374,868)	11,507,872
Cash flow	(1,118,937)	(2,344,526)	(3,463,463)
Lease liabilities (including interest)	375,203	-	375,203
Net debt in 30 November 2025	<u>14,139,006</u>	<u>(5,719,394)</u>	<u>8,419,612</u>

3.3 Fair value estimation

At period-end no financial assets or liabilities were measured at fair value except for the employee stock ownership plan liability. The carrying value of financial assets and financial liabilities classified as current assets or current liabilities in the interim separate statement of financial position at period-end approximates its fair value due to their shorter maturities.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

4. Critical accounting estimates and judgment

4.1 Critical accounting estimates and assumptions

Estimates and assumptions are evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. In general, applying the Company's accounting policies does not require management to use professional judgments that may have significant impacts on the amounts recognised in the interim separate financial statements.

4.2 Estimation of useful lives for fixed assets

The estimation of the useful lives of items of fixed assets is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and the estimated period during which the assets are expected to earn benefits for the Company. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) the technical or commercial obsolescence arising from changes in market conditions.

4.3 Impairment of financial assets

Expected credit losses for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses a range of significant judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history and current market conditions as well as future estimates at the end of each year. Expected loss rates are based on historical credit losses and historical loss rates are adjusted to reflect current and future information about macroeconomic factors that affect customers' ability to settle receivables. The Company has determined GDP and therefore adjusts historical loss rates based on expected changes in these factors.

4.4 Depreciation of right of use assets

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

**Notes to the interim separate financial statements
For the three-month period year ended 30 November 2025**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

5. Fixed assets

	Vehicles	Electrical devices	Furniture & office equipment	Computers	Projects under construction	Total
Year ended 31 August 2025						
Opening net book value	5,242,202	75,238	3,138,802	294,083	2,807,522	11,557,847
Additions	6,800,000	81,136	-	149,400	5,081,331	12,111,867
Transferred from projects under construction	-	-	-	7,888,853	(7,888,853)	-
Depreciation expense	(2,687,148)	(49,248)	(1,761,513)	(179,501)	-	(4,677,410)
Net book value	9,355,054	107,126	1,377,289	8,152,835	-	18,992,304
At 31 August 2025						
Cost	15,886,060	586,438	8,225,787	9,853,800	-	34,552,085
Accumulated depreciation	(6,531,006)	(479,312)	(6,848,498)	(1,700,965)	-	(15,559,781)
Net book value	9,355,054	107,126	1,377,289	8,152,835	-	18,992,304
Period ended 30 November 2025						
Opening net book value	9,355,054	107,126	1,377,289	8,152,835	-	18,992,304
Additions	4,982,000	-	-	1,170,624	2,040,640	8,193,264
Depreciation expense	(813,454)	(12,089)	(436,288)	(295,738)	-	(1,557,569)
Net book value	13,523,600	95,037	941,001	9,027,721	2,040,640	25,627,999
At 30 November 2025						
Cost	20,868,060	586,438	8,225,787	11,024,424	2,040,640	42,745,349
Accumulated depreciation	(7,344,460)	(491,401)	(7,284,786)	(1,996,703)	-	(17,117,350)
Net book value	13,523,600	95,037	941,001	9,027,721	2,040,640	25,627,999

The company does not have fixed assets that are temporary idle or discontinued.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

6. Investments in subsidiaries

Company	Country of incorporation	Share %	30 November 2025	31 August 2025
Nahda University LP & Nahda University	Egypt	98.9%	730,263,466	730,263,466
Nahda University for Education and Management Services Company S.A.E.	Egypt	99.9%	249,978	249,978
Nahda Education Company S.A.E.	Egypt	99.9%	12,000,000	12,000,000
Badya International University Company for Education S.A.E.	Egypt	60%	816,000,000	660,000,000
SB Investment Company S.A.E.	Egypt	32%	547,182,611	474,904,846
			2,105,696,055	1,877,418,290

Nahda Education Company S.A.E. Nahda University LP and Nahda University

In 2006, a presidential decree was issued granting the right to a group of founders (the predecessor founders) to establish Nahda University “The University”.

On 6 September 2015, Taaleem Management Services Company S.A.E. acquired one share in Nahda Education Company S.A.E. for a nominal amount to enable it to subscribe in the Nahda Education Company S.A.E. share capital increase from EGP 250,000 to EGP 10 million. The Company general assembly approved the share capital increase on 10 September 2015. Taaleem Management Services Company “S.A.E” was the sole subscriber to the Nahda Education Company S.A.E. capital increase (only 25% of the share capital increase was paid).

On 9 September 2015, the predecessor ultimate parent paid 730,263,464 Egyptian Pounds and entered into an investment agreement to acquire 97.72% of Nahda University founder share and 100% of Nahda Education Company S.A.E. which in turn own 98.73% of Nahda LP. On 10 September 2015, Nahda Education Company S.A.E. entered into an assignment agreement with the University's founders whereby they have contractually passed to Nahda Education Company S.A.E. all their beneficial rights in the University. Subsequently, during 2019 a presidential decree issued to transfer 97.72% of the university's predecessor founders' rights to Nahda University for Education and Management Services Company S.A.E (the New Founder).

On 10 September 2015, Taaleem Management Services Company S.A.E. entered into a management agreement with Nahda University, which was subsequently revised on 1 June 2016. As per the revised management agreement, Taaleem Management Services Company S.A.E. became entitled to a management fee and can unilaterally direct the relevant activities of the University, drive key decisions, be exposed to variable return as a result of the University's performance, and manage the day-to-day activities of the University. By virtue of this revised management agreement and the above other arrangements, Taaleem Management Services Company S.A.E. obtained control over the Nahda University's business and consolidated the University's business in its financial statements from that date.

On 31 October 2016, Taaleem Management Services Company S.A.E. acquired the remaining 2.5% in Nahda Education Company S.A.E. to become a wholly owned subsidiary.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

6. Investments in subsidiaries (continued)

Nahda Education Company S.A.E. Nahda University LP and Nahda University (continued).

On 11 August 2020, Taaleem Management Services Company S.A.E. acquired an additional 0.18% of Nahda LP and 0.71% of the University founder share for an EGP 2,000,000 consideration. After the transaction, Taaleem and Nahda Education S.A.E. ownership in Nahda LP became 98.9%.

Nahda University for Education And Management Services Company S.A.E

In October 2017, Taaleem Management Services Company “S.A.E” established Nahda University for Education Management Services Company S.A.E. which was registered in the commercial register under No. 111584 on 26 October 2017 (the “Established entity”). At the date of establishment Taaleem Management Services Company S.A.E owned 48%.

On the 19th of September 2019, the Company entered into a nominee agreement with a shareholder that owns 52% (“the Shareholder”) of the established entity. The agreement concluded that the shareholder is a nominee of the company with the assignment of the title of the shares along with the attached voting, managerial, and distribution rights to the Company. Accordingly, the Company concluded that it controls the established entity starting from the date of the agreement.

Badya International University company for Education S.A.E, (previously, Egyptian International Higher Education S.A.E.)

On 1 February 2021, Taaleem Management Services Company “S.A.E” established Badya International University company for Education S.A.E, previously, Egyptian International Higher Education S.A.E. which was registered in the commercial register under No. 161102 (the “Established entity”). At the date of establishment Taaleem Management Services Company “S.A.E” owned 60% and Palm Hills for Education S.A.E owned 40%.

The Company controls the established entity starting from the date of the presidential decree issued on 12 August 2023 to establish a private university under the name “Badya University”.

The extraordinary general assembly meeting held on 20 May 2024 decided to change the Company's name from Egyptian International Higher Education S.A.E. to Badya International University company for Education S.A.E.

The increase in investment in Badya International University company for Education S.A.E, previously, Egyptian International Higher Education S.A.E of EGP 156,000,000 was paid during the financial period ended 30 November 2025 to complete the subsidiary's issued capital as per the board meetings held on 3 September 2025 and 23 October 2025 respectively.

The signed shareholders agreement includes two exercisable put options granted by “Taaleem for Management Services” (shareholder-60% ownership) to “Palm Hills for Education” (shareholder-40% ownership) to be exercised on specific future dates which give “Palm Hills” the option to sell its shares in the jointly incorporated company “Badya International University company for Education S.A.E, previously, Egyptian International Higher Education S.A.E.” (The investee) to “Taaleem” in exchange for specific consideration which is either the strike price mentioned for options 1 or 2 in the shareholders agreement.

The strike price for the first put option is calculated as the average of both 10x the EBITDA of Badya International University company for Education S.A.E, previously, Egyptian International Higher Education S.A.E. and the fair value of its shares exercisable at any time within the put option period which is 36 months commencing after the lapse of 24 months from the date the University commences accepting student admissions.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

6. Investments in subsidiaries (continued)

Badya International University company for Education S.A.E, (previously, Egyptian International Higher Education S.A.E.) (continued)

The strike price for the second put option shall be the entire value of the land of the currently under construction university "Badya University" exercisable on 31 August 2028.

The Company would recognize any put option liability for the variance between the option's exercise price and the fair value of the shares subject matter to the option. The management has assessed the impact of granting the put options on the interim separate financial statements and no adjustments were needed since the option price is directly linked to the fair value of the shares subject to the put option, however, there is a put option liability recognized on the group's consolidated interim financial statements amounting to EGP 645,681,025 at 30 November 2025 (31 August 2025: EGP 612 million).

SB Investment Company S.A.E.

In November 2022, Taaleem Management Services S.A.E. signed a subscription agreement and a shareholders agreement to become a shareholder in SB Investment Company S.A.E. (the 'investee'), an established company whose primary objective is to carry out the business, and wholly own, develop and manage "Memphis University" (the 'University').

On 27 March 2023, the existing shareholders of SB Investment Company held the capital increase extraordinary general assembly meeting allowing Taaleem Management Services to subscribe and become a 32% shareholder in SB Investment Company S.A.E. The transaction was completed after fulfilling the agreement and completing all the required procedures.

The ownership percentage of Taaleem Management Services Company S.A.E. in SB Investment Company reached 32% through a capital increase of 294 million Egyptian pounds. Taaleem Management Services paid the remaining amount of EGP 20,500,000 to the previous shareholders according to the subscription agreement.

In the shareholders agreement signed between Taaleem Management Services S.A.E. and the existing shareholders of SB Investment Company S.A.E., granted Taaleem Management Services S.A.E. the control over SB Investment S.A.E. Company, and full control over the University, as follows:

Management has concluded that the company controls SB Investment Company S.A.E. (the 'subsidiary'), even though it holds 32% of the voting rights of this subsidiary. This is because the Company is able to use its power over the entity to affect those returns as a result of the shareholders agreement between the Company and the existing shareholders, which grants Taaleem Management Services S.A.E. full control over the University and full control over the Company. At all times, Taaleem shall have the sole right to the following:

- The right to appoint, and direct the Board of Trustees of Memphis University
- The right to appoint the Board of Trustees' president and vice presidents
- The right to appoint the key personnel of the University
- The right to appoint the CEO, CFO and key personnel of the Company
- Manage the Company and the University, and direct the day-to-day operations of the Company and University
- Formulate and implement strategies, business plans, and budget of the Company and University.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

6. Investments in subsidiaries (continued)

SB Investment Company S.A.E. (continued)

During the financial year ended 31 August 2025, an additional investment of EGP 112,000,000 was paid to SB Investment Company S.A.E to complete the share capital of the subsidiary.

An additional investment of EGP 72,277,764 was paid in SB Investment Company S.A.E during the financial period ended November 30, 2025, to complete the subsidiary's share capital in accordance with the Board of Directors' meetings held on September 2, 2025, and October 15, 2025, respectively.

On August 28, 2024, a presidential decree was issued granting shareholders the right to establish Memphis University ("the University"). The University commenced its actual operations on September 1, 2025, with its first academic year being 2025/2026

The shareholders agreement includes a 'Call Option' granting Taaleem Management Services Company the right to purchase 19% of the shares of the subsidiary from the existing shareholders, which would increase Taaleem's ownership to 51% in SP Investments LLC. This option can be exercised upon the completion of the University's first academic year and for a period of 12 months ('Call Option Exercise Period').

The shareholders agreement includes a 'Put Option' for the existing shareholders. If Taaleem Management Services Company does not exercise the Call Option, the existing shareholders shall have the right to require Taaleem Management Services Company to purchase a 19% stake from the existing shareholders at the fair value of the shares on a specified date. This option can be exercised upon the expiry of the Call Option exercise period and for a duration of 12 months ('Put Option Exercise Period').

The company will recognize any put option liability for the difference between the option exercise price and the present value of the shares subject to the option agreement. Management has assessed the impact of granting the put option on the separate financial statements and concluded that there are no material adjustments, as the put option is linked to the current value of the shares subject to the option. However, a put option liability amounting to EGP 385,417,962 has been recognized in the consolidated interim financial statements of the Group as of 30 November 2025 (31 August 2025: EGP 365 million).

7. Debtors and other debit balances

	30 November 2025	31 August 2025
Withholding tax	16,895,474	12,122,390
Advances to suppliers	482,256	482,371
Prepaid expenses	5,601,146	5,101,020
Due from employees	498,844	403,914
	23,477,720	18,109,695

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

8. Related party balances / transactions

The Company entered into several transactions with companies and entities that are included within the definition of related parties, as stated in Accounting Standard (15), "Disclosure of related parties". The management decides the terms and conditions of transactions and services provided from/ to related parties, as well as other expenses. Below is the statement that shows the nature and amounts of the transactions with related parties during the year:

(a) Due from related parties:

<u>Nature of the entity's relationship</u>	<u>30 November 2025</u>	<u>31 August 2025</u>
Subsidiary	8,173,203	38,157,069

(b) Due to related parties:

<u>Nature of the entity's relationship</u>	<u>30 November 2025</u>	<u>31 August 2025</u>
Subsidiary	729,378,533	612,467,778

(c) Key management compensation

	<u>30 November 2025</u>	<u>30 November 2024</u>
Salaries	8,716,973	8,076,142
Profit distribution	27,282,836	22,696,700
Board meeting attendance	2,010,000	1,210,000
Employee stock ownership plan payment	27,934,104	-
	<u>65,943,913</u>	<u>31,982,842</u>

(d) Transactions with related parties

<u>Nature of the entity's relationship</u>	<u>Nature of transactions</u>	<u>30 November 2025</u>	<u>30 November 2024</u>
Subsidiaries	Management fees collected in advance	116,910,754	612,467,778
	Management fees*	(175,004,485)	(444,454,947)
	Expenses paid on behalf the subsidiaries	(16,132)	(59,638)
	Transfers	30,000,000	(30,000,000)
	Collection from managements fees	<u>175,004,485</u>	<u>108,794,075</u>

* Management fees

On 1 June 2016, Taaleem Management Services signed a management contract with Nahda University. Pursuant to the contract, the University is entitled to receive technical managerial and educational consultation services. The contract entitled the Company "Taaleem" to the right to set strategic, educational, operational, and financial plans for the University for the contract term, which is 30 years starting from 9 September 2015 and ending 8 September 2045.

The company has a subordination agreement in respect of a tri-party agreement on December 29, 2022 between Al-Nahda University, Ahli United Bank, and Taaleem Management Services Company (Guarantor), whereby Taaleem Management Services Company agreed to suspend the payment of the management fees received from Nahda University in case of Nahda defaulting on any loan repayments due. The loan amount is EGP 310 million on 30 November 2025.

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(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

9. Cash and cash equivalents

	30 November 2025	31 August 2025
Bank current accounts	5,719,394	3,374,868

Current accounts with banks are with local banks that are under the supervision of the Central Bank of Egypt. The average interest rate on current accounts during the period is 18% (31 August 2025: 20.75% per annum).

Non-cash transactions in the cash flow as follows:

	30 November 2025	30 November 2024
Profit share distribution to board members and employees in creditors and other credit balance	-	43,761,373
Employee stock ownership plan (Share premium)	36,281,291	-

10. Right of use assets

The right of use assets represents lease contracts related to the managerial head quarter of the company and was measured at a carrying amount as if the standard had been applied since the inception of the lease but discounted using the lending rate to the lessee at the date of application, and it is subsequently amortized over the life of the lease using the straight-line method.

	30 November 2025	31 August 2025
Balance at the beginning of the period/year	9,346,563	12,150,531
Depreciation during the period/year	(700,992)	(2,803,968)
Balance	8,645,571	9,346,563

Lease payments are discounted at an incremental borrowing rate in the lease. If this rate cannot be determined, then the borrowing rate of the lessee is used, which is the rate that the lessee would have to pay to borrow the money needed to obtain an asset of similar value in a similar economic environment with similar terms and conditions. An average interest rate of 10.75% has been used.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

11. Paid-up capital

The authorized capital of the company amounted to 2,000,000,000 Egyptian pounds according to the extraordinary general assembly held on December 17, 2020.

The Company issued capital amounted to EGP 734,037,191 distributed to 734,037,191 shares with a par value of EGP 1 for each share.

The Board of Directors unanimously approved the adoption of the disclosure form in accordance with Article (48) of the Listing and Delisting Rules of the Egyptian Exchange regarding the amendment of Articles (6-7) of the Company's Articles of Association by increasing the issued share capital from EGP 730,250,000 to EGP 734,037,191 through retained earnings and a special reserve (share premium), in implementation of the employee, managers, and executive board members' incentive and reward plan approved by the Financial Regulatory Authority in May 2021. This increase was made through the issuance of 3,787,191 shares, based on the recommendation of the Supervisory Committee for the application of the incentive and reward plan dated April 9, 2025. It is noted that the issued share capital is fully paid as per the commercial register annotation dated June 11, 2020, and the increase amounted to EGP 3,787,191.

The paid-up capital of the nominal value as at 30 November 2025 and 31 August 2025 is allocated as follows:

Name	Nationality	No. of shares	Value of shares	Paid up capital
30 November 2025				
Palm Hills	Egyptian	238,166,695	238,166,695	238,166,695
Developments S.A.E.		183,551,108	183,551,108	183,551,108
Thebes CV	Netherlands	312,319,388	312,319,388	312,319,388
Other shareholders	Egyptian and foreign	734,037,191	734,037,191	734,037,191

Name	Nationality	No. of shares	Value of shares	Paid up capital
31 August 2025				
Palm Hills	Egyptian	238,166,695	238,166,695	238,166,695
Developments S.A.E.		152,045,115	152,045,115	152,045,115
Thebes CV	Netherlands	340,038,190	340,038,190	340,038,190
Other shareholders	Egyptian and foreign	730,250,000	730,250,000	730,250,000

The Company was established on 8 September 2014 with EGP 250,000 issued capital, and as permitted by the law. 25% of issued capital amounting to EGP 62,500 has been paid and the remaining amount to be completed within a five-year period. On 14 May 2019 the Company's board of directors approved the completion of the paid-in capital and payment of the EGP 187,500 remaining amount. The Company registered the fully paid issued capital of EGP 250,000 in its commercial register on 17 June 2019.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

11. Paid-up capital (continued)

The extraordinary general meeting was held on 14 January 2020 and unanimously approved to increase the Company's authorized capital to EGP 1,000,000,000 (one billion Egyptian Pounds) and increase the Company's issued capital to EGP 730,250,000 (seven hundred thirty million two hundred fifty-thousand Egyptian Pounds).

The meeting also registered the payment of EGP 306,600,000 and the amount registered in the commercial register on 11 February 2020 which represents 42% of the EGP 730,000,000 issued capital increase.

On February 2020, EGP 292,000,000 was paid, increasing the total paid-in capital of the Company to EGP 598,850,000 and the amount registered in the commercial register on 8 March 2020.

On May 2020, EGP 131,400,000 was paid, increasing the total paid-in capital of the Company to EGP 730,250,000 and the amount was registered in the commercial register on 11 June 2020.

On December 17, 2020, the Extraordinary General Assembly agreed to split ten shares for one share of its ordinary share. Accordingly, the nominal value of the shares became 1 EGP instead of 10 EGP per share before the division and the number of issued shares became 730,250,000 instead of 73,025,000 shares. In addition, the Extraordinary General Assembly approved an increase in the authorized capital from EGP 1,000,000,000 to EGP 2,000,000,000.

On April 2021, the company's shares were offered on the Egyptian Stock Exchange, and 357,822,200 shares were offered at a value of 2,057,477,650 Egyptian pounds, and thus, the company's ownership structure changed after the subscription. During the period, Sphinx purchased 7,685,288 shares of the offered shares, with a value of 44,190,406 Egyptian pounds.

Sphinx Obelisk, (the former direct parent company) of Taaleem Management Services has sold its entire stake to its shareholders.

The largest shareholder in Taaleem Management Services is Palm Hills Developments S.A.E. with 32.4% ownership.

12. Reserves

	30 November 2025	31 August 2025
Legal reserve *	30,800,431	21,144,480
Employee stock ownership plan	-	16,554,561
	30,800,431	37,699,041

* In accordance with the Companies law number 159 for year 1981, 5% of the net profit of the year is transferred to the legal reserve. This transfer may be partially discontinued if the legal reserve reaches 50% of the issued capital. This reserve is not available for distribution to shareholders.

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Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

13. Employee stock ownership plan

	30 November 2025	31 August 2025
Balance at the beginning of the period/year	48,296,756	12,572,692
Expenses during the period/year	21,853,946	35,724,064
Settlements during the period/year	(28,180,886)	-
Balance at the end of the period/year	41,969,816	48,296,756

The total shares allocated for The employee stock ownership plan's reward are determined over a 5-year period, with the annual grant calculated based on the difference between the share price at the beginning of the year (which was EGP 5.75 for the first tranche of the company's IPO on the Egyptian Exchange) and the share price at the time of exercising the right. The resulting amount is then multiplied by the number of units allocated for each tranche to calculate each tranche's value. This amount is divided into three equal financial values over three consecutive years. The number of shares due each year is calculated by dividing the annual financial value by the share price for that year, resulting in the final shares for the beneficiary.

The current value of the incentive and reward plan for one-year amounts to 16,795,750 units, subject to change based on the share's performance.

14. Deferred tax assets

Deferred income tax is represented in the tax assets and liabilities arising from temporary differences between the tax and accounting basis in the interim separate financial statements.

<u>Deferred tax assets</u>	Balance at 31 August 2025	Movement during the year charged to the statement of profit or loss	Balance at 30 November 2025
Fixed assets	155,242	964,249	1,119,491
Lease liabilities	867,472	-	867,472
Employee stock ownership plan	10,024,882	-	10,024,882
Net deferred tax assets	11,047,596	964,249	12,011,845

<u>Deferred tax assets</u>	Balance at 1 September 2024	Movement during the year charged to the statement of profit or loss	Balance at 31 August 2025
Fixed assets	588,631	(433,389)	155,242
Lease liabilities	1,213,107	(345,635)	867,472
Employee stock ownership plan	1,986,968	8,037,914	10,024,882
Net deferred tax assets	3,788,706	7,258,890	11,047,596

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

**Notes to the interim separate financial statements
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(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

15. Lease liabilities

Liability represents current value for rent liability related to managerial quarter of the company got in exchange with Contract Lease, and it has been evaluated with current value of contractual lease payments discounted at an incremental borrowing rate of 10.75%.

	30 November 2025	31 August 2025
Current value		
Less than one year	3,600,534	3,399,780
More than one year	10,538,472	11,482,960
	<u>14,139,006</u>	<u>14,882,740</u>

The lease movements are presented as follows:

	30 November 2025	31 August 2025
Balance at the beginning of the period/year	14,882,740	17,542,114
Add: interest charged during the period/year	375,203	1,680,744
Less: lease payments during the period/year	(1,118,937)	(4,340,118)
Lease liabilities at the end of the period/ year	<u>14,139,006</u>	<u>14,882,740</u>

The lease commitments undiscounted are as follows:

	30 November 2025	31 August 2025
Managerial head quarter office		
Less than six months	2,424,367	2,312,473
From six months to one year	2,461,665	2,461,665
From one year to two years	5,374,634	5,251,551
From one year to five years	6,408,533	7,762,449
	<u>16,669,199</u>	<u>17,788,138</u>

16. Creditors and other credit balances

	30 November 2025	31 August 2025
Accrued expenses	8,526,584	7,249,507
Tax authority	18,619,181	4,436,227
Social insurance authority	616,100	593,977
Others	125,151	124,898
	<u>27,887,016</u>	<u>12,404,609</u>

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**Notes to the interim separate financial statements
For the three-month period year ended 30 November 2025**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

17. Current income tax liabilities

	30 November 2025	31 August 2025
Balance at the beginning of the period/year	67,462,742	67,528,143
Current income tax for the period/year	30,285,839	67,911,648
Paid during the period/year	-	(55,854,744)
Settlement during the period/year	-	(12,122,305)
	<u>97,748,581</u>	<u>67,462,742</u>

18. Other expenses

	30 November 2025	30 November 2024
Maintenance fees	661,803	595,938
Advertising	532,950	140,220
Social insurance	387,294	195,338
Social Security Contributions	176,996	158,105
Transportation	66,176	163,919
Bank charges	39,323	32,395
Others	991,195	620,455
	<u>2,855,737</u>	<u>1,906,370</u>

19.A Finance income

	30 November 2025	30 November 2024
Interest income – current accounts	666,551	446,928
Foreign currency exchange gain	-	2,656
	<u>666,551</u>	<u>449,584</u>

19.B Finance cost

	30 November 2025	30 November 2024
Interest expense – lease contracts	375,203	444,833
Foreign currency exchange losses	3,459	-
	<u>378,662</u>	<u>444,833</u>

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**Notes to the interim separate financial statements
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20. Income tax

	30 November 2025	30 November 2024
Current income tax for the period	30,285,839	17,797,927
Deferred income tax for the period	(964,249)	-
	29,321,590	17,797,927

Effective tax rate

The tax on profit before tax theoretically differs from the amount expected to be paid by applying the average tax rate applicable to the Company's profit as follows:

	30 November 2025	30 November 2024
Profit before tax	110,341,952	69,748,815
Income tax based on a tax rate of 22.5%	24,826,939	15,693,483
Non-deductible expenses	4,494,651	2,104,444
Income tax expense	29,321,590	17,797,927
Effective tax rate	26.6%	25.5%

21. Earnings per share

21.1 Basic:

Basic earnings per share is calculated by dividing:

- The profit attributable to the parent company, deducting all the distributions to employees and Board of directors (If any)
- By the weighted average number of ordinary shares outstanding during the year represented by the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued by the Company during the year, and multiplied by the weighted time factor. The weighted time factor represents the number of days in which the number of shares remains outstanding as a fraction of the total number of days in the year.

	30 November 2025	30 November 2024
Net profit for the period	81,020,362	51,950,888
Expected distribution to the employees	(8,102,036)	(5,195,089)
	72,918,326	46,755,799
Weighted average number of shares	732,311,915	730,250,000
Earnings per share	0.100	0.064

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

21. Earnings per share (continued)

21.2 Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares causing the (dilution) decrease.

During the financial year ended 30 November 2025, the Company did not issue any potential ordinary shares that results in a dilution. Hence, the diluted earnings per share is the same as the basic earnings per share.

22. Tax position

22.1 Income tax

Financial years from the date of inception till 31 August 2021:

- Tax returns are regularly submitted on the legal due dates, and the above-mentioned years are currently under inspection according to the income tax law no. 91 for the year 2005 and its amendments.

The year from 1 September 2021 till 31 August 2024:

- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.

The year from 1 September 2024 till 31 August 2025:

- Tax return for this year was prepared and submitted on 31 December 2025, i.e. within the legal deadline.

22.2 Payroll tax

The year from the beginning of the activity till year 2021:

- The company has been examined, with no outstanding claims or disputes related to the period.

The year from year 2022 till 30 November 2025:

- The payroll tax is deducted monthly from the employees and regularly submitted to the Egyptian Tax Authority. The quarterly returns are submitted on the legal due dates and annual settlements are made in January of each year for the year ended 31 December, dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.

22.3 Stamp tax

The year from inception till 31 August 2021:

- The company has been examined, with no outstanding claims or disputes related to the period.

The year from 1 September 2021 till 30 November 2025:

- There were no activities subject to stamp tax during the period, and the company has not been notified of any stamp tax audit request for the aforementioned period up to the date of the consolidated interim financial statements.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Notes to the interim separate financial statements For the three-month period year ended 30 November 2025

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

22. Tax position (continued)

22.4 Withholding tax

The year from the beginning of the activity till 30 November 2025:

- The company regularly applies the withholding tax system and prepares form 41 according to the provisions of the law no. 91 for the year 2005 and the executive regulation implementing the law and the due tax is paid on the legal due dates till the date of the financial statements.

22.5 Value added tax (VAT)

The year from 8 September 2016 till 31 August 2022:

- The company has been registered for the VAT since the beginning of the law no. 67 for the year 2016 and the company has regularly submitted the monthly tax returns on the legal due dates. The year mentioned above has been inspected and with no outstanding claims or disputes related to the period.

The year from 1 September 2022 till 30 November 2025:

- The company regularly submits the monthly tax returns on the legal due dates.

23. Subsequent events

During December 2025, with the continued significant decline in inflation rates, the Monetary Policy Committee of the Central Bank of Egypt resumed its monetary easing policy. After keeping interest rates unchanged in its November 2025 meeting (21% for deposits and 22% for lending), the Committee decided in its meeting on December 25, 2025, to cut interest rates by 100 basis points, bringing the deposit rate to 20.00%, the lending rate to 21.00%, and the main operation rate to 20.50%.