

# PROVEN EXPERIENCE

Egypt's Leading Higher  
Education Platform

---

**2021**  
Annual Report



## PROVEN EXPERIENCE

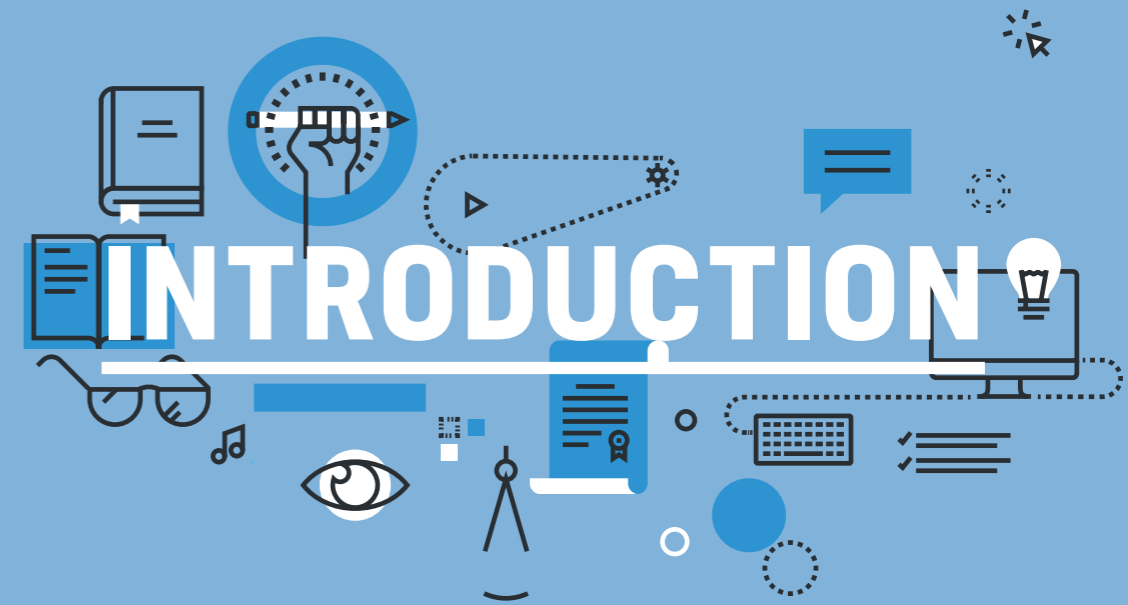
Egypt's Leading Higher  
Education Platform



ST  
T  
N  
E  
T  
N  
G

## 2021 Annual Report

<b>– Introduction</b>	<b>4</b>
Taaleem At a Glance	6
A Note from the Managing Director	10
2020-2021 Highlights	12
<b>– Business Overview</b>	<b>14</b>
Operating Environment	16
Business Model	22
Our Assets	34
Growth Strategy	44
<b>– Sustainability</b>	<b>50</b>
A Culture of Sustainability	52
<b>– Corporate Governance</b>	<b>60</b>
Board of Directors	62
Management Team	70
Governance Structure	80
<b>– Financial Review</b>	<b>96</b>
Management Discussion & Analysis	98
<b>– Financial Statements</b>	<b>108</b>



Taaleem is Egypt's leading higher education platform, providing students with the market's best-value offering and covering a variety of dynamic academic areas.

# Taaleem at a Glance

**Taaleem aims to transform the higher education landscape in Egypt by delivering a best-value offering, high-quality instruction and skills-based learning to the benefit of students and future employers.**

Established in 2015, Taaleem is one of Egypt's leading providers of higher education services and is the tertiary education sector's only pure play firm. The Company operates a platform-based model designed to be sustainably scalable across multiple assets. Taaleem's platform enables it to centralize supporting functions, generate synergies, and exploit economies of scale, allowing its academic institutions to focus on providing each market segment with a tailored value offering and high-quality education that equips students with the skills needed to secure thriving professional careers.

Taaleem's platform-based model has demonstrated its ability to create sustainable value with its success at Nahda University in Beni Suef (NUB),

the Company's first asset. Strategically located in Egypt's most populous region, NUB is Upper Egypt's first and largest private university, catering to a highly underpenetrated area and providing students with access to high-quality education and skill-based learning at competitive price points.

Taaleem's second institution, Badya University, is located in West Cairo and is currently under development. Badya University is being developed in partnership with Palm Hills, one of Egypt's leading real estate developers. Taaleem is constantly exploring new opportunities for sustainable growth, whether through mergers and acquisitions or greenfield projects, with an eye to extending its long record of successes.

## Vision



To be the leading education group in Egypt

## Mission



To serve the community with high-quality, fit-for purpose, skill-based and sustainable higher education provision that optimizes benefits for students and employers

**11K**

Students

Licensed Capacity



**1.8K**

Students

Students Intake

**8**

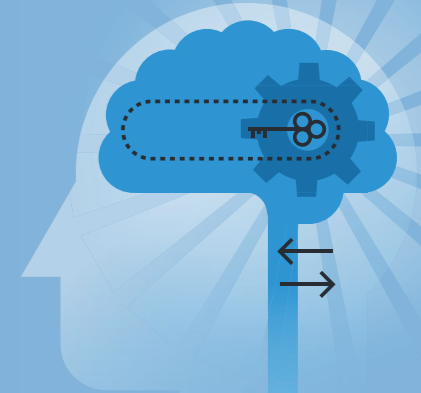
Faculties

Faculties

**6K**

Students

Enrolled Students



**EGP/MN**

**602**

Revenue

**EGP/MN**

**426**

Gross Profit

**EGP/MN**

**185**

Net Profit



**EGP/MN**

**341**

Adj. EBITDA



# Timeline

Taaleem's platform enables it to centralize supporting functions, generate synergies, and exploit economies of scale.



## 2016

- Taaleem Management Services acquired Nahda University in Beni Suef (NUB), an operational private university in Upper Egypt offering six faculties: dentistry, pharmacy, marketing & business administration, media, computer science, and engineering.
- Launched NUB dentistry hospital.



## 2018

- Introduced Aptech English and computer courses at NUB.
- Partnered with MUVI to develop NUB's medical faculty curriculum and related accreditation.
- NUB entered into a right-of-use agreement with Beni Suef Hospital to provide medical students with practical training opportunities.

## 2019

- Constructed and launched medical faculty building; overhauled the university campus and developed the landscape at NUB.
- Acquired c.27 acres of land for NUB campus expansion.
- Partnered with MUVI to develop dentistry faculty curriculum. Received related accreditation from MUVI.
- Began offering on-campus academies by multinational companies, including CISCO, Oracle, and SAP.

## 2020

- Developed a state-of-the-art IT academy.
- Partnered with Palm Hills Developments (PHD), one of Egypt's leading real estate developers, to build a multi-faculty university at PHD's Badya project in West Cairo.
- Launched the physiotherapy faculty at NUB with an initial capacity of 280 students in the first year and 400 going forward.
- Rented a 4,000 sqm building in Beni Suef Smart Village to relocate NUB's engineering faculty while the physiotherapy faculty was launched at the former engineering building, optimizing cash flows.
- Increased NUB faculty of medicine quota from 250 to 400 students.
- Increased NUB computer science quota from 50 to 200 students.
- Increased NUB engineering quota from 225 to 375 students.

## 2021

- Listed Taaleem on the EGX
- Submitted Badya University's comprehensive licensing file to regulatory authorities and received initial approval from Supreme Council of Private Universities (SCPU).
- Taaleem capitalized its Badya University JV with Palm Hills Developments.; JV acquired West Cairo land plot.
- Received approval from SCPU and the Cabinet to establish faculty of arts and faculty of architecture at NUB.
- Commenced construction on NUB's new university hospital.
- NUB acquired license to offer postgraduate degree programs in dental science.
- Signed partnership agreement with Northern Kentucky University (NKU) to offer 2+2 and 3+1 programs to marketing and BA students.



# A Note from the Managing Director



## Mohamed El Rashidi

Managing Director & Chief Executive Officer of Taaleem Management Services

It is my pleasure to present to you Taaleem's Annual Report for FY-2020/21, a year that saw major achievements and milestones and will likely prove transformative for the Company's business moving forward. Important strides were made on the operational, financial, and sustainability fronts, instilling us with confidence that Taaleem is capable of transforming Egypt's higher education sector in a positive and lasting way. Throughout my career, I have never held a more satisfying or fulfilling responsibility than working

in the education sector, developing Egypt's talents and human capital of the future while creating tangible value for all stakeholders involved in the higher education process. With another successful year added to Taaleem's impressive track record, the Company has proven its ability to generate sustainable value for our students, employees, communities, and shareholders.

In April 2021, Taaleem secured a major vote of confidence in its platform-based business model, when the Company completed a historic initial public offering on the Egyptian Exchange. The offering was 29 times oversubscribed, indicating strong interest in our unique value

proposition from a wide and diverse range of investors. A ringing endorsement of our unique value proposition, Taaleem's public offering has set it well on the way to comprehensively institutionalizing every aspect of the Company's operations, supported by an expanded shareholder base, a growing profile on capital markets, and a corporate governance framework which adheres to global best practice.

The Company's first year as a publicly listed company has seen Taaleem's financial and operational performance exceed management expectations. In FY-2020/21, Taaleem booked a record EGP 602.1 million in revenues, an increase of 33.7% year-on-year. Top-line growth was efficiently filtered down the income statement during the year, allowing the Company to achieve a normalized bottom line of EGP 243.0 million and a net profit margin of 40.4%. This strong financial performance comes as Taaleem continued to ramp up operations at Nahda University in Beni Suef (NUB), the Company's currently operational asset, demonstrating the Company's ability to engender efficiencies across its business. Taaleem achieved several important milestones at NUB during the year in its operational asset, launching a faculty of physiotherapy, expanding student quotas at the faculties of physiotherapy, computer science, and engineering, while effectively developing our strategic partnership with the Medical University of Vienna (MUVI) and securing a new partnership with Northern Kentucky University (NKU).

Meanwhile, we continued to give back to communities in Beni Suef and elsewhere in Upper Egypt, with dozens of medical, nutritional, and educational convoys dispatched by NUB to outlying villages since the 2017-2018 academic year. NUB has also refurbished nine hospitals and clinics and provides highly affordable dental care to members of the local community, with

“

The Company is continuously exploring new investment opportunities, ranging from management agreements to greenfield projects and mergers and acquisitions.

more than 240 thousand dental cases covered or directly treated by the university.

As Egypt continues to experience rapid economic growth and the higher education sector continues to develop, we believe that now is the time for investment and growth. Taaleem continues to drive growth at our operational assets, adding new faculties to NUB besides the five new faculties to be housed at the campus extension that we are currently developing and which will also host the university hospital. Taaleem is also making steady progress in its efforts to license and launch Badya University in West Cairo. Badya University holds great potential for growth, marking a major expansion of Taaleem's best-value offering to Egypt's metropolitan core. Taaleem continues to pursue value-based differentiation, with an eye to offering best-value propositions to all of Egypt's geographies and market segments. The Company is continuously exploring new investment opportunities, ranging from management agreements to greenfield projects and mergers and acquisitions.

Heading into FY-2021/22, we are confident that Taaleem will continue to make good on its value proposition while providing an exemplar of sustainable business practice. We will remain squarely focused on supplying best-value propositions wherever we operate, continuously enhancing the academic offerings at our assets and increasing capacity by intensive and extensive means.

# 2020-2021 Highlights

Operations at Taaleem went from strength to strength during FY2020/21, with the rapid expansion at Nahda University in Beni Suef (NUB) successfully accommodating strong demand and helping drive strong financial performance.

## Continuous Operational Expansion

Taaleem's operational asset NUB enjoyed a year of major achievements and milestones.



Total enrolled students at NUB increased by 12.5% y-o-y, reaching 6,273 students for FY-2020/21



Student quota increases were approved by the SCPU for the physiotherapy, computer science, and engineering faculties



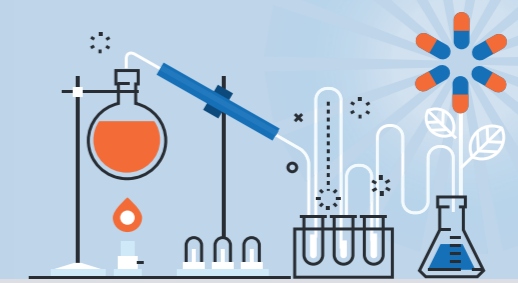
Available student capacity at NUB climbed to 11,035 in FY-2020/21, up by 44% from 7,685 one year previously



Net intake of students at NUB rose by 289% y-o-y, reaching 696 students against 179 in FY-2019/20



NUB has secured a new academic partnership with Northern Kentucky University, with eligible students to be offered 2+2 and 3+1 programs with double accreditation



## Strong Financial Performance

The Company's performance during the year exceeded expectations across key financial indicators.

EGP/MN  
**602**

Revenues in FY-2020/21, up by 34% y-o-y

EGP/MN  
**426**

Gross Profit in FY-2020/21, up by 45% y-o-y, with a GPM of 71% (FY-2019/20: 65%)

EGP/MN  
**341**

Adjusted EBITDA<sup>1</sup> in FY-2020/21, up by 42% y-o-y, with an adjusted EBITDA margin of 57% (FY-2019/20: 53%)

EGP/MN  
**243**

Normalized Net Profit<sup>2</sup> in FY-2020/21, up by 69% y-o-y, with a normalized NPM of 40% (FY-2019/20: 32%)

## Delivering on Growth Initiatives

Taaleem has begun to expand its portfolio and made impressive progress in expanding the offering at NUB.



Comprehensive licensing file submitted to authorities seeking approval for Badya University, Taaleem's new institution in West Cairo



NUB faculty of physiotherapy launched, with an inaugural headcount of 294 students



First postgraduate programs offered at NUB, by faculty of dentistry

EGP/MN  
**171**

CAPEX in FY-2020/21 (CAPEX/Revenues: 29%)



Construction commenced on NUB's second campus, to house an advanced university hospital and with room for five new faculties, including SCPU-approved architecture and arts faculties

<sup>1</sup> Adjusted EBITDA normalizes for one-off expenses incurred during the year, including EGP 74.4 million in listing expenses, EGP 0.9 million from discontinued operations, EGP 1.0 million in gains from the disposal of fixed assets, and EGP 6.9 million from the write-off of a liability.

<sup>2</sup> Normalized net profit adjusts for one-off listing expenses incurred during the year, amounting to EGP 57.7 million (EGP 74.4 million adjusted with tax savings of 22.5%).



# BUSINESS OVERVIEW

Taaleem's platform-based business model effectively leverages the dynamism of Egypt's underpenetrated higher education space.



# Operating Environment

Taaleem operates in a highly underpenetrated market and focuses on Egypt's fast-growing higher education sector.

Egypt's population of 102.3 million as of year-end 2021 is the largest in the Middle East and North Africa (MENA) and continues to grow at a rapid rate of nearly 2% per annum. According to the World Bank, Egypt had a nominal GDP of USD 363.1 billion in 2020, making it one of the MENA region's largest economies. On a purchasing power parity (PPP) basis, Egypt had a GDP of USD 1.2 trillion in 2020, making it the twentieth-largest economy in the world in real terms<sup>3</sup>.

Egypt's economy has grown rapidly since the introduction of a comprehensive economic reform package by the government in 2016. Besides floating the Egyptian pound, reform efforts have focused on rationalizing

government expenditure, modernizing infrastructure, streamlining regulatory procedures, and attracting foreign direct investment. Egypt is among the few emerging markets that maintained positive GDP growth in 2019-20 and 2020-21, despite the impact of the COVID-19 pandemic. According to the World Bank, economic growth in Egypt is expected to rise from 3.3% in FY2020/21 to 5% in FY2021/22, supported by favorable base effects and global growth<sup>4</sup>.

### The Region's Largest Education System

A highly favorable demographic profile and robust economic growth have consistently driven demand for education services. Approximately 34.6% of Egypt's fast-growing population is of student age, a

<sup>3</sup> World Bank  
<sup>4</sup> World Bank

**>30 MN**  
Student-Age Population



**23%**  
2014-2019 CAGR  
Higher-Ed Consumer  
Spending

**34%**  
Higher Education  
Enrollment

**<25**  
Private Universities in  
Operation



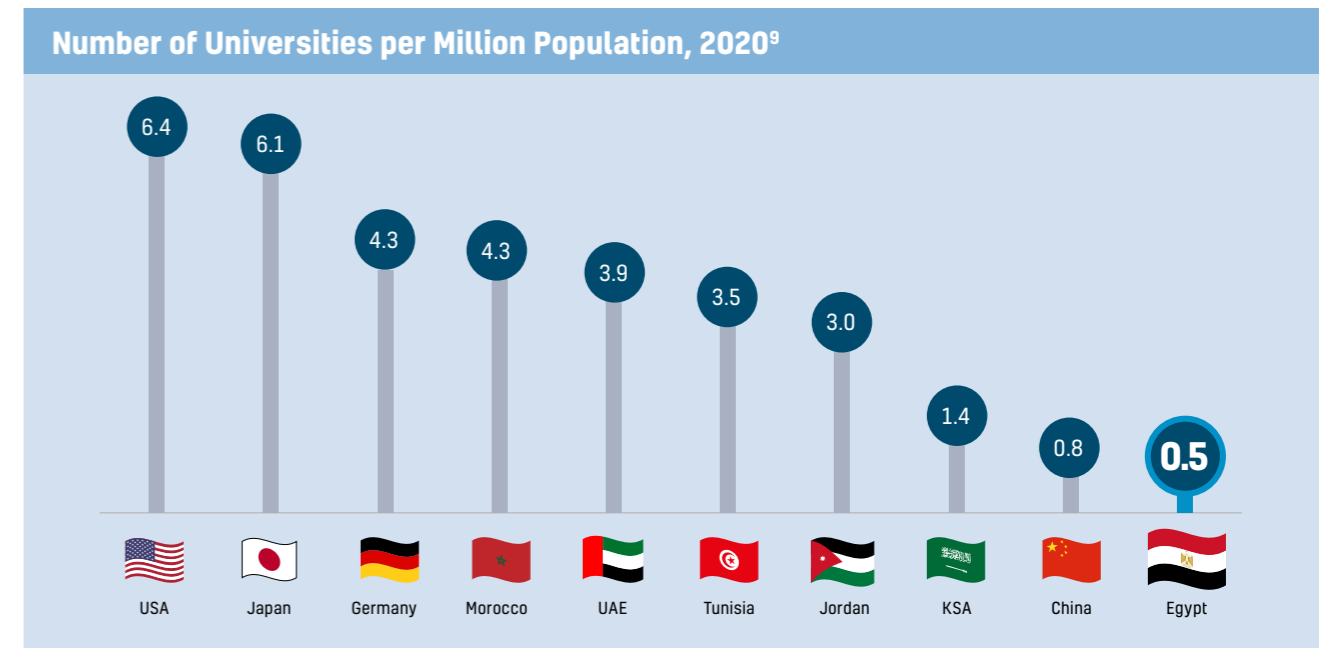
ratio which is above the global average. Egyptian consumers spent a total of USD 13.5 billion on education services in 2020, making the country by far the largest spender on education in the MENA region, where average expenditure among Egypt's peers recorded USD 2.7 billion for the year. Growth in such expenditure is expected to record 11% between 2020 and 2024, outpacing a projected rate of 7% among Egypt's MENA peers<sup>5</sup>.

Despite the market's strong fundamentals, there remains significant room for further rapid growth. Capacity constraints and a lack of investment have resulted in overcrowded classrooms and a high student-to-teacher ratio at most schools and universities, negatively affecting teaching quality and academic outcomes. Egypt scores 0.618 on the United Nations Development Programme's education

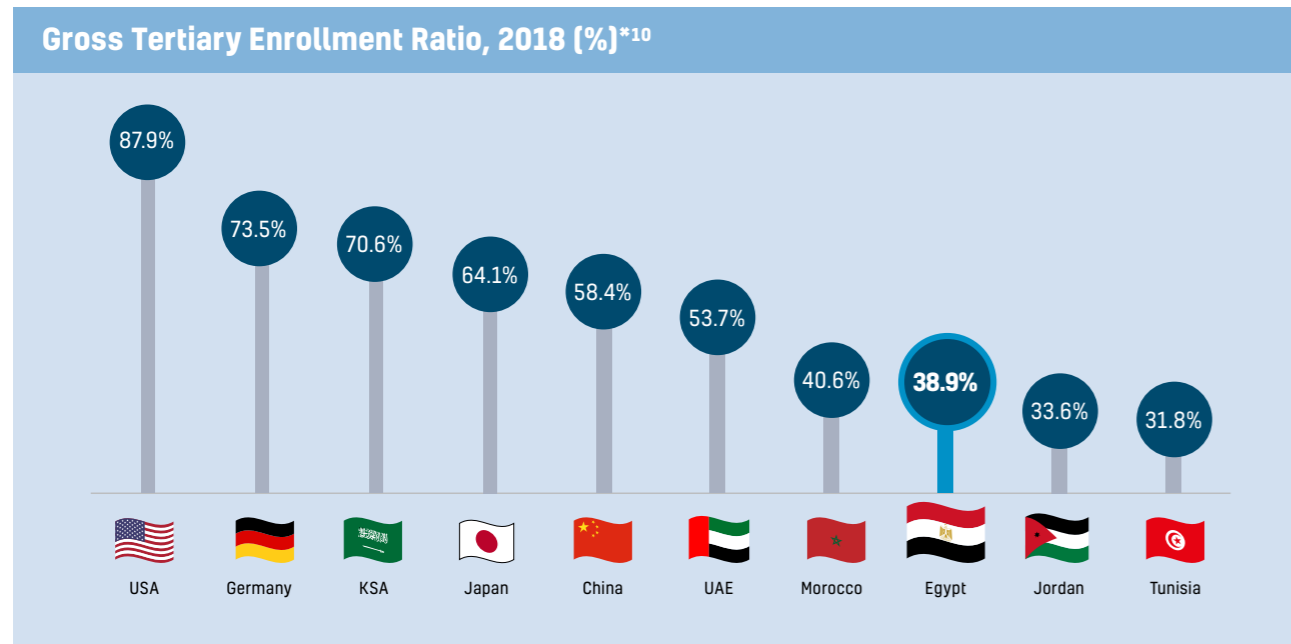
index, significantly trailing an average score of 0.861 among the nations of the Organization for Economic Cooperation and Development (OECD)<sup>6</sup>. Government expenditure on education services has been consistently low compared to peers, registering 3.1% of GDP against an average of 5.0% among peer countries<sup>7</sup>.

### Higher Education: A Dynamic and Rapidly Growing Space

Higher education is the fastest-growing segment within Egypt's education market. Between 2014/15 and 2018/19, the number of students enrolled in higher education grew at a CAGR of nearly 10%, significantly outstripping average growth of around 4% in K-12 segments. Consumer expenditure on higher education services expanded by a CAGR of 23% between 2014 and 2019, far exceeding the average rate of 6% seen at regional peers<sup>8</sup>.



<sup>5</sup> Euromonitor.  
<sup>6</sup> United Nations Development Programme.  
<sup>7</sup> Euromonitor, UN, and World Higher Education Database.  
<sup>8</sup> CAPMAS and Euromonitor.  
<sup>9</sup> World Bank and World Higher Education Database



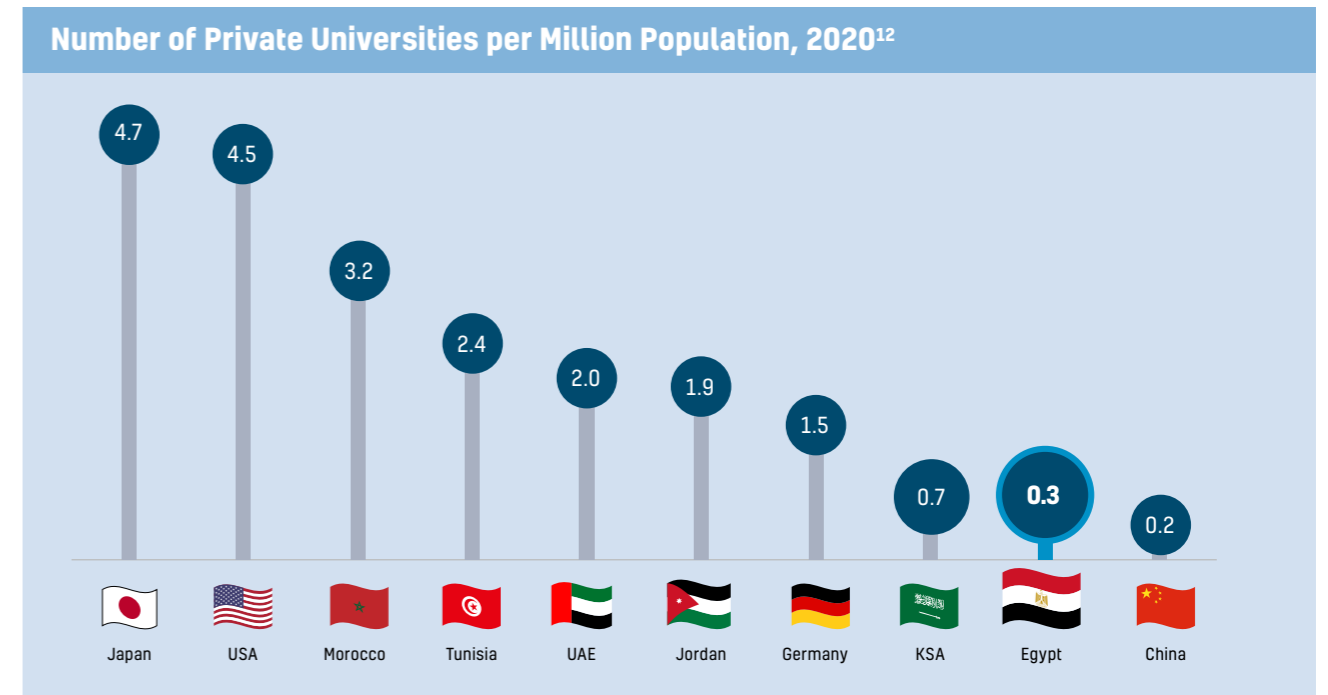
<sup>10</sup> The gross tertiary enrollment ratio is calculated as the number of university-age persons enrolled at university divided by the total population of university-aged persons

Despite this double-digit growth, the higher education sector remains largely underpenetrated, with the number of students eligible for enrollment at universities falling far short of the pool available to K-12 institutions in relative terms. Although gross enrollment in secondary education stands at 86%,

the figure for higher education stands at just 39%<sup>11</sup>. Egypt boasted just 0.54 universities per million population as of 2020, compared to an average of 3.7 among a sample of comparator nations. It is worth noting that Egypt experiences high levels of inequality in access to higher education. Such inequalities



<sup>10</sup> World Bank  
<sup>11</sup> World Bank



are mediated both by geography, with rural or less metropolitan areas such as Upper Egypt receiving considerably less coverage, and by income levels, with a persistent inability to prepare children from households with limited means and lower levels of education to qualify for university admission.

up from 7.8% in 2017. In recent years, the growth in private sector provision has consistently exceeded expansion in the public higher education sector. Between 2013 and 2019, the number of private university faculties rose by a CAGR of 4.8%, surpassing the rate of 2.9% recorded at public institutions. The number of students enrolled at private universities increased by a CAGR of 12.3% over the same period, exceeding the growth of 8.2% seen at public universities<sup>13</sup>.

### Regulatory Framework

Although private institutions enjoy a wider degree of operational autonomy than public universities, they must secure government approval to operate and must comply with the regulations of the Supreme Council of Private Universities (SCPU) – a body headed by Egypt’s Ministry of Higher Education (MoHE). The SCPU is empowered to license the establishment of new colleges and faculties<sup>14</sup>. However, private universities in the country enjoy discretion to set their own tuition fees, unlike providers in the K-12 segment of Egypt’s education market.

The Egyptian government has been increasingly reliant on private sector institutions to meet rising demand for higher education services and to fulfill the objectives of Egypt’s national higher education strategy. This reliance stems partly from the financial stresses entailed by the government’s commitment to providing free higher education services for all qualifying secondary school graduates, stresses which have intensified as Egypt’s population continues to grow rapidly. Prior to 1993, only two private universities were operating in Egypt. As of 2021, the state has recognized 23 private and community universities.

Enrollment at private universities rose by a CAGR of 16.5% between 2016 and 2019, and private institutions held 9.7% of all university students in 2019,

<sup>12</sup> World Higher Education Database  
<sup>13</sup> Ministry of Education  
<sup>14</sup> Supreme Council of Private Institutes Affairs



### Regulatory Update

Egypt's private higher education sector has recently been impacted by regulatory changes affecting enrolment for the 2021/2022 academic year. In 2021, the MoE introduced a new secondary school examination system which resulted in a 20-point decrease in schools' grade structure. This adjustment caused a decrease in the pool of students eligible for enrolment at public, private, and national universities. Although Taaleem was impacted in terms of net student intake, the Company has successfully mitigated the financial impact of the changes through the successful implementation of cost optimization measures. In addition, Taaleem has held several fruitful discussions with the MoHE, which will likely introduce corrective measures to prevent such situations from recurring in future enrolment windows.

Private enrolment has grown rapidly even as it remains constrained by the government's regulatory framework. On the supply side, the intake of students at private universities is subject to quotas imposed by the MoHE, with distinct, faculty-specific limits set on the number of students admitted annually to a given faculty each academic year. The MoHE determines nationwide faculty quotas based on prevailing labor market trends and requirements, assigning a percentage of each nationwide quota to given universities in a manner that reflects institutions' capacities and the state of facilities, assessed by committees that are organized to conduct on-the-ground studies at each institution.

On the demand side, intake at private universities is impacted by the examination system and grade structure applied by the Ministry of Education (MoE), which determines the number of graduating secondary school students who are eligible for enrolment at public, private, and national universities each year.

### Promising Government Initiatives

Egypt's government aims for 40% of all 18–25-year-olds to receive a university education by 2030<sup>15</sup>. To this end, the state has partnered with private universities to pursue a number of avenues for developing the country's higher education system.

Notably, Egypt has introduced regulations mandating international academic partnerships. Any private university established under the new regulations is now mandated to form academic partnerships with universities abroad. Academic partnerships with foreign universities will also be made mandatory for all existing institutions seeking to launch new faculties and departments. Expansions to an existing university will not be approved unless the institution has signed an academic partnership agreement with a foreign university<sup>16</sup>.

Meanwhile, Egyptian universities will only be allowed to establish partnerships with universities that are ranked higher in global indices than the highest-ranking Egyptian university. To be considered a valid academic partnership with a university abroad, the

<sup>15</sup> Ministry of Higher Education  
<sup>16</sup> Riad & Riad



0.3

Private universities per million population, Egypt, 2020



university must provide the foreign undergraduate degree and curriculum offered by the foreign partner's home university.

The state has also opened the door to foreign investment in the higher education sector. Foreign universities have been encouraged to establish international branch campuses in Egypt. Although foreign ownership of Egyptian universities is prohibited under the Private and Nonprofit Universities Act, the International Branch

Campuses Act ratified in 2018 allows foreign institutions to own up to 100% of their branches in Egypt. Since the International Branch Campuses Act was ratified, four international universities have established branch campuses in Egypt, with a majority offering degrees in computer science, tech-related subjects, and entrepreneurship.

# Business Model

Taaleem deploys a platform-based business model that promotes scalability and drives synergies across the Company's network.

Taaleem is Egypt's first pure-play higher education platform. The Company has been established to own, develop, operate, and provide management services to institutions of higher education. At year-end 2021, Taaleem's portfolio held one operational university, Nahda University in Beni Suef (NUB), and one institution under development, Badya University, located in West Cairo. Taaleem targets a diverse range of market segments, from metropolitan, highly urbanized locales to predominantly rural governorates, and from the lower middle-income bracket to households in the upper percentiles of the income distribution.

*“ Taaleem has developed a unique, platform-based business that is open, scalable, and connected.”*

The overarching principle of Taaleem's operational model is delivering value for students. In both academic and economic terms, Taaleem's offerings are closely tailored to the requirements of the communities where the Company does business. This approach enables focused differentiation, whereby Taaleem provides each market segment with services that fully meet its requirements at the best price available. By providing high-quality, value-based instruction across multiple geographies, Taaleem aims to revolutionize Egypt's higher education landscape, supporting the institutionalization of the university system. Taaleem's focus on value-based differentiation is coupled with a commitment to investing in student experience. Since 2015, Taaleem has invested over EGP 1 billion in its existing university, NUB, transforming it into the leading academic institution in Upper Egypt.

To realize its vision of being Egypt's leader in the higher education space, Taaleem has developed a unique, platform-based business that is open, scalable, and connected. Taaleem's business model facilitates the construction of a differentiated ecosystem within Egypt's higher education industry, with the Company developing a network of institutions integrated into its service offering and benefiting from platform-level synergies and oversight. The Company's holistic business model accelerates performance improvement across its network, facilitates the development of operational capabilities, and promotes desirable learning outcomes.

Taaleem's platform-based model is centered on three focus areas that promote differentiation, drive operational excellence, and ensure sustainable scalability: academic quality, student experience, and support functions:



## Academic Quality

At its core, Taaleem's business is about providing value-based, high-quality tertiary education that equips students with the skills they need to build thriving professional careers. Taaleem takes a multi-tiered approach to delivering value, focusing on both geographic and economic elements.

### Academic Excellence

Taaleem's offering is differentiated by a superior quality of service, a core component of the Company's best-value model. The Company's existing

university, NUB, recorded a student-teacher ratio (STR) of 12.2x in 2020/21, far below the national private university average of 18.6x and the Upper Egypt average of 20.3x. In addition to promoting the extraction of efficiencies at teaching-staff level, NUB's low STR facilitates the delivery of high-quality, skills-based education, particularly at life science faculties. Taaleem targets a long-term STR of 14-15 at NUB, a rate which the university is expected to approach as it ramps up capacity utilization at newly launched faculties.

NUB instructors follow best-in-class didactic practice across the various areas of study. Approximately 43% of NUB academic staff were drawn from the top-tier of Egyptian universities as of FY-2020/21. Additionally, Taaleem has invested heavily since 2016 in the careers of NUB graduates pursuing their postgraduate studies, offering them a higher share of teaching posts at the university. As of FY-2020/21, NUB graduates represented around 23% of all teaching staff at the university. Overall, approximately 86% of NUB graduates secure employment within six months of leaving the university, a testament to Taaleem's success in building a widely recognized institution with a strong academic reputation across multiple economic sectors.

Taaleem uses a targeted, research-driven approach to develop its service offering, leveraging favorable market dynamics to focus on high-margin academic areas. Approximately 71% of NUB students are enrolled at medical faculties, including the faculties of physiotherapy, dentistry, pharmacy, and medicine, which yield an average faculty margin of 87% against an average of 68% for other faculties. Taaleem's ability to focus on these academic areas is supported by significant competitive advantages. The underpenetrated nature of NUB's Upper Egyptian market guarantees a consistently high level of demand for both professional and non-professional degrees offered by the university.

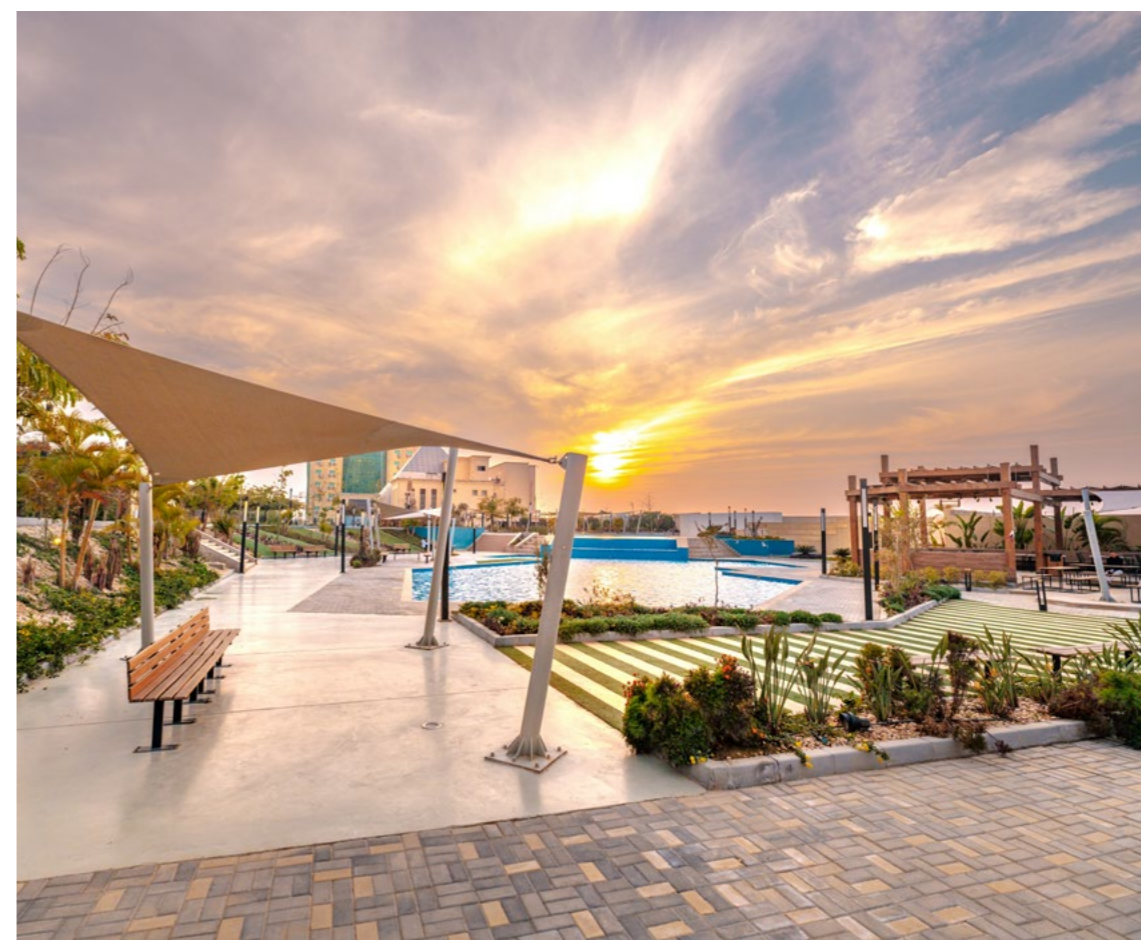
### Accessibility

NUB, is located in the Beni Suef Governorate of Upper Egypt, a largely rural region and Egypt's most populous. Despite holding a population of more than 3 million, Beni Suef is served by just three operating private universities. Upper Egypt as a whole, despite accounting for around one-third of the country's population, suffers from one of Egypt's lowest higher education penetration rates. In NUB, Taaleem has provided this highly underserved region with its first and largest private university, as well as Upper

Egypt's first private faculty of medicine. Nearly 90% of NUB students originate from Upper Egypt.

Taaleem's platform-based model facilitates efficient expansion of the business to cover a diverse range of geographies. The Company's second institution, Badya University, is under development in the western suburbs of Greater Cairo, Egypt's economic, demographic, and cultural center of gravity. Accounting for one-fifth of Egypt's population, the Greater Cairo region is home to 21 million people and captures a large share of national public and private investment, including in higher education. Given the significant opportunities available, Taaleem is continuously assessing prospective investments both in established urban cores such as Greater Cairo and in underpenetrated, nonmetropolitan areas: governorates such as Beheira, Fayoum, Sharkia, and Gharbia are each served by just one university, despite claiming a combined population of nearly 18 million.

Besides achieving a wide degree of geographic coverage, Taaleem's business model is optimized to diversify the range of income segments served by the Company's institutions. A platform-based framework enables Taaleem to target different parts of the income distribution with academic offerings that fully meet each segment's requirements while providing the most competitive price points. Illustrating this commitment to best-value offerings, Taaleem maintains a price point at NUB that is affordable compared to its peers in the first and second tiers of Egypt's higher education market. This is despite the fact that NUB retains significant flexibility to institute annual increases to tuition fees. In FY-2020/21, intake tuition fees for students entering NUB's pharmacy faculty stood at EGP 99 thousand against Tier 1 and Tier 2 averages of EGP 136 thousand and EGP 84 thousand, respectively. Fees stood at EGP 127 thousand for new dentistry students (Tier 1: EGP 165 thousand; Tier 2: EGP 106



thousand) and EGP 58 thousand for engineering students (Tier 1: EGP 132 thousand; Tier 2: EGP 57 thousand).

### Targeted Expansion

One avenue which Taaleem has consistently pursued to meet strong demand is the continuous expansion of its academic offering. At NUB, this has taken the form of new faculty launches. In 2019, Taaleem inaugurated the faculty of medicine at NUB, followed by a faculty of physiotherapy in 2020. In FY-2020/21 Taaleem also received assent from the Supreme Council of Private Universities (SCPU) and the Cabinet to establish a faculty of arts and a faculty of architecture at NUB, with three additional faculties under study. Taaleem further

diversified its academic offering in 2020/21 through the introduction of a postgraduate program in dentistry, a means of expansion that is replicable across the Company's portfolio.

Meanwhile, since 2015 Taaleem has allocated significant capital expenditures to the construction of state-of-the-art educational facilities. These include NUB's advanced university hospital, which will be appended to the faculty of medicine. Construction on the hospital commenced in FY-2021/22 and is expected to be complete by September 2022. The capital-intensive nature of such investment presents a significant barrier to entry operating in Taaleem's favor in Upper Egypt and other geographies.



## Exclusive Academic Partnerships



Taaleem has a proven track record in securing exclusive international partnerships that elevate students' academic experience and further differentiate its service offering. Most notably, NUB's medical faculty benefits from an exclusive partnership with the Medical University of Vienna (MUVI), which is ranked among the top 60 universities globally in clinical medicine. This partnership has seen the faculty's curriculum adapted to MUVI's most recent program, with MUVI also contracted to supervise the staff selection process and design training programs. At year-end FY-2020/21, NUB's academic partnership with MUVI had been expanded to include certificate attestation, quality assurance, access to MUVI material, and broader operational supervision.



In August 2021, Taaleem finalized a further academic partnership with Northern Kentucky University (NKU). The partnership will see NKU offer 2+2 and 3+1 programs at NUB, whereby eligible students will be able to transfer to NKU for their third or fourth years of study and to receive qualification from both NKU and NUB. The first phase of the agreement covers the faculty of business administration, with plans to expand the programs to encompass the faculties of engineering and computer science.

NUB also enjoys further international partnerships with Kyushu University of Japan and India's Aptech Academy of Learning & Training. Under the scope of NUB's agreement with Kyushu University, NUB's faculty of engineering enjoys broad-based



cooperation with Kyushu University's faculty of information science & electrical engineering, including the exchange of academic and administrative staff, student exchanges, joint research efforts, and the exchange of academic information and publications. Meanwhile, Aptech Academy has provided students at all of NUB's faculties with internationally accredited English and IT courses.

Closer to home, NUB has secured cooperation protocols with a wide range of Egyptian institutions and research agencies. Under the terms of an agreement with Beni Suef University (BSU), NUB medical students are enabled to complete clinical learning tasks and receive practical training at the BSU hospital. At the engineering faculty, NUB benefits from partnerships with the Egyptian Academy of Aviation Sciences (EAAS) and the National Authority for Remote Sensing and Space Sciences (NARSS). Among other areas, NUB has cooperated with the EAAS to establish bachelor's degree programs in aeronautical engineering and intelligence, air traffic control, aeronautical engineering, and avionics engineering, as well as a postgraduate program in management. NUB's agreement with NARSS has involved cooperation in research and applied projects, exchange visits, the organization, and the provision of access to the agency's specialized laboratories.

At the faculty of marketing and business administration, NUB has secured the Helwan Leadership Institute's assistance in establishing a Leadership Development Institute at the university, while the Micro, Small and Medium Enterprises Development Agency (MSMEDA) has provided NUB students with applied training programs, expert workshops, fieldwork trips, and training of trainer (ToT) courses.

## Building Smart Campuses

The rapid development and deployment of EdTech platforms have come into sharp relief since the onset of COVID-19. Recognizing that digital technology has changed the way students consume information and approach education, Taaleem has embraced technology to provide students with appealing new learning experiences, driving value creation. The Company is committed to introducing platforms that broaden its educators' toolkits, engage students as efficiently as possible, increase productivity, and improve communication. By allowing instructors to follow student progress individually and in real-time, such platforms enable data-driven customization of learning for each student. In addition, Taaleem's investments will enable staff to use online tools to allow remote access to students, use streaming services to provide instruction, and use gamification elements to provide resources more efficiently.

Using such tools, Taaleem aims to drive digital growth by integrating technology into each level of

operations at its universities. At NUB, this process is well underway and is facilitating the transition towards a smart campus model, where students, instructors, platforms, and devices are joined by advanced network infrastructure, providing insight-driven decisions that optimize resource management and bolster security.

Leveraging its exclusive international partnership with MUVI, NUB has introduced an integrated system of digital assessment and examinations that monitors individual learning progress and generates value-adding analytics. Meanwhile, by modernizing NUB's IT architecture management with the launch of cloud-based university platforms, offering students and staff unlimited access to online learning and collaboration solutions, Taaleem has constructed a highly replicable system of ubiquitous network connectivity at its flagship institution.

- Smart Classrooms
- Digital Content
- Electronic Learning Management System
- Online Admissions
- NUB 365
- Egyptian Knowledge Bank
- Wireless Service
- Archiving System
- Learning Resource Center
- Online Examination System
- Video Conferencing Facility
- Centralized Procurement System
- Student Information System
- Online Payment Service
- Payroll and Financial Services
- Free Internet Connectivity Plan
- Electronic Paperless Service
- NUB Portal

## Student Experience

Taaleem provides enhanced student development activities that complement and maximize value from the academic experience. To ensure that students enjoy as smooth and successful an experience as possible, Taaleem offers a broad array of student services run by experienced professionals. The Company has developed a standard suite of value-added services that can be easily and flexibly replicated across existing and

prospective institutions. All Taaleem institutions are equipped with a Student Affairs Department that produces official enrollment certificates needed for official purposes, communicates with students to inform them of developments regarding academic, administrative or financial affairs, updates the student database record, and provides military postponement services for enrolled male students.

 Student Affairs	 Academic Advisory	 Student Clubs & Committees	 Advisory Team
 Theater	 CSR	 Community Engagement	 Sporting Events
 University TV Channel	 Student Unions	 Student Radio Broadcast	 Sports Facilities



The Student Affairs Departments also provides education, advocacy, and support for students through advising, leadership development, and experiential instruction. Equal access is advocated for students and student groups to participate in a wide range of campus activities, including clubs and committees, student unions, sporting events, touristic excursions, theater productions, and university television and radio broadcast operations. Taaleem's institutions are each outfitted

with an Academic Advising Center, allowing students to tailor their courses to their best advantages, with professional advisors mandated to assist students in developing academic plans matching their interests and capabilities as well as meeting the necessary requirements to meet their educational goals. Career services are also provided, giving students the opportunity to work on campus, physically or virtually, across several departments and functions.

### Multinational Academies

Taaleem regularly invites corporate employers to establish on-campus academies, with an eye to further enhancing the employability of students. As of FY-2020/21, NUB enjoyed educational partnerships with major global corporations including Huawei, Oracle, and Cisco:



#### Huawei Academy

The Huawei Academy at NUB offers several courses in different fields, including:

- Network Routing & Switching
- Cloud Computing
- Artificial Intelligence
- Information Security
- 4G/5G Networks
- Fiber Optic Networks

Huawei Academy courses prepare NUB students to keep up with the Government of Egypt’s plans for digital transformation.



#### Oracle Academy

The Oracle Academy at NUB provides students and staff with advanced computer science education, with the aim of:

- Increasing knowledge and innovation
- Developing skills
- Offering diversity in technology fields
- Enhancing the career-readiness of university students

The Oracle Academy provides a variety of resources to support continuous computer science learning at all levels through:

- Technology
- Curriculum and courseware
- Student workshops
- Educator training
- Oracle industry certification
- Exam preparation materials



#### CISCO Networking Academy

The CISCO Networking Academy at NUB provides comprehensive and cost-effective coursework to teach the technology skills that are in high demand at businesses today, with curricula supporting a broad range of national education goals, including:

- Increased student engagement
- Improved 21<sup>st</sup> century career skills
- Enhanced teacher expertise

Courses are expertly designed to teach multiple levels of Network and Information Communications Technology (ICT) knowledge and skills, in addition to providing the necessary technological training.

### Corporate Partnerships

A further avenue Taaleem pursues for enriching the student experience at its universities is the establishment of partnerships with reputable corporate actors. Such partnerships allow Taaleem to offer students a more well-rounded experience that offers exposure to the workings of a broad array of industries and economic sectors, including practical, hands-on knowledge gained from Egypt’s most prestigious organizations.

provides NUB students with digital material on banking activities and specializations, in addition to digital and in-person instruction on a host of financial topics.

In this vein, NUB also provides students with the opportunity to join summer training courses at the offices of major corporates in the area of information technology, including Microsoft, IBM, Vodafone, Orange, Oracle, and Etisalat.

At NUB, the university enjoys educational partnerships with some of Egypt’s leading financial institutions. Cooperation protocols with Banque du Caire and the Export Development Bank of Egypt have seen each of these institutions prepare and distribute educational material designed expressly for NUB students, with both banks organizing seminars and a series of lectures at the university. NUB enjoys a similar partnership with the Egyptian Exchange. Meanwhile, the National Bank of Egypt (NBE)

“ Taaleem provides enhanced student development activities that complement and maximize value from the academic experience.

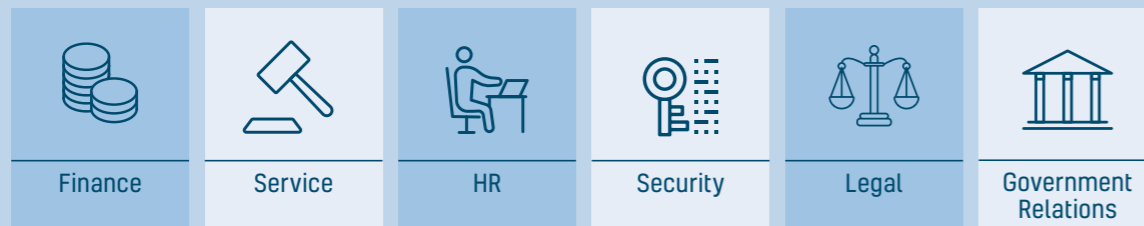


## Support & Enabling Functions

Taaleem has established a full range of support and enabling functions at the platform-level, enabling the Company to replicate its model across various geographies. The Company benefits from a cohesive and centralized management structure that allows it to maximize performance and growth at its institutions. As the central

holder of property assets, with fully developed project management, procurement, warehousing, engineering & maintenance, IT, and government relations functions, Taaleem supervises the Company's assets for the benefit of its broader network, with institutions relieved of the risk and lengthy processes associated with such functions.

### Integrated Service Model Enables Rapid Scalability



Taaleem additionally runs a highly developed quality control operation, guaranteeing academic excellence and an enhanced student experience across its network. Taaleem's ability to closely monitor each asset facilitates efficient execution on the Company's strategic objectives and drives

progress on its growth and financing efficiencies. This organizational structure allows Taaleem to drive revenue-level synergies through shared service channels, diversify more efficiently, invest in new institutions, and to exit institutions if needed.

### A Full Range of Enabling Functions



Due to its platform-based model and the nature of its operations, Taaleem enjoys a high degree of operating leverage, with the Company's combination of fixed and variable costs allowing it to derive a significant increase in operating income from a given increase in revenue.



# Our Assets

Taaleem’s portfolio includes Upper Egypt’s largest private university and an elite institution under development at West Cairo.

## Operating Assets

### Nahda University in Beni Suef



Nahda University in Beni Suef (NUB) is located in the Beni Suef Governorate of Upper Egypt, the country’s most populous region. NUB is highly accessible, sitting on a plot of 190 thousand square meters just off the Beni Suef-Cairo Road. Upper Egypt’s first and largest private university, NUB houses eight academic faculties: pharmacy, dentistry, medicine, engineering, physiotherapy, computer science, media, and marketing & business administration. NUB’s faculties served 6,273 students in FY-2020/21. The university’s total MoHE-mandated student capacity stood at 11,035 for FY-2020/21.

Location	Beni Suef
Area	190K Sqm
Faculties	8
Registered Students	6,273
Student Capacity	11,035
Teaching Staff	514



NUB enjoys a well-earned reputation for excellence in technical, high-demand academic specializations. Approximately two-thirds of students at NUB are enrolled at the university's medical faculties, including the faculties of pharmacy, dentistry, medicine, and physical therapy. Launched by Taaleem in 2019, NUB's faculty of medicine is Egypt's largest private faculty of medicine. NUB's faculty of medicine is also the first faculty of medicine to be launched by a private university in Upper Egypt. Meanwhile, the faculty of physiotherapy was launched in 2020, bolstering NUB's offering in a high-demand area. Students at the university benefit from a highly accomplished group of instructors, with

wide-ranging experience across multiple disciplines at Egypt's finest institutions.

The university added a net 696 students in the 2020-21 academic year, up by 289% year-on-year from the net 179 students recorded in 2019-2020. Growth was driven primarily by the launch of the physiotherapy faculty, as well as an increase in the computer science faculty's student quota from 50 to 200 and in the medical faculty's quota from 250 to 400. This expansion in intake during the year reflected NUB's success at attracting new students and accommodating strong demand, particularly at the university's faculty of medicine.

### Faculties and Specializations at NUB

<b>Medicine</b> 36 Specializations	Medical Biochemistry	<b>Dental Medicine</b> 6 Specializations	Basic Dentistry Sciences
	Medical Histology and Cell Biology		Prosthetic Dentistry and Oral and Maxillofacial Surgery
	Medical Parasitology		Conservative Dentistry
	Medical Microbiology and Immunology		Orthodontics and Pediatric Dentistry
	Public Health		Oral Medicine and Periodontology
	Forensic Medicine and Clinical Toxicology		Diagnosis and Oral Radiology
	General Surgery	<b>Pharmacy</b> 7 Specializations	Pharmaceutics
	Obstetrics and Gynecology		Biochemistry
	Cardiology		Pharmacognosy
	Clinical and Chemical Pathology		Pharmacology and Toxicology
	Chest		Pharmaceutical Chemistry
	Neurology		Microbiology and Immunity
	Orthopedics		Clinical Pharmacy

<b>Medicine</b> 36 Specializations	Vascular Surgery	<b>Physical Therapy</b> 7 Specializations	Basic Science
	Anesthesia		Physical Therapy for Internal Medicine
	Neurosurgery		Physical Therapy for Orthopedic Surgery
	Critical Care		Physical Therapy for Neurology and Neurosurgery
	Oncology		Physical Therapy for Pediatrics and its Surgery
	Medical Physiology		Physical Therapy for Gynecology and Obstetrics
	Human Anatomy and Embryology		Physical Therapy for Surgery and Burn
	Clinical Pharmacology	<b>Engineering</b> 6 Specializations	Civil Engineering
	Pathology		Architectural Engineering
	Ear, Nose, and Throat		Communications & Computer Engineering
	Ophthalmology		Mechatronics Engineering
	Internal Medicine		Mechanical Engineering
	Pediatrics		Electrical and Renewable Energy Engineering
	Rheumatology	<b>Computer Science</b> 4 Specializations	Computer Science
	Dermatology		Information Systems
	Tropical Medicine		Information Technology
	Psychiatry		Operational Research and Decision Support
	Pediatric Surgery	<b>Business</b> 4 Specializations	Business Administration
	Plastic Surgery		Accounting
	Cardiothoracic Surgery		Marketing and E-Commerce
	Urology		Management of Banking and Money
	Family Medicine	<b>Mass Communications</b> 4 Specializations	Public Relations and Advertising
	Radiology		Radio and Television
			Journalism
			Electronic Publishing

# 696

Net student intake, FY-2020/21  
[FY-2019/20: 179]



In FY-2020/21, Taaleem broke ground on a second NUB campus adjacent to the Beni Suef Smart Village. The new grounds will house the projected faculties of arts and architecture, in addition to the existing faculty of engineering. NUB retains the capacity to introduce a further three faculties and continues to study opportunities for such expansion. Taaleem has also commenced construction on NUB's university hospital, an advanced facility which promises to enrich medical students' academic experience with applied practice while widening access to quality care for residents of Beni Suef and Upper Egypt.

“ NUB enjoys a well-earned reputation for excellence in technical, high-demand academic specializations, with approximately two-thirds of students enrolled at medical faculties.

## Exclusive International Partnerships

To further enhance the quality of education on offer at the university, NUB maintains exclusive international partnerships with global institutions, including the Medical University of Vienna (MUVI), one of the world's top 60 institutions in the field of clinical medicine. NUB's partnership with MUVI spans curriculum sharing, certificate attestation, quality assurance, access to MUVI material, and broader operational supervision.

In FY-2020/21, NUB also finalized an academic partnership with Northern Kentucky University covering NUB's faculties of business administration, with plans to expand the program to the faculties of engineering and computer science. Under this partnership, NUB students will gain the opportunity to complete some years of study at NKU, receiving qualification from both universities.

Since 2015, Taaleem has directed the implementation of a smart campus model at NUB, whereby students, educators, platforms, and devices are joined by an advanced network infrastructure, promoting data-driven policies for optimizing resource management and enhancing security.

To this end, NUB has modernized its IT infrastructure management through the launch of cloud-based university platforms, offering students and staff unlimited access to online learning and collaboration solutions.

## COVID-19 Readiness and Infrastructure

Taaleem's response to the COVID-19 pandemic has adhered faithfully to the policies and recommendations of the World Health Organization (WHO) and Egypt's Ministry of Health and Population (MoHP). The Company developed a comprehensive COVID-19 safety protocol to ensure the implementation of proper control measures at NUB, ranging from mandatory temperature screenings and hand sanitization at entrances to the campus to rigorous enforcement of physical distancing and improved ventilation at all premises. Face masks are mandatory on campus, with personal protective equipment provided free of charge to all NUB employees, while premises and vehicles are sanitized intensively on a regular basis.

Besides developing a plan to handle suspected cases of COVID-19 at NUB, with multiple isolation rooms allocated at dormitory halls to accommodate COVID-positive students, the university has cooperated with the MoHP to provide about 4,000 courses of COVID-19 vaccinations to students, staff, and employees. NUB aims to fully vaccinate its community, and has rigorously applied the government's decision prohibiting unvaccinated individuals from entering university campuses starting 15 November 2021.

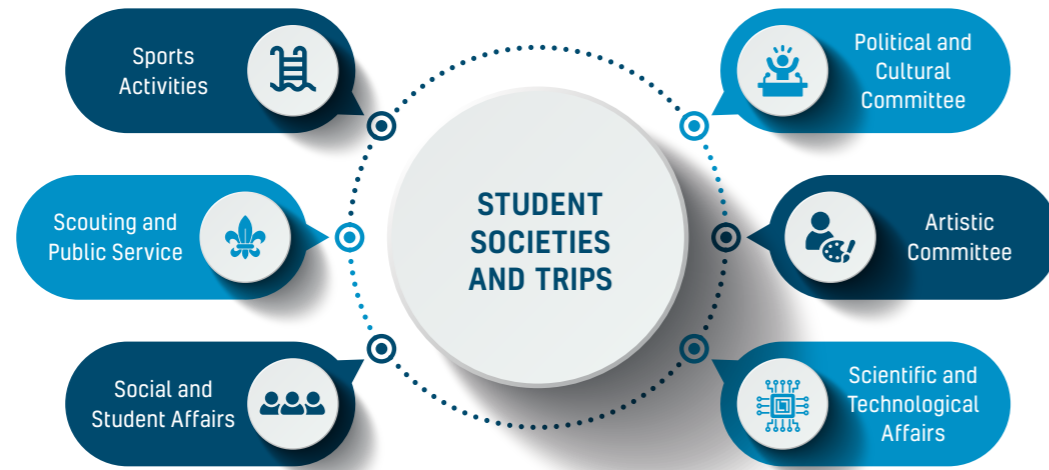
In response to the pandemic, Taaleem directed a rapid digital migration of educational processes at NUB, capitalizing on the strong IT infrastructure developed prior to the pandemic. Taaleem successfully negotiated a corporate deal with Orange to provide all NUB students and teaching staff with data SIM cards, allowing users to access the NUB network at a reduced cost. Meanwhile, a hybrid pedagogical model was implemented for the 2020-21 academic year, entailing two days of in-class instruction for humanities majors and three for other majors, with the remaining days delivered online.

To ensure maximum efficiency in the digital transition, NUB fully utilized its existing E-Learning System and expedited the rollout of the Moodle learning platform, providing educators, administrators, and learners with a single robust, secure, and integrated system to create personalized learning environments. Virtual classrooms were conducted online, with more than 850 study groups created and used since the onset of the pandemic. Meanwhile, all soft materials and resources are archived by faculty vice deans and are provided to eligible students upon request.

NUB focuses on delivering high-quality, skills-based education, as demonstrated by a student-teacher ratio (STR) of just 12.2x compared to the Upper Egypt average of 20.3x and the national private university average of 18.6x. As the university ramps up capacity utilization at its recently-launched faculties, it expects to reach a more optimal STR of 14-15x, keeping it well below the average rates prevailing at peer institutions. The student experience at NUB is further enriched by a full suite of service functions and offers resources from academic and career guidance to community development programs.

Students at the university also enjoy access to state-of-the-art learning and recreational facilities, enhancing the academic experience while facilitating the development of well-rounded individuals. A wide range of clubs, groups, and activities are available to students at NUB, including student unions, sports, theater companies, university TV and radio broadcasting. Students have access to a number of indoor and outdoor sporting facilities, with activities including football, basketball, volleyball, handball, and tennis.

### NUB Student Union Committees



NUB operates a fleet of modern buses to provide safe transportation to and from the university, connecting to Cairo and other major cities, as well as nearby villages. Students living outside of Beni Suef are afforded direct transportation from different points of arrival, including train stations and bus and taxi stops, with direct transportation

available from Cairo and nearby parts of Beni Suef. In addition, NUB boasts a first-class residence hall equipped with the full range of modern accommodation services, including a restaurant and cafeteria. The residence hall offers finely furnished double- and triple- air-conditioned rooms, with cleaning services available on a daily basis.

### Specialized Centers at NUB

NUB operates a number of specialized centers that further differentiate the university's value proposition and provide students and staff with value-added services that complement their academic endeavors.

#### NUB Continuous Education Center

The NUB Continuous Education Center (NCEC) allows the largest possible number of students and staff to benefit from the expertise, experiences, and resources available at the university by providing educational programs that impart valuable skills and provide a supportive and encouraging environment for continuous learning. NCEC is entrusted with optimizing teaching, learning, and training processes to develop the capabilities of all parties involved in the knowledge creation process, while also offering advanced leadership programs. Meanwhile, NCEC has introduced a number of preparatory programs for internationally recognized professional certification exams in the fields of human resources and financial management, including the Certified Management Accountant Program (CMAP), Certified Internal Auditor Program (CIAP), and the Chartered Professional Accountant (CPA) Program among others.

#### Quality Assurance Center

NUB's Quality Assurance Center (QAC) is a specialized entity responsible for designing, implementing, monitoring, and developing the university's quality assurance process. QAC also supervises quality assurance units at NUB faculties, overseeing the introduction and spreading of a culture of quality assurance at the university. QAC strives to improve the quality of scientific research and the educational process. Academic staff at NUB must ensure that all their activities meet the targeted quality concepts the university aims to reach in serving students, generating scientific research, and serving the community.

#### Arabic Studies Center

NUB's Arabic Studies Center was established to provide Arabic language instruction to non-native Arabic speakers from foreign universities, including native speakers of Chinese, Indonesian, and Korean among other languages. Since its inception, the Center has received several students from such distinguished Chinese institutions as Tianjin University, Beijing University of International Studies, and Heilongjiang University, providing them with distinguished service in Arabic language instruction.



## Assets Under Development

### Badya University



Located in the western suburbs of Cairo, Egypt's capital of 21 million, Badya University (BU) is scheduled to admit its first students in 2023/24. A greenfield institution, Badya University is being jointly developed by Taaleem and Palm Hills Developments (PHD), one of Egypt's leading commercial and residential real estate developers. Sitting on an area of 167 thousand square meters, Badya University is expected to house eight academic faculties and a total capacity of 10,710 students.

Badya University is expected to offer a wide range of health science faculties, including medicine, physiotherapy, and dentistry, in addition to a fine arts faculty, a strong array of STEM-related specializations, such as engineering and computer science, as well as business. Taaleem is currently in negotiations with a top-ranked European university to establish a full academic partnership at Badya University, including the implementation of dual degree programs at all of the university's faculties.

Taaleem aims to secure comprehensive international partnerships to develop its offerings at

Badya University, with scopes spanning curricula, instruction, certificate attestation, quality assurance, access to pedagogical material, and operational supervision. Taaleem aims to partner directly with a top-ranked foreign university at the campus, differentiating its degree vis-à-vis competing institutions with strong existing offerings

The launch of operations at Badya University is subject to the receipt of all required licenses from the relevant state and regulatory authorities and the issuance of a Presidential Decree incorporating the institution. As at year-end FY-2020/21, Taaleem had submitted a comprehensive licensing file to the authorities and had received initial approval from the Supreme Council of Private Universities (SCPU) to proceed. In FY-2020/21 Taaleem also capitalized the Badya University holding entity, which has finalized a land purchase agreement with PHD, while design processes had been finalized and the blueprints had been submitted to the New Urban Communities Authority (NUCA) for the body's approval.



Location	West Cairo
Investment Cost	EGP 2.2 bn
Scheduled Launch	2023/24
Area	167K Sqm
Faculties (Projected)	8
Student Capacity (Projected)	10,710

*“ Badya University’s medical-focused offerings will capitalize on Taaleem’s accomplishment in developing such a proposition at NUB and the success of its existing partnership with MUVI at that university.”*



# Growth Strategy

Taaleem’s growth strategy targets clearly defined expansion avenues, posing a range of opportunities covering the entire higher education value chain across various geographies.

Taaleem’s vision is to be the leading higher education group in Egypt. The Company targets a broad range of geographies, from urban locales with relatively high levels of economic development to regions that are predominantly rural and remain significantly underpenetrated by the higher education sector. Additionally, Taaleem seeks exposure to a wide array of market segments, ranging from the lower middle of the income distribution to higher-income households. Across geographies and segments, Taaleem aims to expand through value-based differentiation: the Company closely

tailors its offerings to the particular educational and economic profiles prevailing in the communities served by its universities.

The Company’s approach to higher-education is shaped by its commitment to providing best-value offerings: for each distinctive geography or market segment served by Taaleem’s institutions, the Company creates value by meeting the demand for quality at the most competitive price point. To achieve its objective of value-based differentiation, the Company has



*“The Company’s approach to higher-education is shaped by its commitment to providing best-value offerings.”*



adopted a holistic strategy for driving growth by leveraging Taaleem’s strengths and competitive advantages, all while providing students with the highest quality of service. Taaleem’s growth strategy is designed to make the most of three distinct growth avenues which Management has identified as holding significant promise for long-term value creation. The Company aims to achieve its strategic objectives while generating sustainable value for its shareholders and making positive contributions to the communities where it operates.

## Avenue I: Enhanced Academic Offering

One of Taaleem’s primary strategic focuses is the continuous enhancement of the academic offering at its institutions. The Company works to enrich its academic offering across multiple dimensions, encompassing both the depth and the breadth of students’ academic experiences. By enhancing its academic offering, Taaleem simultaneously achieves the objective of differentiating it, maintaining the flexibility to adjust price points in an optimal manner and sustainably driving demand for its universities’ services.

Where depth is concerned, Taaleem is committed to systems of education that give priority to ends, purpose, accomplishments, and results.

Decisions about curricula, assessments, and instruction at Taaleem institutions are driven by the exit learning outcomes that students display at the end of a program. Taaleem deploys a host of means for delivering outcome-based programs that maximize both a student’s proficiency and their chances of building a successful career in today’s competitive labor market.

Since 2015, Taaleem has worked to enhance the depth of its academic offering by securing exclusive partnerships with highly ranked international institutions, including the Medical University of Vienna (MUVI), ranked among the top 60 universities globally in clinical medicine. Such international partnerships enhance the quality of Taaleem’s academic offering through the sharing of curricula and the provision of certificate attestation, quality assurance, staff selection, and training programs to the Company’s institutions. Certain partnerships include dual degree and university transfer programs, further differentiating Taaleem’s offering and raising its attractiveness to potential students.

Other means for deepening the academic offering include the periodic introduction of updated didactic approaches. Taaleem’s talent acquisition

efforts focus on scholars from Egypt’s top-tier institutions, and the Company has assembled an academic staff of superior quality at NUB. The quality of instructors is supplemented by a range of digital solutions to drive productivity and create maximum value. Technology-enabled teaching, including through video lectures, podcasts, and interactive presentations, enhances students’ learning experience. Meanwhile, technology-aided teaching methods and assessments enable Taaleem’s institutions to accurately map progress towards targeted outcomes, while facilitating cooperation between students and faculty towards the achievement of clear objectives.

To ensure the breadth of its academic offering, Taaleem strongly supports its institutions in developing and launching new programs and faculties. Since 2015, Taaleem has used new faculty and program launches to significantly broaden the academic offering at Nahda University in Beni Suf (NUB). Prior to launching a new faculty or program, Taaleem ascertains that there is a market need for the relevant careers, analyzes trends in similar programs to gauge the level of interest in a given field, and allocates the needed investment in new technologies and facilities.

In FY-2020/21, Taaleem registered impressive progress along each of the above axes. The year saw NUB finalize a new academic partnership with Northern Kentucky University (NKU). The partnership will see NKU offer 2+2 and 3+1 programs at NUB, whereby eligible students will be able to transfer to NKU for their third or fourth years of study and receive qualification from both NKU and NUB. The first phase of the agreement covers the faculty of business administration, with plans to expand the programs to encompass the faculties of engineering and computer science.

Meanwhile, NUB introduced a new faculty of physiotherapy in FY-2020/21. Following on the inauguration of NUB’s medical faculty in 2019, this brought the total number of faculties at the university to eight. Taaleem also received Cabinet approval during the year to launch two additional faculties at NUB, arts and architecture, significantly widening the range of interests catered to by the Company’s existing institution. Additionally, the year saw NUB acquire the license required to offer post-graduate programs at its faculty of dentistry, marking a significant enhancement in the range and depth of academic options on offer at the university.

**Avenue II: Capacity Growth**

Another avenue that Taaleem leverages to drive growth is the targeted, research-driven expansion of student capacity. Given that the intake of students at private universities is subject to quotas imposed by Egypt’s Ministry of Higher Education (MoHE), with distinct, faculty-specific limits set on the number of students admitted annually to a given faculty, Taaleem uses two methods to raise capacity: expansion of the Company’s geographic footprint in the form of new institutions, and expansions at the Company’s existing institutions. Both methods enable significant increases in annual student intake, facilitating volume-driven growth.

As of FY-2020/21, Taaleem had one new institution under development, Badya University. A greenfield institution, Badya University’s location in West Cairo offers Taaleem a measure of geographic diversification and exposure to Egypt’s core metropolitan area, with a higher education market that is more developed than the Company’s existing center of operations in Upper Egypt. Subject to regulatory approvals, Badya University is expected to house eight







faculties at a maximum projected capacity of 10,710 students and to start operations by academic year 2023-24, expanding Taaleem's consolidated maximum student capacity by 100% from 2020-21 levels.

Taaleem has also successfully driven capacity expansion at its existing university, NUB. Total available student capacity at the university rose by 43.6% year-on-year in FY-2020/21, attributable partly to the launch of a new physiotherapy faculty during the period. NUB plans to launch an additional five faculties between 2021 and 2024, including faculties of arts and architecture. These departments will be housed at a new NUB campus currently under construction, where the university also intends to place its new hospital, an advanced facility which will offer students enhanced opportunities for practical learning while providing medical services for the local community.

Meanwhile, Taaleem is continually monitoring the market for merger and acquisition opportunities with the potential to deepen the Company's economies of scale, support cost optimization, burnish competitive advantages, improve bargaining power with international partners, diversify risk, and efficiently facilitate Taaleem's access to new geographies. The Company is particularly focused on M&A opportunities emanating from underserved, relatively rural geographies with inadequate higher education coverage.

**Avenue III: Management Partnerships**

Taaleem aims to leverage its resources and knowhow in pioneering a model of asset-light university management and operation, particularly through the development of innovative arrangements with third parties, including management agreements and consultancy agreements. Such initiatives will allow the Company to drive expansion in a sustainable manner by optimizing the costs and mitigating the risks associated with holding operating assets fully on Taaleem's balance sheet. Management and consultancy partnerships further enhance Taaleem's financial and operational flexibility to roll out additional assets in a rapid and efficient manner.

The Company is monitoring opportunities to create value for institutions, community colleges, and universities outside Taaleem's portfolio through the establishment of innovative, fee-based management partnerships, with scopes including responsibility for running day-to-day operations, procurement, talent acquisition, and curriculum development. Taaleem is also studying profitable opportunities in the consultancy space and is open to consultancy agreements encompassing human resources management and training, quality assurance management, general and educational consultancy services.





# SUSTAINABILITY

Giving back to the community is a core component of Taaleem's identity as a corporate actor entrusted with developing future generations.

# A Culture of Sustainability

Taaleem adheres to sustainability practices that contribute to the wellbeing of communities while furthering the Company's own development and institutionalization.

Sustainability is a core principle of Taaleem's approach to business operations. The Company operates in a sector with a crucial role in ensuring sustainable economic and social development. Institutions of higher education develop important skills, foster innovation, and help address major social challenges. Additionally, by boosting productivity growth and increasing high-wage employment, universities are key to the achievement of improved living standards and enhanced wellbeing.

The Company recognizes the crucial role of universities in developing students and all types of learners into critical and creative thinkers and professionals acquiring relevant competences and capabilities for future-oriented innovation. As such, Taaleem empowers its students to find solutions to complex, transdisciplinary, and transboundary issues, fostering the understanding and practice of collective values and principles that guide attitudes and transformations through education, training, research and outreach activities.

Taaleem is deeply aware of the central social role played by institutions of higher learning, and strives to extend an ethos of conscientiousness and sustainability to every aspect of the Company's operations. The Company constantly refines operational frameworks across its assets and functions to maintain the provision of high-quality service while meeting its obligations as a societal actor. Taaleem seeks

to fulfill its commitment to sustainability through community engagement, the promotion of diversity and inclusion, the development of sustainable education practices, and the implementation of best-in-class governance practices.

## Community Engagement

Community engagement is part and parcel of Taaleem's approach to sustainability. The Company has built a strong framework for institutionalizing community engagement across existing and prospective assets, as demonstrated by progress at NUB. NUB fosters community engagement through a whole-institution approach. Members of NUB's community use their skills, talent, and energy to benefit a wide array of communities in Beni Suef and Upper Egypt, while providing NUB students with practical, hands-on learning experiences. Community engagement efforts at NUB include service-learning activities within courses, internships, and long- and short-term volunteer programs. Community engagement assists students in understanding the complex nature of social problems and community needs, while encouraging the development of possible measures that institutions and individuals can adopt to address such needs.

## Promoting Positive Health Outcomes

NUB's trademark community engagement initiative takes the shape of medical convoys. Such



convoys involve a one- or multiday visit by NUB students and faculty to disadvantaged outlying villages and communities, where residents are then offered specialized healthcare services free of charge. Students and faculty participating with NUB's medical convoys hold walk-in clinics, covering a broad range of treatment areas in addition to medical and dental check-ups, with pop-up pharmacies frequently established to distribute needed medication. To ensure that convoys reach as many village residents as possible, participants aim to exceed the daily patient target at each round, ensuring the equality of access to medical care while maintaining the quality of service offered. Nonmedical students and faculty from NUB are enabled to participate in medical convoys, where nonmedical volunteers offer a range of additional community services.

Since the 2017-2018 academic year, NUB has dispatched 25 medical convoys to villages and towns in Beni Suef and other Upper Egyptian governorates. In that period, NUB has also dispatched seven convoys dedicated to raising awareness of health and hygiene issues. Besides villages and rural areas, such awareness campaigns have also targeted schools and community centers such as sporting clubs. Furthering its efforts to drive positive health outcomes, NUB has fully refurbished six medical centers across Upper Egypt, with the aim of improving the quality of medical service offered

to disadvantaged villages in the region. Meanwhile, NUB's dental hospital provides low-income patients with a full check-up for just EGP 5, and the university has directly covered or treated more than 240 thousand dental cases, underscoring its commitment to equal access to care.

## A Culture of Service

Taaleem supports more than 30 philanthropic projects through NUB, in areas ranging from healthcare to education. Such efforts complement NUB's direct efforts to improve standards of living in Beni Suef and Upper Egypt. The university's nine student associations are encouraged to pursue a wide range of volunteering activities that deepen community engagement and make a real difference to the lives of the people and organizations in need. NUB supports students and faculty in this endeavor by offering access to a wide range of volunteering opportunities.

Since the 2017-2018 academic year, the university has mounted two comprehensive blood donation campaigns, helping ensure that an adequate amount of blood is available at local health care facilities to meet the urgent need for patients facing trauma and other lifesaving procedures. Meanwhile, NUB has dispatched students and faculties to volunteer at local hospitals on multiple occasions, helping plug manpower and skill gaps in delivering care to patients. Additionally, NUB has organized multiple convoys to distribute food

items to severely stressed villages in the local region, recognizing that improved nutrition is a critical part of health and development, improving infant, child and maternal health, strengthening immune systems, and lowering the risk of noncommunicable diseases.

A major way NUB has sought to give back to its community is through the university's Illiteracy Eradication Program. The primary goal of the program is to foster sustainable

educational training for all residents of Beni Suef and the surrounding region, particularly for those who are socially disadvantaged and often forced to leave school at an early age. As such, the program aims to significantly reduce illiteracy rates in the target area, empowering learners with functional literacy and life skills. The program fosters community capacity-building and engagement, while promoting cultural preservation and development and creating job opportunities for learners in order to address unemployment and poverty.

### Selected Community Service Activities Since 2017-2018

Activity	Location	Date	Organizers
Blood Donation Campaign	-	7 October 2017	Scientific and Technological Affairs Association
Medical Convoy	Domsheya Village, Beni Suef	18 October 2017	Faculty of Dentistry
Educational Convoy	Al-Andalus School, Beni Suef	9 November 2017	Dr. Suad Abdel Khalek
Medical Convoy	Tezment Village	6 April 2018	Scientific and Technological Affairs Association
Medical Convoy	Beni Hadir Village	14 April 2018	Faculty of Dentistry
Medical Convoy	Kom Edriga Village, Beni Suef	4 October 2018	Faculties of Dentistry and Medicine
Medical Convoy	Kom Edriga Village, Beni Suef	15 February 2019	Faculties of Dentistry and Medicine
Hospital Volunteering Campaign	Children's Cancer Hospital 57357	24 February 2019	Faculties of Dentistry and Medicine
Medical Convoy Awareness Campaign	Abu Sir Al Melq Village, Beni Suef	27 February 2019	Faculties of Dentistry and Medicine
Medical Convoy	Al Jazira Islamic Complex	1 March 2019	Faculties of Dentistry and Medicine
Medical Convoy	Beni Suef Orphans' Home	7 March 2019	Faculties of Dentistry and Medicine
Medical Convoy	Al-Qasaba School	28 March 2019	Faculties of Dentistry and Medicine
Medical Convoy	Qay Village	9 May 2019	Faculties of Dentistry and Medicine
Ramadan Food Donation Campaign	-	5 May 2019	Faculty of Dentistry

Activity	Location	Date	Organizers
Nutritional Convoy	Qay Village	9 May 2019	Faculty of Dentistry
Medical Convoy Nutritional Convoy Awareness Campaign	Dawalta Village	27 May 2019	Scientific and Technological Affairs Association
Nutritional Convoy	Naga Abu Sharaki Village	2 June 2019	Scientific and Technological Affairs Association
Medical Convoy	Al Zarabi Village	20 June 2019	Faculties of Dentistry and Medicine
Medical Convoy	East Tezment Village	11 July 2019	Faculties of Dentistry and Medicine
Medical Convoy	Maymoun Village	30 July 2019	Faculties of Dentistry and Medicine
Medical Convoy	Nawamis Village	4 September 2019	Faculties of Dentistry and Medicine
Medical Convoy	Nasser City	15 October 2019	Faculties of Dentistry and Medicine
Medical Convoy	Abu Sir Al Melq Village, Beni Suef	26 October 2019	Scientific and Technological Affairs Association
Medical Convoy	Kom Al Sa'aida, Beni Suef	26 October 2019	Scientific and Technological Affairs Association
Medical Convoy Awareness Campaign	Dawalta Village, Beni Suef	15 November 2019	Faculties of Dentistry and Medicine
Medical Convoy Awareness Campaign	Wena Village, Beni Suef	29 November 2019	Faculties of Dentistry and Medicine
Awareness Campaign	Shorouk Language School, Beni Suef	4 December 2019	Faculties of Dentistry and Medicine
Medical Convoy	'Atf Hadir Village	10 December 2019	Faculties of Dentistry and Medicine
Medical Convoy	Manashy Abu Sir Village	13 December 2019	Faculties of Dentistry and Medicine
Illiteracy Eradication Campaign	-	2019	-
Hospital Volunteering Campaign	Abu El Reesh Hospital	2019	Faculties of Dentistry and Medicine
Blood Donation Campaign	-	2019	Faculties of Dentistry and Medicine
Awareness Campaign	Beni Suef Schools	2019	Faculties of Dentistry and Medicine
Awareness Campaign	Beni Suef Sporting Club	2019	Faculties of Dentistry and Medicine
Medical Convoy	Qamish Village	23 February 2020	Faculties of Dentistry and Medicine
Medical Convoy	Beni Qasem Village	1 March 2020	Faculties of Dentistry and Medicine

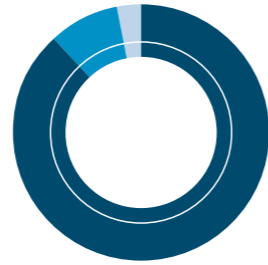
### Diversity and Inclusion

Taaleem believes that people are its greatest asset. From students and faculty to support staff and the broader community, Taaleem values the different perspectives and diversity of experience that enrich its business on a daily basis. The Company strives to foster a culture of open and honest dialogue and encourages an unfettered exchange of ideas, with an eye to empowering all stakeholders. By fostering a capacity to appreciate and value individual differences, Taaleem and its institutions benefit from varied perspectives on how to confront business challenges and achieve success. At NUB, individuals' unique attributes and experiences, including place of origin, gender, age, and disability, are celebrated and leveraged as a source of organizational strength.

### Gender Equality

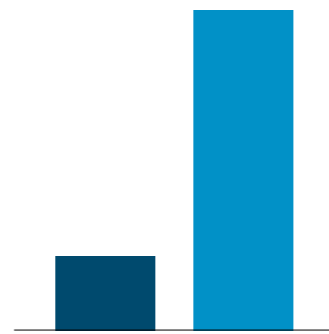
The Company believes that gender equality is a necessary foundation for a prosperous and sustainable world. Gender-equitable education systems empower women and men to promote the development of life skills, including self-management, communication, negotiation, and critical thinking, that young people need to succeed. They close skills gaps that perpetuate

### Employment by Type



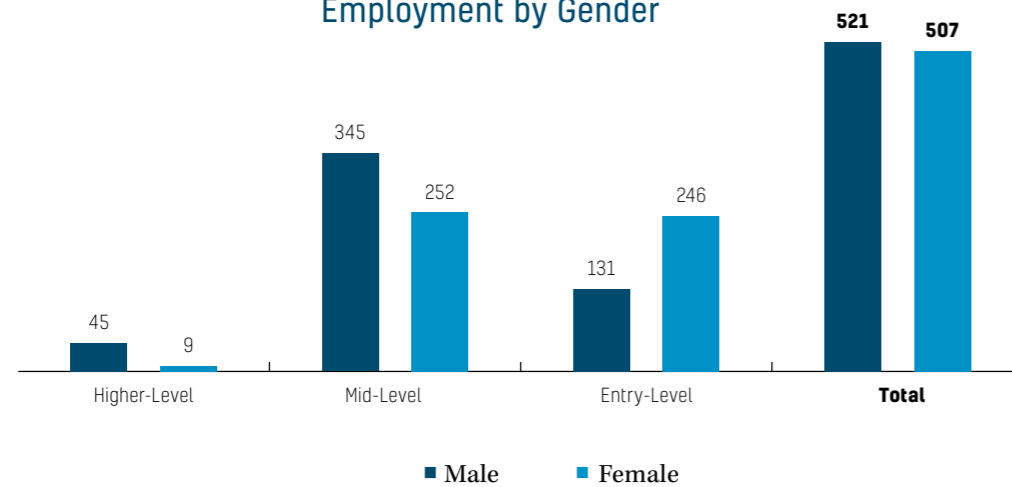
■ Full-Time	908
■ Seconded	91
■ Temporary	29

### Turnover Rate



■ Full-Time	6%
■ Seconded	25%

### Employment by Gender



pay gaps and build national prosperity. Gender-equitable education systems can also contribute to reductions in gender-based violence and harmful practices. Through NUB, Taaleem works to remove barriers to female education and promote gender equality in higher education. NUB prioritizes efforts that enable all female students to complete higher education and develop the knowledge and skills they need for life and work.

Taaleem's commitment to gender equality is reflected in developments at NUB. Since 2015, the proportion of females in NUB's student body has risen significantly, reaching 43% as of FY-2020/21, exceeding the national average of 40% by three percentage points. NUB similarly prioritizes gender equality in the university's hiring practices: 49% of academic staff at the university were female at the close of FY-2020/21. Meanwhile, 7% of NUB's Board of Trustees is composed of women.

### Disability-Friendly Learning

Taaleem believes that disability is a natural part of diversity. As such, Taaleem has taken steps to ensure that people with disabilities are represented at its institutions. As of FY-2020/21, approximately 4% of employees at NUB are people with disabilities. In addition, NUB spares no effort to remove barriers between disabled students and their education. The university's campus has installed access ramps and lifts where required, so that the entire campus is wheelchair accessible, and wheelchair stores are easily accessible from the university's lecture halls. Additionally, students with visual impairments are provided with specific adaptations and benefit from spacious classrooms clear of trip hazards. NUB fully supports its instructors with training and guidance geared to optimize teaching for students requiring particular attention and has installed systems to monitor progress.

### Sustainable Education

Taaleem aspires to an Egypt where everyone has the opportunity to benefit from education and learn the values, attitudes, and lifestyles required for a sustainable future and a positive social transformation. To achieve this, Taaleem establishes new strategic partnerships as required and is developing assessment and reporting processes to ensure capacity development, transparency, and continuous enhancement of activities. To accelerate progress towards sustainable development in the area of education, Taaleem draws on information and communication technologies to advance national initiatives, transform learning and training environments, build the capacities of educators and trainers, empower and mobilize youth, and accelerate sustainable solutions at the local level. Taaleem collaborates with stakeholders across the public and private sectors to scale up and mainstream innovative practices in education and create an environment conducive to the achievement of desirable social outcomes.

### Digital Access

At NUB, Taaleem has leveraged information technology to implement a smart campus model, integrating students, instructors, platforms, and devices under an advanced network infrastructure. Combined with the adoption of cloud-based applications that allow remote access to students, this model offers unlimited access to online learning and collaboration solutions, with maximum connectivity provided to students who may enjoy only limited broadband access at home. Meanwhile, in response to the COVID-19 pandemic, Taaleem successfully negotiated a corporate agreement with Orange to provide all NUB

*“ Taaleem aspires to an Egypt where everyone has the opportunity to benefit from education and learn the values, attitudes, and lifestyles required for a sustainable future and a positive social transformation.”*

students and staff with data SIM cards, allowing users to access the NUB network at reduced cost.

### Needs-Based Scholarships

The principle of sustainable education is upheld in several other ways at NUB. The university has disbursed EGP 18 million in needs-based scholarships since the 2014-2015 academic year. Such scholarships are given to the students on the basis of financial need, with qualification determined on the basis of family income. Affordable higher education allows students greater opportunity to determine their interests, increasing certainty regarding their career pathways and boosting the likelihood of on-time degree completion. NUB is committed to maximum transparency for students and families so that they can make informed choices and choose academic paths that are affordable, best suited to meet their needs, and consistent with their educational and career goals.





# CORPORATE GOVERNANCE

As it continues to expand its frameworks and policies for sustainable business practices, Taaleem has also developed a robust governance framework to direct and supervise the Company's operations.

# Board of Directors

As it continues to expand its frameworks and policies for sustainable business practices, Taaleem has also developed a robust governance framework to direct and supervise the Company's operations. As part of the institutionalization process leading up to its initial public offering in 2021, Taaleem introduced new processes and procedures based on global best practices, with the aim of ensuring proper governance. Prioritizing the interests and wellbeing of all stakeholders, Taaleem relies on its Board of Directors (BoD) to maintain tight internal controls, ensure compliance with all relevant laws and regulations, and steer the Company through its risk environment.

Taaleem operates its business under the guidance of the BoD and specialized board committees, which support the Company in upholding regulations set by the Egyptian Financial Regulatory Authority (FRA) and relevant provisions of Egyptian law. The BoD and its committees also ensure that Taaleem's governance framework evolves continuously in line with global best practice in compliance, planning, and risk management. Taaleem has three board committees in place as of FY-2020/21: the Audit, Remuneration, and Employee Stock Option

Program Committees. Taaleem's BoD held ten meetings during the year.

The Company's commitment to a strong governance framework is further illustrated by its separation of the Managing Director and Chairman roles. Taaleem believes that, given the different nature of the responsibilities that rest with the Managing Director and the Chairman of the Board, combining these positions could potentially diminish the board's role in exercising objective oversight over management. By separating the two positions, Taaleem clearly displays the priority it places on organizational integrity.

These values are further reflected in the governance of NUB. Approximately 64% of the university's Board of Trustees are independent members. Taaleem believes that, in addition to strengthening organizational integrity, having a preponderance of independent board members brings a different and wider range of perspectives and prevents any conflicts of interest. Independent members have important industry expertise and practical experience gleaned from careers at external organizations, offering knowledge from areas beyond academia, including internal controls, finance, human resources, marketing, tax, and more.

Taaleem's Board of Directors calls upon some of Egypt's leading professionals in areas ranging from education and healthcare to finance, construction, and telecommunications. These leaders leverage cutting-edge experience drawn from a variety of sectors to help Taaleem achieve its mission of serving communities with high-quality, fit-for-purpose, skills-based higher education that optimizes benefits for students and employers.

was crucial in stewarding Taaleem through the COVID-19 pandemic and in putting the Company's offering on a new and enhanced footing, both through the ongoing expansions at NUB and through the launch of the Badya University joint venture, achieving the strategic objectives set at the start of 2020-2021. The Board consists of one executive and 10 non-executive members, including two independent members.

In 2021, Taaleem's Board of Directors presided over the Company's historic initial public offering on the Egyptian Exchange. Its leadership



**Hisham Gohar**  
Non-Executive  
Chairman

Hisham Gohar was appointed as Chairman of Taaleem's Board of Directors in 2019. He also serves as Group Chief Executive Officer at CI Capital and has held several positions at the organization since he joined in 2012.

Gohar is a graduate of the American University in Cairo with a BA in Economics and has completed an executive education program in investment and capital management at Harvard University. Gohar enjoys over 22 years of experience in marketing, IPO coverage and direct investment in the Middle East and North Africa. Gohar led the transformation of CI Capital's financial advisory services franchise, making it into Egypt's top-ranked advisor and leading to several awards, including the designation as Egypt's Best Investment Bank by EMEA Finance for four consecutive years (2013-2016). During this period, he oversaw the completion of 28 investment banking deals valued at more than EGP 75 billion. Gohar has also held several senior leadership positions throughout his career, including, Executive Director of Promotion and IPO coverage at Beltone Financial, Head of Principal Investments at Shuaa Capital in Dubai, where he managed an investment portfolio worth USD 400 million, Head of Principal Investments at Dubai Group – the global investment arm of Dubai Holding – where he managed a multi-sector, multi-asset portfolio in global emerging markets, member of the investment committee of the Dubai government endowment fund, and board of directors positions at several companies in the region. Additionally, he has experience as a banker in the regional investment bank Swicorp where he worked on several financial advisory deals for regional and international institutions, and at family offices handling mergers and acquisitions as well as debt and equity financing transactions in Cairo and Jeddah, Saudi Arabia.



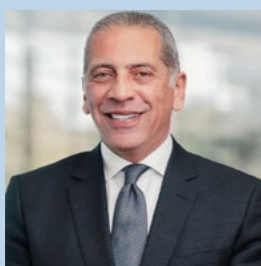




**Ahmed Badreldin**  
Non-Executive Vice  
Chairman

Ahmed Badreldin was appointed as Taaleem’s Vice Chairman in 2021, representing Thebes CV. He holds the position of Managing Partner at RMBV and is Chairman of the Board of Directors at Cleopatra Hospitals Group.

Badreldin holds a BSc in Mechanical Engineering from the American University in Cairo and an MBA from Cranfield School of Management in the United Kingdom. He has over 20 years of experience in private equity and investment banking as well as vast experience in portfolio management and exit transactions for private equity investments in North Africa. Previously Badreldin was Partner and Head of the Middle East and North Africa private equity group Abraaj Group in Dubai, where he focused on investing in, growing and exiting some of the region’s largest businesses. Badreldin was also a senior member of the finance team at Barclays Capital and the investment banking division of Barclays plc in London, where he completed several financing transactions and joint equity investments. Badreldin started his career with Baker Hughes, where we provided engineering services to the oil and gas exploration sector in a number of countries in the Middle East, Africa and Asia.



**Mohamed El Rashidi**  
Executive Member -  
Managing Director

Mohamed El Rashidi was appointed Managing Director of Taaleem in 2021. El Rashidi had previously served as Taaleem’s Chairman (2015-2019) and as a Non-Executive Member of Taaleem’s Board (2019-2021).

El Rashidi earned a bachelor’s degree in engineering from Cairo University in 1985 and has over 30 years of experience in the industrial sector and investments. Prior to joining Taaleem’s Board of Directors, El Rashidi was Chairman of the Board of Directors at Gozour Holdings, a regional integrated multi-category company for agricultural goods, dairy products and dry consumer foods. El Rashidi previously led the Rashidi Al Mizan joint venture with Bestfoods International (Knorr, Mazola, Skips), later executing a management acquisition jointly with Actis CDC, which acquired the business from Unilever. El Rashidi has held active roles in many professional associations and organizations. He is a member of the board of the Executive Committee of the Food Chamber/Chamber of Egyptian Industry, a founding member of the Egyptian Junior Business Association, and a member of the Industrial Modernization Centre.



**Mahmoud Fathy Attalla**  
Non-Executive Member

Mahmoud Fathy Attalla has been a member of Taaleem’s Board of Directors since 2019. He is also currently Vice Chairman and Managing Director at CI Capital.

Prior to joining CI Capital in mid-2011, Attalla was Managing Director at HSBC Securities in Egypt, Vice Chairman of the General Authority for Investment and Free Zones for four years, an elected board member at the Egyptian Stock Exchange, Honorary Chairman of the Inter-Arab CAMBIST Association in Cairo and the Arab Federation of Capital Markets (ICA). His track record includes establishing and managing the first international dealing room at the Arab African International Bank (AAIB), as well as launching the first international securities brokerage house at the bank. Attalla began his career in 1977 at AAIB, where he spent 20 years and became Deputy General Manager and Group Head of Treasury.



**Hazem Badran**  
Non-Executive Member

Hazem Badran has been a member of Taaleem’s Board of Directors since 2019. He is also currently co-CEO and Managing Director at Palm Hills Developments.

Badran holds a BA in business administration from the Arab Academy for Science and Technology and has completed courses in investment assessment, project finance and risk analysis at Harvard University. He has over 22 years of experience in corporate finance, investment banking and non-banking financial services in the MENA region. Badran was previously Chairman at CorpLease in the United Arab Emirates and CEO at CI Capital Group, where he played a vital role in the restructuring of CI Capital and its transformation into a leading diversified financial service provider. His achievements include the development of CI Capital’s promotion, underwriting, brokerage, research and asset management businesses. He also led the creation of a non-banking financial services platform during the acquisition of a majority stake in CorpLease, a financial leasing company, and Reefy, a microfinance institution. Badran was previously CEO at EFG Hermes, the leading investment bank in frontier markets, where he played a notable role in growing the franchise into the largest in the MENA region. Over his nine-year tenure with EFG Hermes he held numerous key positions, including CEO for Syria and Lebanon and Managing Director for Investment Banking. Additionally, he has chaired the Investment Committee of the American Chamber of Commerce in Egypt.



**Samia Elbaroudy**  
Non-Executive Member

Samia Elbaroudy has been a member of Taaleem's Board of Directors since 2021, representing Thebes CV. She has also been a member of the board at Cleopatra Hospitals Group since 2018, where she represents Care Health Ltd. Elbaroudy is a private equity expert at RMBV.

Elbaroudy holds a master's degree in management science and engineering and a bachelor's degree in economics, both from Stanford University in the United Kingdom. Elbaroudy has acquired vast experience in the field of investments through her previous roles as an Assistant Director at Abraaj Group, consultant at Booz & Co., analyst at Aimco and economics research assistant at Stanford University.



**Youssef Asaad Heidar**  
Non-Executive Member

Youssef Asaad Heidar has been a member of Taaleem's Board of Directors since 2019. He also serves as a member of the board at Altakassuisi Alliance Medical. Heidar founded StonePine Capital Partners in 2017 and currently serves as its CEO. He has also been Nexus Gulf's CEO since 2019.

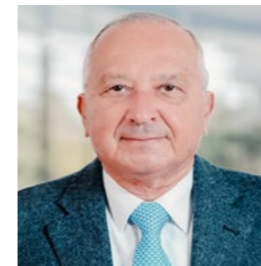
Heidar earned a master's degree in finance and accounting in 2000 from Kingston University in the United Kingdom and a bachelor's degree in banking and finance from the Lebanese American University in 1998. He also has a Certified Public Accountant license from the New Hampshire CPA Society in the United States. He has acquired vast experience in management and investment, managing a group of companies at executive-level positions. During his career, he has held positions including CEO at Medcon International, Managing Director and Partner at TVM Capital and Chairman of the Board of Directors at Bourn Hall International. He also served on the Board of Directors of several companies including Ameco Medical Industries for medical products, Cambridge Medical and Rehabilitation Center in the Emirates and the Bourn Hall Clinic in Dubai.



**Omar Elimam**  
Non-Executive Member

Omar Elimam has been a member of Taaleem's Board of Directors since 2021, representing Thebes CV. He is also the Director and Chief Environmental, Social and Governance Officer for North Africa at RMBV.

Elimam holds a bachelor's in business administration from the American University in Cairo and a master's degree from the Wharton School at the University of Pennsylvania in the United States. He has over 12 years of experience in field of direct investment. Elimam has gained great experience in the field of education, encompassing strategy, value creation and inclusion initiatives, through his work in the education sector. Elimam was previously Assistant Director at Abraaj Group in the Emirates and began his career at Qalaa Holdings, where he completed deals in sectors including agriculture, construction, steel, and media.



**Nabil Kamhawi**  
Non-Executive Member  
Independent

Nabil Kamhawi has been a member of Taaleem's Board of Directors since 2021. He is also a member of the Arab Society for Certified Accountants and the Institute of Chartered Accountants in England and Wales.

Kamhawi holds a bachelor's degree in accounting from Ain Shams University. He has over 40 years of work experience in consulting and auditing, covering several economic sectors in Europe and the Middle East. He was previously Managing Partner at Ernst & Young in Egypt following its merger with Arthur Anderson, where he held the same position.



**Tarek Tantawy**  
Non-Executive Member

Tarek Tantawy has been a Member of Taaleem’s Board of Directors since 2019. He is also currently the Managing Director and Executive Vice President at Palm Hills Developments.

Tantawy holds a Bachelor of Science degree in Construction Engineering from the American University in Cairo, an MBA from Heriot Watt University in the United Kingdom and is a Chartered Financial Analyst (CFA) charter holder. He attended executive education programs in Kellogg Graduate School of Management in the United States and IESA Business School in Spain. He has over 23 years of experience in management and the financial sector. Tantawy previously held position on boards of directors of publicly listed and private companies, including CI Capital, Beyti and Telecom Egypt. Tantawy held several senior positions in his career providing him with abundant experience in investment and management. The positions he held include Managing Director and co-CEO at CI Capital where he worked on the development and expansion of the Group’s non-banking financial services platform through acquiring a majority stake in CorpLease, a financial leasing company, and Reefy, a microfinance institution. During his career at CI Capital, he improved the efficiency of operational processes and support services, which reduced expenses and increased profits. Tantawy successfully completed many mergers and acquisitions as well as mergers and acquisitions financing. He held several senior roles including CFO at Beyti, CEO, Managing Director and CFO at Telecom Egypt, Vice President of the Investment Banking division at Sigma Capital, and Senior Consultant in the Corporate Finance division at FinRate Consulting. During his career, Tantawy successfully completed several deals as well as stock and bond offerings. These include Telecom Egypt’s IPO through an international offering raising approximately USD 900 million, the acquisition of a 45% stake in Vodafone Egypt (worth approximately USD 1 billion), managing over USD 1.5 billion in financing through bond offering and syndicated loans in local and international markets, and managing an investment portfolio worth over EGP 15 billion. Furthermore, he worked on restructuring a number of companies in Egypt operating in the communications, information technology, as well as food and beverage industries.



**Eskandar Tooma**  
Non-Executive Member  
Independent

Eskandar Tooma has been a member of Taaleem’s Board of Directors since 2021, and has been a member of the board at Madinet Nasr Housing & Development since 2013.

Tooma holds a bachelor’s degree in business administration from the American University in Cairo as well as a master’s degree in international economic and a PhD in global trade from Brandeis University in the United States. Additionally, he holds master’s degrees in finance and business administration from Adelphi University in the United States. Tooma has been a Professor of Finance with the School of Business at The American University in Cairo since 2014. He has also held a visiting professorship position in finance with Imperial College in the United Kingdom and serves as assistant professor for finance at Brandeis University. Tooma has held several academic and professional positions, including Group Chief Financial Officer (CFO) at Orascom Development in Egypt, Senior Advisor and Head of Research and Risk Management at the Egyptian Capital Market Authority, Director at Citadel Capital, consultant to the Egyptian Ministry of International Cooperation and the Ministry of Communications and Information Technology, advisor to Beltone Financial Holding, Risk Management Consultant at the Arab African International Bank, financial advisor to Alnasr Contracting company, training consultant at EFG Hermes, and head of the finance department at The American University in Cairo. Tooma sat on the boards of several organizations, including Vodafone Egypt, the National Postal Authority, Telecom Egypt, Egyptian Resorts Company, and Regina Food Industries.



# Management Team

---



**Mohamed El Rashidi**  
Managing Director & CEO

Mohamed El Rashidi is the Managing Director & Chief Executive Officer (CEO) of Taaleem Management Services. Initially appointed in 2015, Rashidi spearheaded the development of Taaleem's platform and the turnaround of Nahda University in Beni Suef (NUB), Taaleem's first asset, enhancing its academic quality, improving its profitability, and developing its future growth strategy.

He was the former Chairperson of Gozour Holdings, a regional multi-category integrated agrifoods platform covering agriculture, dairy, and dry consumer foods. Previously Rashidi led the Joint Venture of El Rashidi El Mizan with Best Foods International (Knorr, Mazola, Skippies) and later executed the first management buyout jointly with Actis CDC acquiring the business from Unilever. He held active roles in various professional associations and organizations, including being a member of the board and executive committee of the Food Chamber/Federation of Egyptian Industry, a founding member of the Egyptian Junior Business Association and a board member in Industrial Modernization Council (IMC).

El Rashidi holds a Bachelor of Science in Engineering from Cairo University.

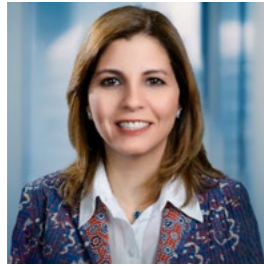


**Khaled Khater**  
Chief Financial Officer

Khaled Khater is Taaleem Management Services' Chief Financial Officer (CFO). He joined the company in 2016, bringing over 18 years of financial and management experience gained through various capacities in pharmaceuticals and healthcare, telecommunications, and education sectors. Khater played an integral role in planning and implementing the group strategy and in listing it on the EGX.

He was previously the Deputy CFO of Mobiserve Holding, one of the region's leading operations and maintenance companies providing technical and telecom services and has held multiple accounting and financial positions within the pharmaceutical sector. Khater left the sector as the Financial Controller of Canal Pharmaceuticals. In addition to his corporate positions, and before joining the Group, Khater had seven years of teaching experience with multiple institutions including the American Chamber of Commerce in Egypt and the League of Arab States, serving as post-graduate and practical Learning Advisor.

He holds a Bachelor's degree in Accounting from Suez Canal University and a Master's degree with concentration in investment and finance from the Arab Academy for Science and Technology. He is also a Certified Management Accountant (CMA) and a holder of the Chartered Financial Analyst (CFA) charter.



**Solafa Goueli**  
 Director of Academic  
 Development &  
 International Relations

Solafa Goueli was appointed as Director of Academic Development & International Relations at Taaleem Management Services in 2021. She is also a tenured Lecturer at the Faculty of Specific Education, Department of Educational Media, Cairo University. Goueli brings over 19 years of experience in the academic field, having taught a wide range of courses related to media literacy, media and development, professional ethics, critical and scientific thinking, and social marketing, among others. Her academic work was complimented by her practical experience and involvement in the field of Media Production and Communications.

Prior to her current role, Goueli was the CEO of Nile International Education System (NIES), Education Development Fund Unit, Egyptian Cabinet of Ministers, where she led the turnaround of Nile Egyptian Schools in terms of international accreditations, gaining international recognition for the Nile Educational System, and establishing NIES as a certified examination board, among many other achievements. Before that, Goueli was the Vice President of the Quality Assurance Unit in the Faculty of Specific Education, Cairo University, and Deputy Project Director for Training & Professional Development for Nile Egyptian Schools, Educational Development Fund, Egyptian Cabinet of Ministers. Before that, she was the Deputy Project Director for Training & Professional Development for Nile Egyptian Schools, Educational Development Fund, Egyptian Cabinet of Ministers. Previously, Goueli was an Accreditation Specialist in the Educational Reform Program (ERP), USAID and Primary Investigator/Manager in the Quality Assurance & Accreditation Project at the Faculty of Specific Education, Cairo University before that. She was also a Seasonal Lecturer at the Canadian International College, Faculty of Mass Communication and a Visiting Scholar in the Multi-Faith Center and the Eco Center in Griffith University, Brisbane, Australia prior to that.



**Ahmed El-Hakim**  
 Head of Engineering &  
 Projects

Ahmed El-Hakim held the position of Head of Engineering & projects at Taaleem Management Services since 2017, bringing over 41 years of experience in the field of Construction Engineering. He is responsible for managing and directing all aspects of construction at Nahda University in Beni Suef (NUB).

Prior to his current role, he was Project Management Director at Arab Consulting Engineers-ACE, a group of multi-disciplinary engineering consultancy companies. Before that, he was Partner and CEO of the Group for Real Estate Development. He also assumed the roles of Deputy Managing Director at the Saudi Egyptian Touristic for Development Co. and the Saudi Egyptian for Red Sea Development Co., Manager of Construction and Contracts department at Dar Al-Handasah Consultants, and Head of Projects Control Unit at the same institution, among other roles.

El-Hakim has an impressive track record of managing large construction projects such as BNP Paribas Headquarters in New Cairo, Grand Hyatt 5 Star Hotel (Le Meridien), Sheraton Hurghada 6 Star Hotel, Soma Bay Touristic Development Project, and many more.

He conducted training seminars on the Primavera & Expedition software in several reputable institutions, including Egyptian Manufacturing Group-EMG, Egyptian Electricity Authority, K&M Engineering and Consulting Corporation, Black & Veach, American International Contractors Inc., Housing and Development Bank, Corps of Engineers at the American University in Cairo (AUC), and Mitsubishi Electric – UK, among others.

El-Hakim holds a Bachelor of Science in Civil Engineering from Cairo University and a Master of Science in Construction Engineering and Management from the University of Michigan, USA.



**Hossam Shoushan**  
Group IT Director

Hossam Shoushan held the position of Group IT Director of Taaleem Management Services since 2019, bringing over 28 years of experience in the field. He is responsible for overseeing all of the company's technology and IT operations.

Prior to his current role, he was the Management Information Systems (MIS) Director of Modern Group, the parent company of multiple organizations, including Modern Academy and Modern University for Technology and Information (MTI). Shoushan's notable achievements during this time include collaborating with professionals and third parties to establish the infrastructure for Modern Academy, MTI University, and MTI Media City. Before that, Shoushan was an Information Systems (IS) consultant for the same company and previously held the positions of Software Developer at the Information System Institute for the Egyptian Armed Forces and IT Manager at Helmyia Hospital Armed Forces. He was also an Information Systems Development Team Leader at the Engineering Authority and General Service Organization for the Egyptian Armed Forces.

He holds a Bachelor of Science in Computer Engineering from the Faculty of Engineering, Military Technical College.

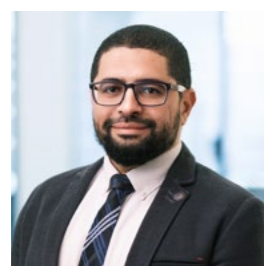


**Iman Badr El-Din**  
Business Development Director

Iman Badr El-Din joined Taaleem Management Services as its Business Development Director in 2017 responsible for supporting the management's expansion plans and profitability, and managing business agreements with current and potential partners, among other responsibilities.

Prior to her current role, Badr El-Din was Account Director & Head of Business Development at Logic Management Services, a local company specialized in assisting companies to reach their full potential, where she was responsible for business development, client relationship management, and operations management. Before that, she was a Senior Account Manager at TNS Middle East and North Africa, one of the world's largest custom research agencies, where she conducted a number of studies to optimize company operations in a number of sectors, including FMCG, telecommunications, and hospitality. Previously, she was a Product Marketing Specialist in the European Union's Professional Resource Program in Egypt responsible for developing, distinguishing, and launching companies' FMCG brands in local and international markets.

Badr El-Din holds a Bachelor of Science in Pharmacy from the Faculty of Pharmacy, Cairo University, in addition to an IAA Diploma in Marketing Communications from the American University in Cairo.

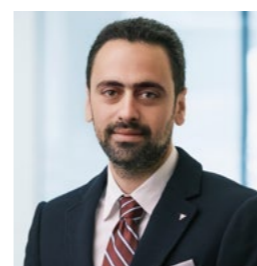


**Mohamed El-Tobgy**  
HSE Manager

Mohamed El-Tobgy was appointed as Health, Safety, and Environment (HSE) Manager at Taaleem Management Services in 2020. He is responsible for managing all HSE matters, including setting an appropriate HSE strategy, running periodic health and safety checks, and reporting on HSE and ESG performance.

He brings over 15 years of experience in the field, with his last role being Environmental, Health, and Safety (EHS) Manager at GSK, a global science-led healthcare company, where he was responsible for the company's Pharmaceutical Manufacturing Plant located in Giza, Egypt. During his time at GSK, El-Tobgy was recognized for successfully leading the Health & Wellbeing improvement program, which improved the site's score in 2018. Previously, he was EHS Manager at Huawei Telecommunication Co., a leading global provider of ICT infrastructure and smart devices after assuming the roles of Safety & Industrial Hygiene Supervisor at the leading global automotive company, General Motors, Egypt branch, and Senior Engineer of Quality, Health, Safety, and Environment Management (QHSE) at Fayum Gas Company.

El-Tobgy holds a Bachelor of Science in Mechanical Power Engineering from Ain Shams University and a NEBOSH International Diploma in Health and Safety. El-Tobgy is a chartered health and safety practitioner from IOSH.

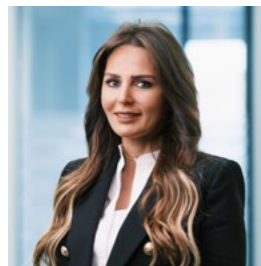


**Mohamed El-Feky**  
Supply Chain Manager

Mohamed El-Feky was appointed as Supply Chain Manager at Taaleem Management Services in 2018 responsible for directing the Company's overall supply chain operations, including procurement, inventory & warehousing operations, and vendor relationships. In addition, El-Feky oversees construction and maintenance contracting, and he is a permanent member in tendering committees. El-Feky plays an essential role in cost optimization and extracting synergies between the group's assets.

Before joining Taaleem, El-Feky was a Procurement Officer at Porto Group, a leading real estate developer in Egypt. Prior to that, he held the position of Business Development Director at Modern Sasel Swiss Company, a well-recognized Egyptian construction company ranked as a category "A" company by the Egyptian Federation for Construction & building contractors (EFCB), where he was responsible for setting the company's strategy and the overall management of operations.

El-Feky holds a Bachelor's degree in Management from Modern Technology & Information University.



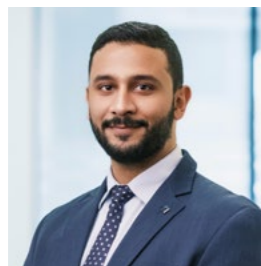
**Nehal Ahdy**  
Marketing & Public  
Relations Director

Nehal Ahdy joined Taleem Management Services as its Marketing & Public Relations Director in 2017 responsible for devising comprehensive marketing and public relations strategies for the company and the institutions it manages.

Before joining Taaleem, Ahdy was the Business Development Director of Adline Media Network, a highly experienced and diversified media communications network in the GCC and North African markets. During this time, she built strong relationships with some of Egypt's most renowned media institutions, including Al Hayah, Panorama, ART, Orbit, SHOWTIME, Al Mehwar TV, and Egypt Today, among others. Prior to that, she was General Manager of TV content development at the advertising agency, Promo AD, and Business Development Manager at IGI Group, the parent company of several growing, diversified companies whose activities range from construction to petroleum and industrial support services. Before that, Ahdy was Assistant Business Development Manager at Egypt Call.

In parallel to her corporate career, Ahdy played influential roles as a social and political activist since 2011, assuming various prestigious roles, including member of Aljazeera Club's Board of Directors for eight years, President of the Women's Club Association, previous member of the American Chamber of Commerce, in addition to her membership in other political parties and associations.

Ahdy holds a Bachelor of Science in Business Administration – Marketing from the Arab Academy for Science, Technology, and Maritime Transport.

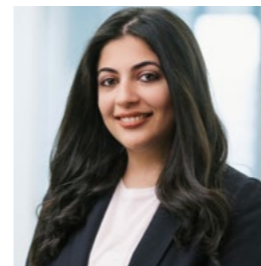


**Ahmed Zayed**  
Head of Investor  
Relations

Ahmed Zayed joined Taaleem Management Services as its Head of Investor Relations in 2021. His responsibilities include setting the Company's communication strategy and maintaining an effective two-way communication between Taaleem and all the financial market stakeholders.

Previously, Zayed assumed the role of Investor Relations Manager at Telecom Egypt, Egypt's first integrated telecom operator and one of the largest subsea cable operators in the region, where he was nominated for the Best Investor Relations Professional category of the Middle East Investor Relations Association (MEIRA) IR Awards. Prior to that, he held the position of Investment and Investor Relations Analyst at Raya Holding, a leading investment conglomerate. Before that, he worked in the banking sector as a Retail Credit Risk Analyst at both Audi and Egyptian Gulf Banks. Zayed is a certified Investor Relations Officer and Corporate Governance Professional by the Egyptian Institute of Directors (EIoD).

Zayed holds a Bachelor of Arts in Economics from the American University in Cairo.



**Amal Ghoneim**  
Financial Reporting &  
Consolidation Manager

Amal Ghoneim joined Taaleem Management Services in 2016 and was appointed as Financial Reporting and Consolidation Manager at the Company in 2019. She is responsible for overseeing all financial reporting analysis and the production of the company's consolidated financial statements. Her duties also include setting and managing the organization's budget and cashflows. Additionally, Ghoneim is a key member in the decision support team, playing a vital role in assessing potential investment cases.

Prior to her current role, she was the Financial Analysis and Reporting Supervisor of Taaleem Management Services responsible for managing the preparation and distribution of periodic financial statements and management reports. Previously, she held the positions of Budgeting and Planning Specialist, Budgeting and Planning Senior Specialist, and Budgeting and Planning Section Head at Mobiserve Holding, one of the region's leading operations and maintenance companies providing technical and telecom services, after assuming the role of Treasury Accountant in the same company.

She holds a Bachelor of Arts in Business Administration from the American University in Cairo.



**Hazem Fekry**  
Financial Controller

Hazem Fekry joined Taaleem Management Services as a Financial Controller in 2016, coming with 25 years of experience in the field of accounting. He is responsible for executing all accounting functions related to Nahda University in Beni Suef (NUB) in accordance with accounting standards and financial policies.

Previously, he held the position of Director in the audit practice at KPMG, one of the big four global accounting organizations, where he was responsible for overseeing a multitude of audit and assurance services. Prior to that, he served as Supervisor – Senior Auditor at Al-Hamli & Partners, a certified auditing firm based in the Kingdom of Saudi Arabia, after holding the position of Senior Auditor at KPMG and the same position at Dr. A.M. Hegazy & Co. – Chartered Accountants and Consultants. Prior to that, Fekry was an Accountant at United Print Group.

He is currently a member of the American Institute of Certified Public Accountants, Egyptian Society of Accounting & Auditing, Egyptian Society of Tax, and a Certified Management Accounting (CMA) instructor at the American University in Cairo (AUC).

Fekry holds a Bachelor's degree in Accounting from the Faculty of Commerce, Cairo University.



**Mohamed Azzam**  
HR Manager

Mohamed Azzam joined Taaleem Management Services as HR Manager in 2016, coming with over 22 years of experience in planning, developing, implementing, and evaluating personnel and labor relations strategies.

Before joining Taaleem, Azzam was an HR Consultant Manager at Grant Thornton Egypt, the local branch of one of the world's leading organizations of independent assurance, tax, and advisory firms, where he played a pivotal role in developing the company's organizational structure, among other achievements. Prior to that, he held the positions of Assistant Personnel Manager, Personnel Manager, and Assistant HR Manager in Delicious Inc., involved in the HR operations of Cilantro, The Bakery Shop (TBS), and Rihana after assuming the role of Senior HR Officer in the same company.

Azzam holds a Bachelor's degree in Law from the Faculty of Law, Helwan University and a Master's degree in business administration (MBA) from the Arab Academy for Science, Technology & Maritime Transport. He also completed a Professional Post Graduate Diploma in Human Resource Management from the American University in Cairo.

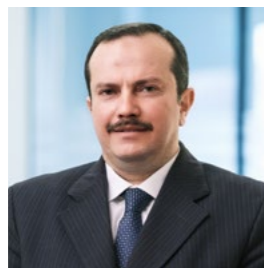


**Khaled Abd El-Aal**  
Financial Controller

Khaled Abd El-Aal joined Taaleem Management Services as its Financial Controller in 2015, coming with 25 years of experience in the fields of finance and accounting. He is responsible for executing all accounting functions in the company in accordance with accounting standards and financial policies.

Prior to that, he was the Chief Financial Officer of Delicious Inc., the parent company of popular local chains Cilantro and The Bakery Shop (TBS), after assuming the role of Financial Manager in the same company. Previously, Abd El-Aal assumed the role of Chief Accountant in Alkan Networks Co., a leading system integrator and solutions provider in the MEA region, after he held various positions in the same company, including head of the Accounts Receivables Department.

Abd El-Aal holds a Bachelor of Science in Accounting from the Faculty of Commerce and Business Administration, Helwan University.



**Mostafa Abd Allah**  
Internal Audit Manager

Mostafa Abd Allah joined Taaleem Management Services as its Internal Audit Manager in 2021, responsible for verifying the company's financial and operating procedures through various audit mechanisms.

Previously, Abd Allah assumed the roles of Internal Audit Manager at Green Egypt Group, a local company that produces high quality minerals for a wide range of industrial applications, and Internal Audit Manager at Gravena Roca, an international company that produces sanitary ware. Before that, he held a series of positions at Safwat Nour El-Din Management Consultant, a member of the international advisory and accountancy network, Kreston International, ranging from Accountant to Manager of the Accounting & Auditing Department.

He holds a Bachelor's degree in Accounting, Management, & Information Systems from the Higher Technological Institute, 10th of Ramadan City, Cairo.



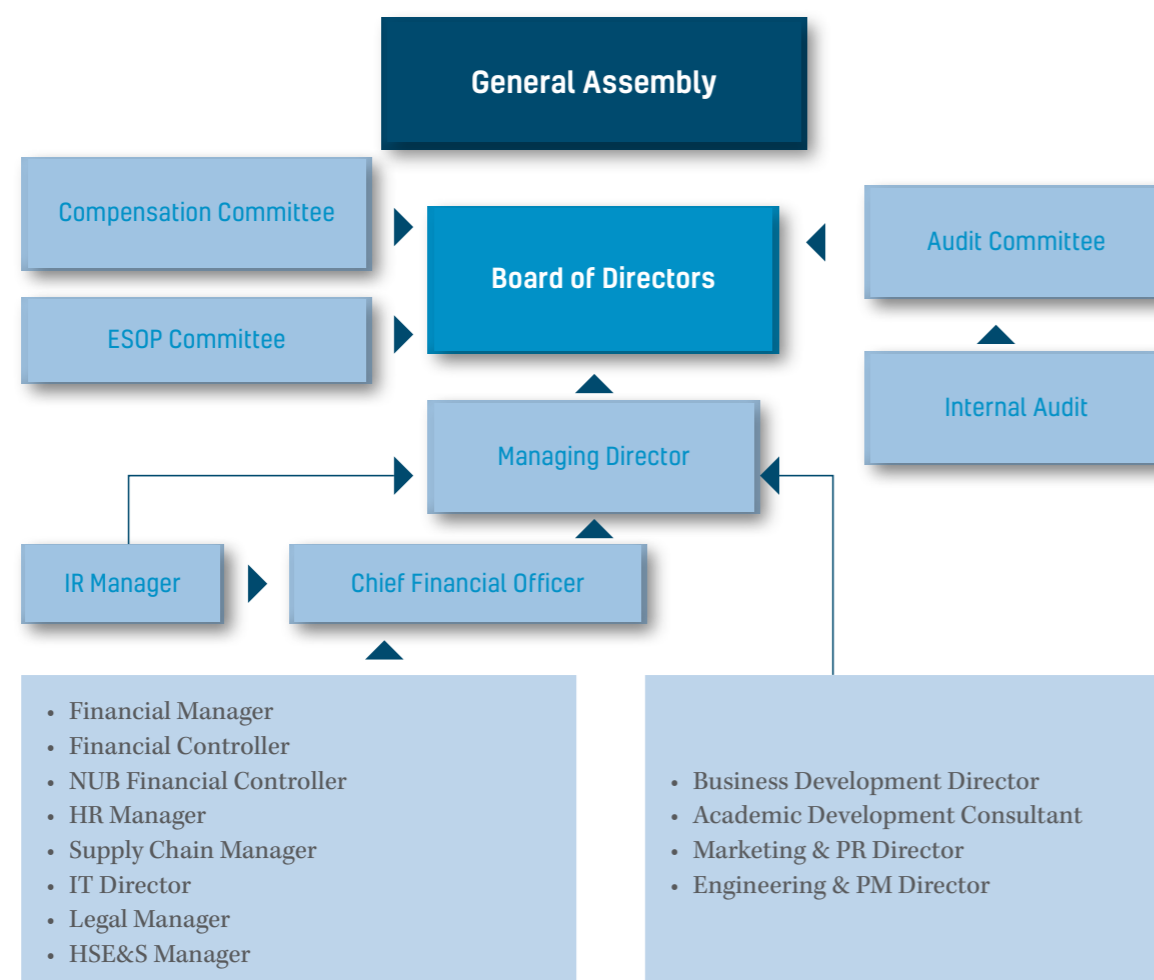


# Governance Structure

Taaleem's corporate governance framework fulfills all relevant laws and regulations, while also following global best-practice in the area of corporate governance. The framework regulates the various relationships between the Board, executive management, shareholders, and other stakeholders by establishing rules and procedures to facilitate decision-making processes with the objective of protecting the rights of shareholders and other stakeholders, and

promoting the values of credibility, fairness, and transparency in Taaleem's conduct.

The Company's corporate governance framework facilitates the implementation of a clear and transparent disclosure process, ensuring that the Board of Directors is able to act in the best interests of Taaleem's shareholders by presenting a clear and fair view of Taaleem's financial performance and the results of its operations.



## General Assembly of Shareholders

Taaleem holds annual General Assembly meetings on specified dates in compliance with Law No.159 of the year 1981 and directives from the Financial Regulatory Authority and the Egyptian Stock Exchange rules for listing, continuation of listing and delisting. The Company publishes

the invitation for the General Assembly meeting in two widely circulated newspapers, discloses it to the Egyptian Stock Exchange and Financial Regulatory Authority, and discloses any decisions taken to the aforementioned parties.

## Ownership Structure

Holders of 5% or More of the Company's Shares	Final Beneficiary	Number of Shares Held on the Date of the Financial Statements 31 August 2021	Percentage
Thebes C V	Thebes C V	152,045,115	20.82%
EGY EDU Invest B V	CI Capital	96,151,414	13.16%
MENA Long Term Value Master Fund L P	MENA Long Term Value Master Fund L P	52,625,394	7.20%
NUB HoldCo DMCC	NUB HoldCo DMCC	51,628,853	7.07%
Ismail Ben Ali Ben Ismail Torky	Ismail Ben Ali Ben Ismail Torky	45,732,364	6.26%
Total		398,183,140	54.53%

## Board of Directors Composition

	Member Name	Title	Number of Shares	Date of Joining	Representing
1	Hisham Mohamed Ashraf Gohar	Non-Executive Chairman	None	25/1/2021	-
2	Ahmed Adel Ali Badreldin	Non-Executive Vice Chairman	None	25/1/2021	Thebes CV
3	Mohamed Mokhtar Mohamed Hussein El Rashidi	Managing Director Executive Member	None	25/1/2021	-
4	Omar Sami Mohamed Elimam	Non-Executive Member	None	25/1/2021	Thebes CV
5	Mahmoud Fathy Attalla	Non-Executive Member	699,507	25/1/2021	-
6	Hazem Mohamed Magdy Khalil Badran	Non-Executive Member	None	25/1/2021	-
7	Tarek Mohamed Salah Eldin Mohamed Tantawy	Non-Executive Member	None	25/1/2021	-
8	Youssef Asaad Heidar	Non-Executive Member	None	25/1/2021	-
9	Samia Bahaeldin Elbaroudy	Non-Executive Member	None	25/1/2021	Thebes CV
10	Nabil Walid Mohamed Zaki Kamhawi	Non-Executive Independent	None	25/1/2021	-
11	Eskandar Adel Eskandar Tooma	Non-Executive Independent	None	25/1/2021	-

## Board of Directors' Mandate

The Company's Board of Directors is comprised of at least three members based on the mandate from General Assembly provided that the assignment period is three years. The Board meets at least four times during the fiscal year and can hold its sessions by any means of communication such as

over the telephone or video conference. The Board manages the Company's affairs, which include setting and defining the strategic objectives of the Company as well as approving the general plans and policies that manage the workflow. The Board also monitors the performance of the executive management and ensures the effectiveness of the



Company's internal control and risk management system. Finally, the Board determines the most suitable method to apply government mandates and adopt professional standards and policies regarding performance and behavior to be followed by employees.

The Board is also responsible for the following duties:

- Establishing mechanisms and systems that ensure compliance by all Company employees with the Company's internal laws, charters, and policies, setting up an early warning system to detect any defect or deviation that may occur, and ensuring that appropriate and timely action is taken. This system must include ways to protect sources of information and whistleblowers bringing attention to corruption and deviation.
- Developing a succession plan within the Company for the higher-level executive positions and members of the Board of Directors to ensure the continuity of the Company and the effective conduct of its business.
- Determining the powers that it delegates to members, committees, or others and specifying the mandate period and the frequency of reports it receives from committees and executive management, in addition to following up on the outcomes of the delegated tasks.

- General supervision of the data disclosure process and communication channels, ensuring the integrity of the financial and accounting reports issued by the Company, and ensuring the independence of the internal audit activity.
- Developing the policies that govern the Board's work and meetings as well as the distribution of power and responsibilities
- Appointing a competent secretary to the Board of Directors with a full understanding of the Company's business.

The Company's Board of Directors submits a detailed report on its performance throughout the year. The report is presented to the General Assembly of shareholders and discussed by shareholders in the event of any concerns with performance.

## Chairman's Responsibilities

The Chairman of the Board of Directors chairs the meetings of the Board and the General Assembly of shareholders. The Board may also entrust the Chairman with other authorities and duties including:

- Inviting the Board of Directors to convene, setting its agenda and managing its sessions.
- Inviting the Ordinary General Assembly to convene to consider the agenda of the Board of Directors.
- Ensuring the availability of accurate and

sufficient information in a timely manner to the members of the Board and the shareholders.

- Ensuring that sound decisions are taken based on comprehensive knowledge of the issues, with the need to ensure that an appropriate mechanism is in place to ensure the effective implementation of those decisions in a timely manner.
- Receiving reports and recommendations from all committees and periodically presenting them to the Board to take the necessary measures.
- Ensuring the Board's commitment to fully carrying out its duties in line with the best interests of the Company and to avoid conflicts of interest.
- Ensuring the effectiveness of the corporate governance framework applied at the Company as well as the effectiveness of the performance of the Board's committees.

### Managing Director's Responsibilities

The Managing Director is responsible for the operational management of the Company under the supervision and oversight of the Board of Directors. The Managing director must carry out the following responsibilities:

- Implement the Company's strategy as set by the Board of Directors and suggest any amendments that would benefit the Company based on new developments.
- Take the necessary financial and administrative decisions to manage the Company's business within the approved budget and comply with legal and regulatory claims.
- Implement all the Company's internal policies, regulations and processes as approved by the Board of Directors.
- Supervise the preparation of periodic financial and non-financial reports on the Company's business results and evaluate the Company's performance. Supervise the corporate governance report and review all responses to the auditor's inquiries before preparing the reports.
- Ensure the implementation of the decisions taken by the Board of Directors and inform the Board of the Company's commercial activities.

- Develop an effective organizational structure that covers performance objectives and reflects industry and market requirements.
- Signing off on behalf of the Company on any agreement, commitment, changes, amendments or terminations within the budget approved by the Board of Directors, or if authorized by the Board to exceed the limits of the budget in accordance with the Company's regulations.
- Hire employees and determine their salaries, remuneration, specialization and authorize them to carry out functions in accordance with the Company's existing regulations and processes within the limits entrusted to him by the Board of Directors.
- Carry out any other tasks or duties as assigned by the Board.

### Board Secretary

The Legal Manager assumes the role of the Board Secretariat and is responsible for faithfully performing the following tasks:

- Preparing and managing the logistics of Board and committee meetings, assisting the Chairman of the Board in preparing the meeting agenda, preparing information, data, and details on the topics to be discussed and sending them to members well in advance of the meeting.
- Assisting the Chairman of the Board in preparing for the shareholders' General Assembly meetings and managing their logistics.
- Following up on the issuance and implementation of the Board of Directors' decisions, informing the concerned departments about them, and preparing follow-up reports on what has been done in their regard.
- Documenting everything related to the Board's decisions and the topics presented to it, while ensuring that the Board obtains all essential information in a timely manner.
- Coordinating with all Board committees to ensure effective communication between those committees and the Board of Directors.



## Board Committees

### Committee Structures

Member Name	Member Title	Audit Committee	Remuneration and Incentives Committee	ESOP Committee	Date of joining
1 Nabil Walid Mohamed Zaki Kamhawi	Independent	Chairman			21/2/2021
2 Eskandar Adel Eskandar Tooma	Independent	Member			21/2/2021
3 Tarek Mohamed Salah Eldin Mohamed Tantawy	Non-executive	Member			21/2/2021
4 Mahmoud Fathy Attalla	Non-executive		Chairman		21/2/2021
				Chairman	14/4/2021
5 Ahmed Adel Ali Badreldin	Non-executive		Member		21/2/2021
				Member	14/4/2021
6 Hazem Mohamed Magdy Khalil Badran	Non-executive		Member		21/2/2021
				Member	14/4/2021

## Board Members' Attendance at Board and Committee Meetings\*

	Member Name	Board Meeting	Audit Committee	Remuneration and Incentives Committee	ESOP Committee
1	Hisham Mohamed Ashraf Gohar	10/10			
2	Ahmed Adel Ali Badreldin	5/10		1/1	1/1
3	Mohamed Mokhtar Mohamed Hussein El Rashidi	10/10			
4	Omar Sami Mohamed Elimam	6/6			
5	Mahmoud Fathy Attalla	10/10		1/1	1/1
6	Hazem Mohamed Magdy Khalil Badran	10/10		1/1	1/1
7	Tarek Mohamed Salah Eldin Mohamed Tantawy	9/10	4/4		
8	Youssef Asaad Heidar	5/10			
9	Samia Bahai Eldin Elbaroudy	6/6			
10	Nabil Walid Mohamed Zaki Kamhawi	5/6	4/4		
11	Eskandar Adel Eskandar Tooma	5/6	4/4		

\* The total number of Board and committee meetings are based on the number of meetings conducted since the member held their position

## Audit Committee

## Audit Committee Structure

Member Name	Member Title
Nabil Walid Mohamed Zaki Kamhawi	Chairman
Tarek Mohamed Salah Eldin Mohamed Tantawy	Member
Eskandar Adel Eskandar Tooma	Member

## Committee Responsibilities

- Reviewing and overseeing the implementation of the Company's internal control system and procedures.
- Reviewing the accounting policies used and changes resulting from the application of new accounting standards.
- Reviewing the Company's internal audit policies, procedures and results.
- Reviewing the Company's periodic administrative reports, its preparation methodology, and periodicity.
- Testing the procedures that are followed in preparing the following:
  - Periodic and annual financial statements.
  - Prospectuses for public and private securities offerings.
  - Discretionary budgets including cash flow statements and discretionary income statements.
- Reviewing the preliminary financial statement drafts before submitting them to the Board of Directors and prior to sending them to the auditor.
- Proposing the appointment of auditors, determining their fees and considering matters related to their resignation and dismissal in a manner that does not violate the provisions of the law.
- Providing an opinion with regards to allowing the auditor to perform services for the Company other than reviewing financial statements and the corresponding fees without jeopardizing their independent opinion.
- Reviewing the auditor's report on the financial statements and discussing any observations or concerns to resolve differences in opinions between the Company's management and the auditor.
- Ensure that a report is provided to the Board of Directors from an independent specialized expert on the nature of transactions and deals completed to identify any conflict of interest for the Company and its shareholders.
- Ensure the necessary controls to protect the Company's assets are being applied and periodically evaluate the administrative procedures to ensure compliance with the policies and reports set by the Board of Directors.

## Remuneration and Incentives Committee

## Remuneration and Incentives Committee Structure

Member Name	Member Title
Mahmoud Fathy Attalla	Chairman
Hazem Mohamed Magdy Khalil Badreldin	Member
Ahmed Adel Ali Badreldin	Member

### Committee Responsibilities

- Establishing the Company’s wage structure.
- Reviewing employee bonus and profit share proposals and issuing recommendations to be presented to the Board of Directors.

### Employee Stock Ownership Plan (ESOP) Committee

#### ESOP Committee Structure

Member Name	Member Title
Mahmoud Fathy Attalla	Chairman
Hazem Mohamed Magdy Khalil Badreldin	Member
Ahmed Adel Ali Badreldin	Member

### Committee Responsibilities

- Supervising the system of the employee stock ownership plan for employees, managers and executive members of the Board of Directors.

### Regulatory Environment

#### Internal Control System

Internal control is represented in a set of policies and procedures that are established and used by the Company’s management to help achieve its goals. The Company’s internal control system ensures the following:

- Quality and effectiveness of operational processes.
- Preserving the Company’s assets and properties.
- Suitability, appropriateness and accuracy of financial reports.
- Implementation of existing laws and regulations.

The Company’s internal control system is reviewed by the Board of Directors and is evaluated through the following criteria:

- The Audit Committee consists of non-executive members. It recommends an external auditor and a Head of Internal Audit to the Board of

Directors, who must then secure approval by the Company’s General Assembly.

- The Audit Committee discusses the performance of the external and internal auditors and reviews the periodic reports submitted by them.
- Follow-up and discuss the periodic reports submitted by the external and internal auditors, which include the most important observations regarding shortcomings and weaknesses in the internal controls. Recommend the necessary procedures to strengthen the controls and improve workflow.
- Present a periodic summary of the results of the internal and external auditor’s reports to the audit committee to discuss the strengths and weaknesses of the Company’s internal controls and propose recommendations to the Board of Directors.

The efficiency of the controls is reviewed periodically by the Board (quarterly and at the end of the fiscal year) or in the event of an emergency whenever the need arises.

#### Internal Audit Department

Taaleem’s Internal Audit Department was established as an independent function in 2017 pursuant to the legal framework and exchange market regulations followed by the Company. The independence of the internal audit function is verified through the Company’s organizational structure and reports. The function is affiliated with the Audit Committee and the Board of Directors (non-executive members) and is overseen administratively by the Company’s Managing Director. The Company’s internal audit function does not report to the executive management and applies operational processes that ensure its independence.

The mandate of the Internal Audit Department at Taaleem and its affiliated companies entails assisting the Company’s senior management to achieve the highest possible productivity efficiency levels through the periodic evaluation of the accounting, finance and administrative policies and executive procedures to ensure they are in line with the established plans. The team also provides its opinion on methods to improve procedures in accordance with the plan established by the Internal Audit Department through the following tasks:

- Review the Company’s annual business plan to ensure that it is adhered to in order to achieve its goals.
- Assess risks in the financial department and identify areas of exposure to prepare reports on them for discussion with the Director of the Finance Department.
- Ensuring the effectiveness of the Company’s internal controls and their compliance with regulations, laws, policies and plans to ensure the accuracy and completeness of financial

statements and accounting records as well as the administrative and financial operations of the Company.

- Verify the appropriateness of the methods used to project budgets as well as approve capital and operational projects. Projected budgets should be compared to actual results.
- Review the policies and procedures related to the management of the Company’s assets including cash investments as well as investments in subsidiaries and development projects.
- Ensure that the Company’s departments comply with the rules, regulations, policies and financial procedures and verify their efficiency and suitability.
- Ensure that the Company’s assets are adequately protected against loss, theft, misuse or embezzlement.
- Evaluate the efficiency and effectiveness of the operational plan, the level of each department’s achievement of its set objectives and analyze the reasons for deviations from set objectives.

The internal audit process is carried out by the Internal Audit Department of Taaleem in cooperation with the Delta Office of Accountants and Auditors.

#### Internal Audit Department Structure:

1	Taaleem Director of Internal Audit Department
2	Audit Manager of Delta office accountants and auditors
3	The main internal audit group consists of: <ul style="list-style-type: none"> <li>a Head of Administrative Activities audit                             <ul style="list-style-type: none"> <li>- Auditors</li> <li>- Assistant auditors</li> </ul> </li> <li>b Head of Financial Audit                             <ul style="list-style-type: none"> <li>- Auditors</li> <li>- Assistant auditors</li> </ul> </li> </ul>

The Audit Department is currently issuing periodic reports starting from the first quarter of 2021 that

include the internal control system's strengths and weaknesses as well as proposed recommendations.

### Risk Management

Taaleem is aware of the operational and financial challenges and risks that it may face while operating its business. The Audit Department conducts an assessment of the risks that may prevent the Company from achieving its objectives and classifies these risks to determine the likelihood of their occurrence. A plan is developed with appropriate responses to each risk, reducing expenses and prospective losses for the Company.

### Risk Assessment Approach

Understanding the nature of risk (strategic, financial and operational)
Identifying high-risk risks
Identifying key internal controls and the factors contributing to the risk identification
Compiling a list of all the business-specific risks that the Company's educational facilities are exposed to in order to evaluate and categorize them for all major business units
Identifying risks in terms of their impact and likelihood of occurrence
Identifying areas of concern and risk
Establish internal audit procedures based on the risk assessment results

### Risk Environment

The risk environment is a framework to categorize the main business risks the Company is exposed to. Taaleem's exposure to risk has been classified in the following five categories:

1. Strategic risks: relates to corporate governance, stakeholders and competitors.
2. Legal risks: arising from regulatory and legal issues.

3. Operational risks: affect the processes, systems, people and workflow within the Company between different departments.
4. Financial risks: stems from fluctuations in the market, economy, liquidity and the Company's capital structure.
5. Primary business risks: primary business risks are risks that can affect the Company's goals.

The risks are then evaluated by classifying them according to the following criteria:

- Impact size.
- Likelihood of occurrence.

### Disclosure and Transparency

The Company is keen on adhering to the highest standards of disclosure and transparency. The Company periodically issues disclosures in a timely manner that are measurable, comparable, credible and transparent. It also ensures the timely and coordinated announcement of information to everyone through all available communication channels including the website and emails. The Company ensures that any information or disclosures are communicated in advance to the Egyptian Exchange and the Financial Regulatory Authority.

### Material Information and Financial and Non-Financial Disclosures

The Company periodically discloses business results, financial statements, auditor's reports, annual board reports, and the Company's shareholder structure. It discloses any material information regarding Board of Directors decisions, Ordinary and Extraordinary General Assemblies, and the distribution of dividends, pursuant to the applicable rules and regulations. The Company also discloses through various channels its objectives, vision, nature of business operations, market conditions, any material changes, plans and future strategies. As noted above, disclosures are first communicated to the Egyptian Exchange and the Financial Regulatory Authority.

### Violations and Judgments Issued Against the Company During the Year

There are no judgments, violations, or material fines that would affect the operational performance of the Company.

### Investor Relations

The Company believes in the importance of the role of the Investor Relations Department, which is crucial to consolidating and applying the principles of corporate governance. Investor Relations operates as an independent strategic function aimed at revitalizing and bridging the relationship with current and prospective investors, opening channels of communication with the capital and investment markets, and providing the necessary disclosures and transparency to enable investors to see the current performance of the Company and project its future performance. Investor Relations activities help the Company achieve a suitable liquidity ratio for its shares trading on the stock exchange, reduce long-term financing costs, build and develop the confidence of customers with the Company and stakeholders, and promoting increased support for the Company's activities.

As such, the Company provides the Investor Relations Department with all the resources necessary to develop Taaleem's communication strategy within the investment market, open channels of communication with investors, and convey market views and investors' concerns to the Board of Directors on an ongoing basis. Investor relations also plays a crucial role in explaining to the Board of Directors the reasons for the performance of the Company's shares and the extent to which the performance is reflected in their fair value. The Investor Relations Department also highlights to the Board the importance of adhering to the listing regulations as well as disclosure and communication with investors to increase their understanding of the investment market's vision, the Company and its value.

The Company's Investor Relations Department reports and submits periodic reports to the Company's Managing Director and Chief Financial Officer. The Investor Relations Manager attends the Company's General Assembly and Board of Directors meetings and has access to all internal information necessary to carry out his role efficiently.

### Investor Relations Responsibilities

- Participating in setting the disclosure policy followed in the Company and organizing the information issued by the Company in accordance with the applicable disclosure rules.
- Preserving existing investors and attracting new ones by educating the market about the Company's business and future growth opportunities and identifying the factors that affect its profitability.
- Communicating with analysts, investors and media representatives and providing requested information to clarify any news and increase research coverage for the Company.
- Establishing and following up an investor database, whether in terms of the type of investor or his geographical location.
- Attending various events to represent the Company and present it to investors.
- Preparing the disclosure report required by the Company and managing the investor relations page on the Company's website.
- Introducing the market to new members of the Board of Directors or senior management.
- Monitor and analyze the performance of the Company's shares and work to reach the fair value of the share through transparency and clarification of facts.
- Partake in the arrangements for the establishment of boards of directors and General Assemblies.
- Clarify to the Board of Directors the market's perception of the Company's performance and the primary concerns of shareholders, investors and financial analysts.



## Disclosure Tools

### Board of Directors Report

The Company issues an annual report in accordance with Companies Law No. 159 of 1981 and its executive regulations, to be presented to the General Assembly of shareholders and the regulatory authorities.

### Disclosure Report

The Company issues a quarterly disclosure report on the Board of Directors structure and the structure of shareholders pursuant to Article 30 of the rules for listing and delisting.

### Annual Report and Sustainability Report

The Company's annual report includes policies and procedures pertaining to sustainability and social responsibility.

### Website

The Investor Relations Department maintains a page on the Company's website that allows users to easily access all information about the

Company. It also provides several publications to clarify financial, operational and other aspects of performance to investors and financial analysts.

## Charters and Policies

### Code of Ethics and Business Conduct

Taaleem recognizes the importance of a work environment that promotes the best professional practices. The purpose of the Code of Ethics and Professional Conduct is to define and describe the behavioral standards expected of employees when dealing with colleagues, suppliers and other stakeholders.

It is expected of all Taaleem employees to act in a professional and appropriate manner and to uphold the following standards of behavior inside and outside of the workplace and at any location when representing the Company.

### Confidentiality

By virtue of working for the Company, employees may be entrusted with confidential information.

At the start of employment, employees read and sign the confidentiality agreement which is part of their work contract. The terms and conditions of the confidentiality agreement must be explicitly mentioned along with the use of confidential information and intellectual property of the Company.

### Financial Integrity

Stakeholders, management and other interested parties must have complete and accurate financial information to make informed decisions. Many employees are involved in the accounting processes which directly affect the integrity of external financial statements and internal management reports. All employees are responsible of the accuracy and timeliness of the Company's accounting data and immediately reporting any errors. Any deliberate misrepresentations by employees that may conceal the true nature of business transactions are clear violations of this policy.

### Protection and Use of Company Properties

All Company employees have a responsibility to protect and take the necessary steps to prevent theft, misuse, or destruction of Company assets whether physical, mobile or fixed. Employees must use Company equipment, tools, materials, and supply only during business hours for legitimate business purposes.

### Accepting Gifts and Other Benefits

Employees must not give or receive gifts or any other personal service that would in any way influence any business decisions or the interest of the Company. It is strictly forbidden to receive money, gifts, services, or special treatment from any current or potential supplier, except for token gifts given within the scope of the approved activities of the Company.

It is not acceptable to directly offer, pay, solicit, or accept any kind of bribe. Any such attempt must be reported immediately to the management or Human Resources. The Company's funds and resources may not be used directly or indirectly for any such activity.

### Full Time and Attention

Employees must devote all their time to exert their best efforts to support the Company's business and may not engage (directly or indirectly) in any other employment for financial gain.

### Harassment

The Company is committed to providing a safe work environment free from inappropriate behavior of all kinds including all forms of harassment whether because of age, physical disability, marital status, religion, gender or any other reason. Employees are responsible for supporting the Company in its efforts to protect others from any harassment.

### Misconduct and Breach of the Above Policy

Violation of this policy may result in severe disciplinary action which may lead to termination in some cases. Decisions on these issues will be at the management's discretion (business manager or human resources manager) and will be mandatory.

### Whistleblowing Policy

Taaleem aims to raise the level of communication and transparency to ensure fair and impartial settlement of employee complaints and to maintain an honest work environment to avoid affecting the reputation of the organization or its customers. The Company urges employees to report any complaints or unethical issues they become aware of. Therefore, the Company has provided a confidential and secure platform for employees to protect individuals who report issues in good faith. This policy applies to all the Company's employees regardless of their roles and responsibilities.

### Internal Related Parties and Associated Parties Dealing Policy

The Company has a clear and detailed policy for insiders and their dealings in the Company's shares. The Company notifies all those it considers insiders in accordance to the laws and regulations regulating insider trading.

This policy includes the following:

- Prohibiting any insiders or groups associated with them from dealing in any securities issued by the Company within seven working days before and three working days after publishing any material information, quarterly or annual business results.
- An acknowledgment by each of the insiders that they fully understand the policy and bear full responsibility for following all that is stated therein.
- Requiring the insiders to obtain Company approval before conducting any transaction on any of its securities to ensure compliance with laws and regulations.

### Insider Transactions on Company Shares

	Member Name	Number of Shares Owned at the Start of the Year	Shares Bought During the Year	Shares Sold During the Year	Share Balance at Year-End
1	Mahmoud Fathy Attalla	0	699,507	0	699,507

### Environmental and Social Responsibility Policy

Taaleem Management Services is committed to preserving the safety of individuals and protecting the environment and community.

The Company works with its partners to foster a safe environment that is free of accidents, injuries, and illnesses and is supportive of the health of its employees and students. Taaleem promotes awareness that some of the business activities may affect the environment and the surrounding community, and the Company is committed to working in conditions suitable for the environment and based on sustainable development. Taaleem is committed to complying with all legal requirements and monitors the extent to which measures regarding the environment and community are implemented on an ongoing basis. It also seeks to continuously develop policies that effectively improve safety, health and environmental standards.

Taaleem accomplishes this through an integrated management system for occupational safety, health, and environmental and community protection, where the Company manages its operations in accordance with Egyptian law and regulatory specifications. The Company values the importance of its environment and is therefore committed to preserving the environment and supporting a program to reduce pollutants. Universities affiliated with the Company enjoy a prominent position among Egyptian universities in addressing issues of environmental and social sustainability and health and safety.

The Company recognizes the value of human resources, respects human rights, and is committed not to be involved in any form of child or forced labor. Universities affiliated with Taaleem do not tolerate any act of discrimination. Managers at the Company's universities are committed to maintaining and developing such programs by establishing and implementing appropriate and effective procedures.



Management at Taaleem is committed to setting goals for safety, health, and the protection of communities, and will provide the resources needed to achieve those goals. Management is also committed to provide appropriate programs to control environmental risks and impacts and to comply with applicable laws.

All employees of the universities affiliated with the Company are responsible for implementing these procedures and bear personal responsibility to maintain the health and safety of those on campus as well as protect the environment and preserve the surrounding community. This policy applies to all employees, students, visitors, and contractors.

### Environmental, Social, and Governance (ESG) Standards

On July 8, 2021, the Board of Directors of the Egyptian Financial Regulatory Authority issued law No. 108 of year 2021, setting controls for the disclosure by companies listed on the Egyptian

Exchange as they pertain to environmental, social, and governance (ESG) practices related to sustainability. The decision mandates companies listed on the Egyptian Exchange to attach the relevant ESG disclosures to the annual reports prepared by their Board of Directors and released with the financial statements. TCFD disclosures apply to companies with a net equity exceeding EGP 500 million, but all listed companies must include ESG disclosures in their BoD reports.

Companies to which this decision applies must implement it by the date of submission of the financial statements for fiscal year 2022. Companies must provide all specified disclosures and must provide the Financial Regulatory Authority with quarterly statements outlining actions taken in the area of ESG from January 1, 2022. Companies must maintain quarterly data starting from January 2022 and append disclosures to the annual reports accompanying their financial statements by August 31, 2022.





# FINANCIAL REVIEW

Taaleem enjoyed a highly successful year on the operational and financial fronts during FY-2020/21, underscoring the Company's unique value proposition.

# Management Discussion & Analysis

Summary Income Statement	FY-2020/2021	FY-2019/2020	Change
<b>EGP mn</b>			
Total Revenue	602.1	450.2	33.7%
Gross Profit	425.6	294.1	44.7%
<i>Gross Profit Margin</i>	70.7%	65.3%	5.4 pts
Adjusted EBITDA	340.8	239.5	42.3%
<i>Adjusted EBITDA Margin</i>	56.6%	53.2%	3.4 pts
Net Profit	185.3	144.0	28.7%
<i>Net Profit Margin</i>	30.8%	32.0%	-1.2 pts
Normalized Net Profit	243.0	144.0	68.7%
<i>Normalized Net Profit Margin</i>	40.4%	32.0%	8.4 pts
<b>Operational Highlights</b>			
Enrolled Students	6,273	5,577	12.5%
Licensed Student Capacity	11,035	7,685	43.6%
<i>Capacity Utilization</i>	60.0%	80.0%	-20.0 pts
Net Student Intake	696	179	288.8%
<i>Intake Utilization</i>	80.0%	87.0%	-7.0 pts
Total Faculties	8	7	14.3%

## Operational Review

Taaleem's portfolio includes one operational institution of higher education, Nahda University in Beni Suef (NUB), and one institution under development: Badya University, located in West Cairo. Taaleem has operated Nahda University in Beni Suef (NUB) since 2015. Strategically located in Egypt's most populous region, NUB is Upper

Egypt's first and largest private university. The university caters to a highly underserved region, with only three operating private universities. The first and second semesters of NUB's academic year coincide with the first three quarters of Taaleem's financial year, with only the summer semester recognized in the fourth quarter.

<sup>1</sup> Adjusted EBITDA normalizes for one-off expenses incurred during the year, including EGP 74.4 million in listing expenses, EGP 0.9 million from discontinued operations, EGP 1.0 million in gains from the disposal of fixed assets, and EGP 6.9 million from the write-off of a liability.

<sup>2</sup> Normalized net profit adjusts for one-off listing expenses incurred during the year, amounting to EGP 57.7 million (EGP 74.4 million adjusted with tax savings of 22.5%).

## Enrolled Students

NUB had 6,273 enrolled students at the end of FY-2020/21, up by 12.5% y-o-y from the 5,577 registered one year previously. The intake of students at private universities is subject to quotas imposed by Egypt's Ministry of Higher Education (MoHE), with distinct, faculty-specific limits set on the number of students admitted annually to a given faculty each academic year. NUB's total MoHE-mandated student capacity stood at 11,035 at the close of FY-2020/21, up from 7,685 in FY-2019/20 and from 6,500 in FY-2018/19. Students at the university are served by eight academic faculties. In FY-2020/21 NUB launched its physiotherapy faculty, adding to its existing faculties of pharmacy, dentistry, engineering, computer science, media, marketing & business administration, and medicine.

## Student Capacity

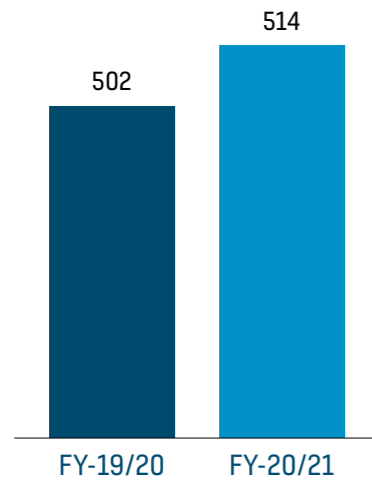
The rise in student capacity between FY-2019/20 and FY-2020/21 follows the launch of NUB's physiotherapy faculty during the first semester of the 2020/21 academic year, the earlier launch of the medical faculty in FY-2019/20, and intake quota increases at the faculties of medicine, computer science, and engineering for FY-2020/21. Total capacity increased during the year despite a downward revision of MoHE-mandated quotas for private and public faculties of pharmacy and dentistry instituted from FY-2019/20.

## Student Intake

NUB added a net of 696 students in FY-2020/21, up by 289% y-o-y from the net increase of 179 students during FY-2019/20. Growth was driven mainly by the launch of the physiotherapy faculty during the year, as well as an increase in the computer science faculty's student quota from 50 to 200 and in the medical faculty's student quota from 250 to 400. Enrollment in the engineering faculty was limited during FY-2020/21 to facilitate the relocation of the faculty to premises at the Beni Suef Smart Village and the repurposing of its existing buildings for use by the newly launched physiotherapy faculty. The overall expansion in intake during FY-2020/21 displays NUB's ability to successfully attract new students and accommodate strong demand.

Demand was particularly strong at NUB's medical school, reflecting the high quality of education on offer at the faculty, which is Egypt's largest private faculty of medicine and benefits from an exclusive partnership with the Medical University of Vienna (MUVI), ranked among the top 60 universities globally in clinical medicine. NUB's intake quota utilization registered 80% in FY-2020/21 against 87% one year previously, declining year-on-year despite growth in student intake during the year and reflecting the expansion in NUB's overall capacity as a result of heightened intake quotas at NUB's faculties of engineering and computer science.

Teaching Staff



Student-Teacher Ratio



**Tuition Per Student**

Average tuition per student was EGP 92.7 thousand in FY-2020/21, up by 20.5% y-o-y from the EGP 76.9 thousand booked for FY-2019/20. This growth reflects an average increase of 5% in tuition fees for existing students (with the medical faculty registering an increase of 2%), and of 10% for new students (except for the dental and medical faculties, where fees rose by 25% and 19%, respectively). The increase in average tuition per student for FY-2020/21 was further driven by increased capacity utilization at the faculty of medicine, which commands higher price points, as well as the university-wide replacement impact during the period. Tuition at NUB has followed a multiyear upward trend, reflecting the adjustment of tuition fees in light of evolving market dynamics and a continuous enhancement in the quality of NUB’s academic offering.

**Staff Progression**

NUB employed a total of 514 teaching staff by the close of FY-2020/21, stable against the level of 502 registered for FY-2019/20 and up from 429 in FY-2018/19. The long-term increase in staff levels reflects the launch of NUB’s faculties of medicine and physiotherapy, as well as efforts to accommodate double-digit student intake growth during the period. NUB recorded a student-teacher ratio of 12.2x in FY-2020/21, an increase from 11.1x in FY-2019/20. NUB’s student-teacher ratio remains well below the national private university average of 18.6x and the Upper Egypt average of 20.3x, facilitating the delivery of high-quality, skills-based education, particularly in life science faculties. As newly launched faculties approach full utilization, NUB’s low student-teacher ratio facilitates the extraction of cost efficiencies at the teaching-staff level.



## Financial Review

### Revenues

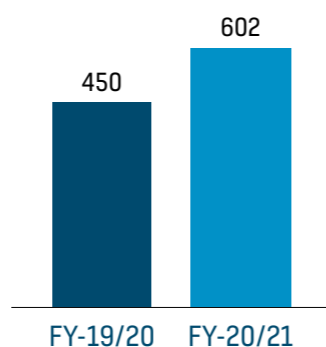
Taaleem recorded total operating revenues of EGP 602.1 million for FY-2020/21, up by 33.7% y-o-y from the EGP 450.2 million booked for FY-2019/20. Double-digit top-line growth was propelled by an increase of 20.5% in tuition revenue per student and an increase of 12.5% in the number of enrolled students at NUB, reflecting the utilization of student quota increases and the ramp-up of recently launched faculties commanding higher price points.

Tuition fee revenue climbed by 35.6% y-o-y to book EGP 581.5 million for FY-2020/21, constituting 96.6% of the Company's top line for the year. It should be noted that Taaleem collects tuition fees prior to the beginning of each NUB semester and recognizes the resulting revenue as educational services are provided over the course of the semester. Tuition revenue growth for the year was driven by a broad-based expansion at all of NUB's faculties. Leading contributors to growth in FY-2020/21 included the faculties of medicine, physiotherapy, and pharmacy. Meanwhile, revenue from student housing rose by 2.5% y-o-y to book EGP 5.9 million in FY-2020/21, reflecting an increase in housing fees. Revenue from bus subscriptions decreased by 59.2% during FY-2020/21 following the impact of the COVID-19 pandemic and the digitalization of a considerable part of NUB's learning process for the period. Other educational fees generated revenues of EGP 14.5 million in FY-2020/21, down by 3.5% y-o-y.

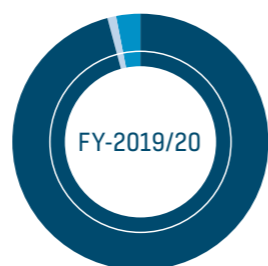
### Operating Costs

Operating costs booked EGP 176.6 million for FY-2020/21, an increase of 13.1% y-o-y from the EGP 156.1 million reported at year-end FY-2019/20. Salaries and wages were the largest single component of Taaleem's operating cost base in FY-2020/21, representing 37.5% of total

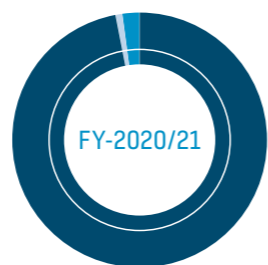
Revenue (EGP mn)



Revenue Breakdown



■ Tuition	95%
■ Student Housing	1%
□ Bus Subscription	<1%
■ Other	3%



■ Tuition	97%
■ Student Housing	1%
■ Other	2%

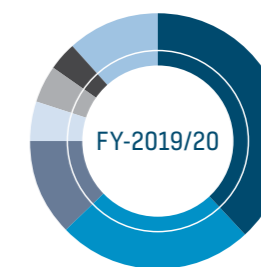
operating costs and 11.0% of revenues. Taaleem's operating costs recorded 29.3% as a percentage of revenues in FY-2020/21, down from 34.7% in FY-2019/20, reflecting the year's rapid year-on-year top-line growth. Outlays on salaries and wages increased by 4.9% y-o-y, reflecting the optimization of NUB's teaching staff costs and the university's student-teacher ratio. Restrained growth in salaries and wages further reflects Taaleem's decision not to implement an annual salary increase during FY-2020/21, combined with the efficiency of the hybrid pedagogical system introduced during the period.

Depreciation expenses were the second largest component of Taaleem's operating costs in FY-2020/21, climbing by 16.1% y-o-y to represent 27.0% of total operating costs. The increase in depreciation outlays stems from the addition of buildings attached to the newly launched physiotherapy faculty and a newly developed learning resources center.

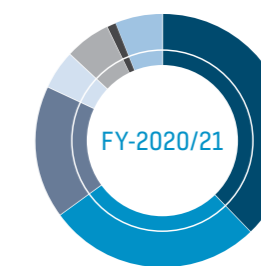
Expenses on educational activities represented 17.1% of operating costs in FY-2020/21. Such outlays increased by 48.9% y-o-y, driven by an expansion in the scope of NUB's academic partnership with MUVI to include certificate attestation, quality assurance, access to MUVI material, and broader operational supervision, with a resulting increase in annual partnership costs at the faculties of medicine and dentistry to EUR 1.17 million for academic year 2020/2021 from EUR 0.75 million for academic year 2019/2020.

Excluding depreciation expenses and international partnership fees, the y-o-y increase in operating costs declines to c.4.2% for FY-2020/21, with the Company effectively able to engender reductions and savings on those variable costs which typically increase in line with revenues.

### Operating Costs Breakdown



■ Salaries & Wages	40%
■ Depreciation	26%
■ Educational Activities	13%
■ Utilities	5%
■ Government Fees	5%
■ Rent	4%
■ Other	12%



■ Salaries & Wages	38%
■ Depreciation	27%
■ Educational Activities	17%
■ Utilities	5%
■ Government Fees	6%
■ Rent	1%
■ Other	6%

### Gross Profit

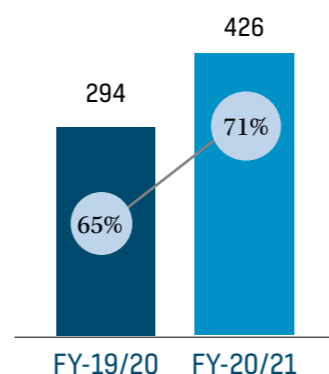
Taaleem recorded a gross profit of EGP 425.6 million for FY-2020/21, up by 44.7% y-o-y from the EGP 294.1 million booked in FY-2019/20. This rapid increase reflects the ramp-up of intake utilization at higher-margin faculties during the period. Taaleem enjoys significant operating leverage, with the Company's operating costs being mostly fixed in nature. The Company registered a gross profit margin of 70.7% for FY-2020/21, up by 5.4 percentage points from the 65.3% recorded in FY-2019/20

an increase of 29.0% y-o-y driven by increased rent and value-added tax (VAT) outlays, and the implementation of a Board of Directors sitting scheme. As a percentage of revenues, G&A expenses booked 35.2% in FY-2020/21, up from 23.6% one year previously. On a normalized basis, G&A expenses as a percentage of revenues recorded 22.8% for FY-2020/21, down by 0.8 percentage points y-o-y.

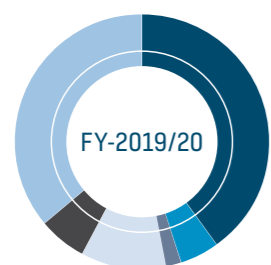
### General & Administrative Expenses

General & administrative (G&A) expenses recorded EGP 211.7 million for the year, an increase of 98.9% y-o-y from the EGP 106.4 million booked for FY-2019/20. It should be noted that G&A expenses for FY-2020/21 included EGP 74.4 million in nonrecurring listing expenses related to Taaleem's initial public offering and are thus inflated relative to FY-2019/20. Normalizing for nonrecurring listing expenses, G&A expenses booked EGP 137.3 million for FY-2020/21,

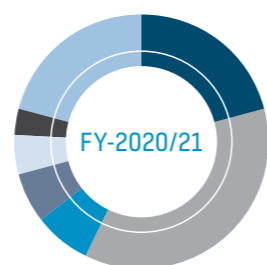
Gross Profit (EGP mn)  
% Margin



### General & Administrative Expenses Breakdown



Salaries & Wages	40%
Listing Expenses	-
VAT on Management Fees	5%
Rent	2%
Professional Fees	11%
Advertising	6%
Other	36%



Salaries & Wages	20%
Listing Expenses	35%
VAT on Management Fees	7%
Rent	6%
Professional Fees	5%
Advertising	3%
Other	20%

**243** EGP/MN

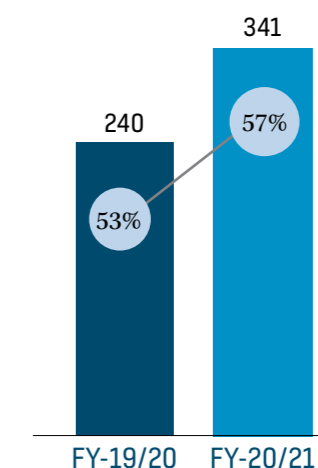
Normalized net profit  
FY-2020/21

Non-academic salaries and wages represented 20.4% of Taaleem's G&A outlays in FY-2020/21, booking 7.2% as a percentage of revenues (FY-2019/20: 9.4%). Such costs grew by 2.7% y-o-y, an efficient rate of increase given the ongoing operational expansion at NUB, an efficiency which was reinforced by Taaleem's decision to refrain from an annual salary increase during FY-2020/21. Nonrecurring listing expenses represented the bulk of Taaleem's G&A outlay during the period, at 35.2%. Meanwhile, VAT on management fees formed 7.1% of total G&A outlays in FY-2020/21. Such VAT expenses nearly tripled year-on-year, reflecting the widened scope of services provided to NUB by Taaleem and a resulting increase in fees charged by Taaleem to the university. Rent expenses represented 6.3% of G&A outlays in FY-2020/21, up from 2.2% one year previously as Taaleem leased a facility at the Beni Suef Smart Village business district for the relocation of the faculty of engineering, enabling the Company to implement an asset-light expansion plan in launching the physiotherapy faculty. The relocation has also facilitated increased student intake quotas at the computer science and engineering faculties.

### Adjusted EBITDA

Factoring out nonrecurring and one-time outlays, Taaleem's adjusted EBITDA records EGP 340.8 million for FY-2020/21, up by 42.3% y-o-y from an adjusted EBITDA of EGP 239.5 million for FY-2019/20. Taaleem booked an adjusted EBITDA margin of 56.6% for the year, up from the 53.2% booked for FY-2019/20. This climb in

Adjusted EBITDA (EGP mn)  
% Margin



adjusted EBITDA reflects the Company's strong top-line performance during the year and comes despite year-on-year increases in operating costs and G&A expenses, indicating Taaleem's ability to generate strong expansions in profitability from given increases in revenue.

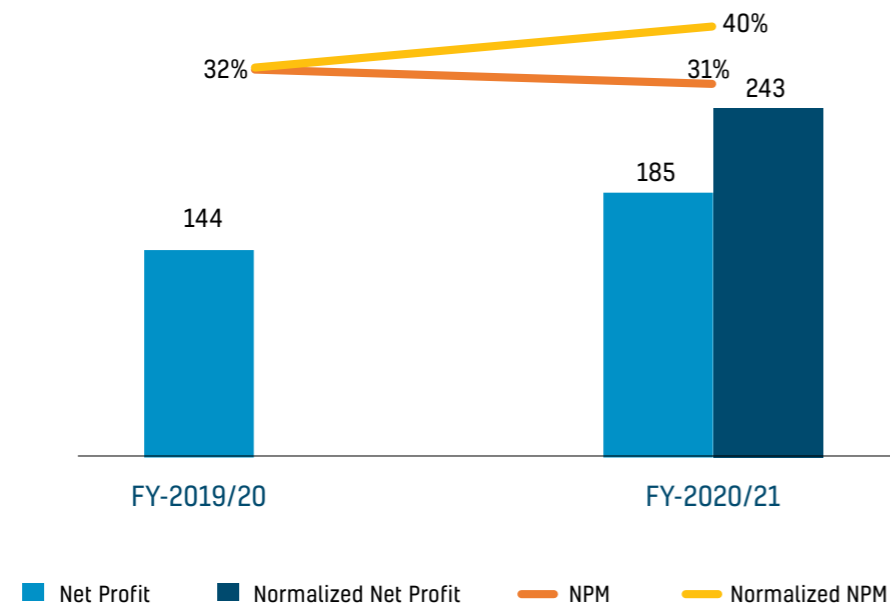
### Net Profit

Taaleem booked a net profit of EGP 185.3 million for FY-2020/21, up by 28.7% y-o-y from the EGP 144.0 million registered for FY-2019/20. The net profit margin recorded 30.8% for FY-2020/21, down slightly from the 32.0% booked one year previously. Strong bottom-line performance came despite the recognition of EGP 74.4 million in nonrecurring listing expenses and indicates Taaleem's ability to effectively translate revenue growth into increased profitability.

### Normalized Net Profit

Normalized net profit, which adjusts for listing expenses incurred during the year, recorded EGP 243.0 million for FY-2020/21, marking an increase of 68.7% y-o-y and yielding a net profit margin of 40.4%.

### Net Profit and Normalized Net Profit (EGP mn)



### Balance Sheet

#### Total Assets

The Company recorded total assets of EGP 1,484.7 million as at 31 August 2021, down by 4.2% from the position of EGP 1,550.2 million reported at the close of FY-2019/20.

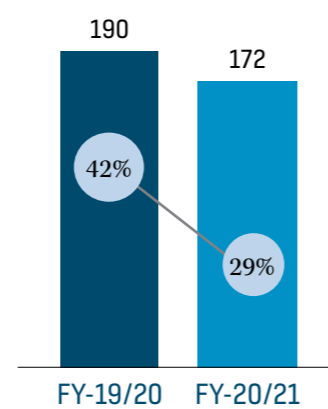
**1.5** EGP/BN

Total assets  
FY-2020/21

#### CAPEX

CAPEX outlays came in at EGP 171.1 million for FY-2020/21, recording 28.5% as a percentage of revenues for the period. CAPEX was down by 9.5% y-o-y from the EGP 189.8 million committed during FY-2019/20. Approximately 63% of CAPEX outlays for FY-2020/21 were allocated to the purchase and capitalization of NUB's existing campus. A further 20% of outlays were allocated to the purchase of state-of-the-art equipment for NUB's newly launched physiotherapy faculty and its learning resource center. The remainder of CAPEX outlays for FY-2020/21 were allocated to vehicles and maintenance works.

### CAPEX (EGP mn) % of Revenue



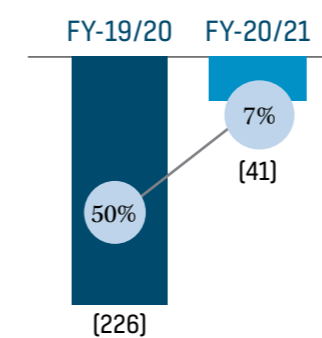
### Working Capital

Taaleem recorded a working capital position of negative EGP 41.2 million as of 31 August 2021, as against a position of negative EGP 226.3 million reported at 31 August 2020. The Company typically maintains a negative working capital position, as tuition fees are collected prior to the beginning of each NUB semester, yielding a negative cash conversion cycle.

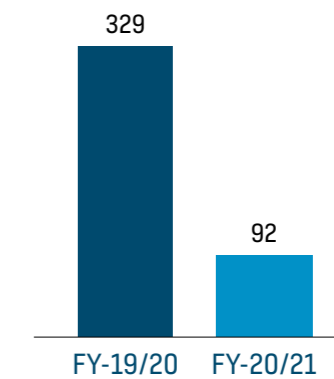
### Cash & Cash Equivalents

The Company held EGP 92.4 million in cash and cash equivalents as of 31 August 2021, down from the EGP 329.1 million reported on 31 August 2020. The decrease in cash balances reflects the distribution of EGP 110 million in dividends during FY-2020/21, the payment of EGP 74.4 million in one-time listing expenses, and the acquisition of land in Beni Suef following the disbursement of an EGP 65 million down payment on the purchase.

### Working Capital (EGP mn) % of Revenue



### Cash & Cash Equivalents



<sup>3</sup> Working capital is calculated as (Inventories + Trade and Other Receivables) – (Trade and Other Payables + Deferred Revenue)



# FINANCIAL STATEMENTS

# Auditor's Report

---

To the shareholders of Taaleem Management Services Company S.A.E.

## Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Taaleem Management Services Company S.A.E (the “Company”) and its subsidiaries (together “the Group”), which comprise the consolidated statement of financial position as at 31 August 2021 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other notes.

## Management’s responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Group’s management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws and regulations. Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management’s responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

## Auditors’ responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Taaleem Management Services Company S.A.E. and its subsidiaries as at 31 August 2021, and its consolidated financial performance and consolidated cash flows for the fiscal year then ended in accordance with Egyptian Accounting Standards and in light of related Egyptian laws and regulations.

Tamer Abdel Tawab  
Member of Egyptian Society of Accountants & Auditors  
Member of AICPA  
R.A.A. 17996  
F.R.A. 388

29 October 2021  
Cairo



## Consolidated Statement of Financial Position

As at 31 August 2021

(All amounts in Egyptian Pound)	Note	2021	2020
<b>Non-current assets</b>			
Fixed assets	5	774,399,373	651,326,133
Intangible assets	6	522,119,025	522,326,711
Trade and other receivables	8	16,547,720	17,118,386
<b>Total non-current assets</b>		<b>1,313,066,118</b>	<b>1,190,771,230</b>
<b>Current assets</b>			
Inventories	7	5,234,301	5,058,857
Trade and other receivables	8	73,953,472	21,742,954
Due from related parties	9	600	3,498,963
Cash on hand and at banks	10	92,406,660	172,411,849
Treasury bills	11	-	156,667,952
<b>Total current assets</b>		<b>171,595,033</b>	<b>359,380,575</b>
<b>Total assets</b>		<b>1,484,661,151</b>	<b>1,550,151,805</b>
<b>Equity</b>			
Paid up capital	12	730,250,000	730,250,000
Legal reserve	13	1,495,196	125,000
Retained earnings		396,834,241	351,770,583
<b>Capital and reserves attributable to owners of the Parent Company</b>		<b>1,128,579,437</b>	<b>1,082,145,583</b>
Non-controlling interests	14	10,585,111	8,867,782
<b>Total equity</b>		<b>1,139,164,548</b>	<b>1,091,013,365</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	15	101,027,950	100,151,148
Trade and other payables	17	63,237,869	54,132,219
<b>Total non-current liabilities</b>		<b>164,265,819</b>	<b>154,283,367</b>
<b>Current liabilities</b>			
Provisions	16	5,752,805	5,623,614
Trade and other payables	17(a)	89,126,927	74,150,746
Deferred revenue	17(b)	31,226,158	178,999,459
Due to related parties	9	-	32,880
Current income tax liability	19	55,124,894	46,048,374
<b>Total current liabilities</b>		<b>181,230,784</b>	<b>304,855,073</b>
<b>Total liabilities</b>		<b>345,496,603</b>	<b>459,138,440</b>
<b>Total liabilities and equity</b>		<b>1,484,661,151</b>	<b>1,550,151,805</b>

Mr. Khaled Khater  
Group Chief Financial Officer

Eng. Mohamed El Rashidi  
Chief executive officer

28 October 2021

## Consolidated Statement of Profit Or Loss

For the year ended 31 August 2021

(All amounts in Egyptian Pound)	Note	2021	2020
Revenue	20	602,133,689	450,235,443
Operating costs	21	(176,578,432)	(156,127,033)
<b>Gross profit</b>		<b>425,555,257</b>	<b>294,108,410</b>
<b>Expenses</b>			
General and administrative expenses	22	(211,740,856)	(106,437,997)
Provisions formed	16	(204,000)	(1,000,000)
Other income	18	10,844,441	2,269,814
		<b>224,454,842</b>	<b>188,940,227</b>
Finance income - net	24	16,740,347	15,739,594
<b>Profit before tax</b>		<b>241,195,189</b>	<b>204,679,821</b>
Deferred tax expense	15	(876,802)	(200,616)
Current tax expense	25	(55,003,107)	(60,435,257)
<b>Profit for the year</b>		<b>185,315,280</b>	<b>144,043,948</b>
<b>Profit is attributable to</b>			
Owner's of the Parent Company		183,597,951	142,387,750
Non-controlling interests	19	1,717,329	1,656,198
<b>Profit for the year</b>		<b>185,315,280</b>	<b>144,043,948</b>
<b>Earning per share</b>	26	<b>0.25</b>	<b>3.96</b>

The accompanying notes on pages 117 - 161 form an integral part of these consolidated financial statements.

## Consolidated Statement of Comprehensive Income

For the year ended 31 August 2021

(All amounts in Egyptian Pound)	2021	2020
Profit for the year	185,315,280	144,043,948
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>185,315,280</b>	<b>144,043,948</b>
<b>Total comprehensive income is attributable to:</b>		
Owner's of the Parent Company	183,597,951	142,387,750
Non-controlling interests	1,717,329	1,656,198
<b>Total comprehensive income for the year</b>	<b>185,315,280</b>	<b>144,043,948</b>

The accompanying notes on pages 117 - 161 form an integral part of these consolidated financial statements.

## Consolidated Statement of Changes In Equity

For the year ended 31 August 2021

(All amounts in Egyptian Pound)	Attributable to owners of Taaleem Management Services S.A.E						
	Note	Paid-up capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance at 1 September 2019</b>		<b>250,000</b>	<b>125,000</b>	<b>226,676,974</b>	<b>227,051,974</b>	<b>7,557,488</b>	<b>234,609,462</b>
Dividends and profit share distribution		-	-	(7,336,554)	(7,336,554)	-	(7,336,554)
Tax on dividends related to expected distribution to shareholders		-	-	(8,270,991)	(8,270,991)	-	(8,270,991)
Capital increase during the year	12	730,000,000	-	-	730,000,000	-	730,000,000
Acquisition of non-controlling interests in Nahda University LP	14	-	-	(549,561)	(549,561)	(1,450,439)	(2,000,000)
Acquisition of non-controlling interests in Nahda University for Education Services Management	14	-	-	(1,137,035)	(1,137,035)	1,104,535	(32,500)
Total comprehensive income for the year		-	-	142,387,750	142,387,750	1,656,198	144,043,948
<b>Balance at 31 August 2020</b>		<b>730,250,000</b>	<b>125,000</b>	<b>351,770,583</b>	<b>1,082,145,583</b>	<b>8,867,782</b>	<b>1,091,013,365</b>
<b>Balance at 1 September 2020</b>		<b>730,250,000</b>	<b>125,000</b>	<b>351,770,583</b>	<b>1,082,145,583</b>	<b>8,867,782</b>	<b>1,091,013,365</b>
Profit share distribution for the employees		-	-	(7,756,088)	(7,756,088)	-	(7,756,088)
Profit share distribution for the shareholders		-	-	(110,267,750)	(110,267,750)	-	(110,267,750)
Tax on dividends related to expected distribution to shareholders		-	-	(19,140,259)	(19,140,259)	-	(19,140,259)
Legal reserve		-	1,370,196	(1,370,196)	-	-	-
Total comprehensive income for the year		-	-	183,597,951	183,597,951	1,717,329	185,315,280
<b>Balance at 31 August 2021</b>		<b>730,250,000</b>	<b>1,495,196</b>	<b>396,834,241</b>	<b>1,128,579,437</b>	<b>10,585,111</b>	<b>1,139,164,548</b>

The accompanying notes on pages 117 - 161 form an integral part of these consolidated financial statements.

## Consolidated Statement of Cash Flows

For the year ended 31 August 2021

[All amounts in Egyptian Pound]	Note	2021	2020
<b>Cash flows from operating activities</b>			
Profit for the year before tax		241,195,189	204,679,821
<b>Adjustments for:</b>			
Depreciation charge	5	48,628,108	41,886,852
Amortisation charge	6	207,686	280,109
Provisions used	16	(74,809)	(3,915,849)
Impairment of due from related party	9	926,525	4,588,129
Impairment of receivables and other debit balances	8	-	22,270
Gain from sale of fixed assets		(989,652)	-
Interest income	24	(19,147,638)	(16,383,734)
<b>Profits before changes in assets and liabilities</b>		<b>270,745,409</b>	<b>231,157,598</b>
<b>Change in current and non-current assets and liabilities</b>			
Inventories		(175,444)	1,426,446
Trade and other receivables		(51,639,852)	10,934,090
Due from related parties		2,571,838	(4,427,508)
Trade and other payables		24,081,831	80,400,348
Deferred revenue		(147,773,301)	(31,953,008)
Due to related parties		(32,880)	-
Provisions formed	16	204,000	1,000,000
Income tax paid	19	(45,926,587)	(43,349,615)
<b>Net cash flows generated from operating activities</b>		<b>52,055,014</b>	<b>245,188,351</b>
<b>Cash flows from investing activities</b>			
Payments to purchase fixed assets	5	(171,711,696)	(189,759,025)
Proceeds from sales of fixed assets		1,000,000	-
Interest income collected		19,147,638	16,434,576
<b>Net cash flows used in investing activities</b>		<b>(151,564,058)</b>	<b>(173,324,449)</b>
<b>Cash flows from financing activities</b>			
Capital increase		-	730,000,000
Settlement of deferred consideration for the acquired subsidiary	16	-	(730,263,468)
Profit share distribution for the employees		(7,756,088)	(7,336,554)
Profit share distribution for the shareholders		(110,267,750)	-
The acquisition of non-controlling interest share		-	(2,032,500)
Tax on dividends related to expected distribution to shareholders		(19,140,259)	(8,270,991)
<b>Net cash flows used in financing activities</b>		<b>(137,164,097)</b>	<b>(17,903,513)</b>
<b>Net change in cash and cash equivalents during the year</b>		<b>(236,673,141)</b>	<b>53,960,389</b>
Cash and cash equivalents at the beginning of the year		328,879,801	274,919,412
<b>Cash and cash equivalents at the end of the year</b>	10	<b>92,206,660</b>	<b>328,879,801</b>

The accompanying notes on pages 117 - 161 form an integral part of these consolidated financial statements.

## Notes to the Consolidated Financial Statements

For the year ended 31 August 2021

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 as of the date it is entered in the commercial register.

The Company's head office is located at 25 Abdel Moneim Riad St., Dokki, Giza.

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.

On 22 September 2019, EgyEdu Invest B.V a shareholding company incorporated in the Netherlands (intermediary parent) acquired 60% of the shares of "Sphinx Obelisk", the parent of Taaleem Management Services, which is considered the leading management service provider for private higher education institutions in Egypt; operates and controls the "Nahda University" in Bani Suif.

The company's shares were listed on the Egyptian Stock Exchange on April 7, 2021, and the ownership structure changed. Sphinx Obelisk owned 52% after listing.

Sphinx Obelisk (the former direct parent company) of Taaleem Management Services has sold its entire share to its shareholders, and currently the largest shareholder in Taaleem Management Services is (Thebes CV) owning 21% of the company's capital.

The consolidated financial statements were approved by the Board of Director on 28 October 2021.

## 2. Accounting policies

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

### A. Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and the relevant laws, and on the basis of the historical cost convention.

The EASs 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.

The Group presents its assets and liabilities in the statement of financial position based on current / non-current classification. The asset is classified as current when it is:

- Expected to be realised or intended to be sold or used in normal operating course;
- Held primarily for trading;
- Expected to be realised within 12 months after the end of the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Otherwise, the assets are classified as non-current.

The liability is classified as current when:

- It is expected to be settled in normal operating course;
- Held primarily for trading;
- Expected to be realised within 12 months after the end of the reporting period, or
- The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

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

### Percentage of ownership in subsidiaries

The Group consists of the below companies unless otherwise stated and the percentage of ownership in subsidiaries are as follows:

	Country of incorporation	Ownership interest held by the Group		Ownership interest of non-controlling interest	
		2021	2020	2021	2020
Nahda Education Services S.A.E.	Egypt	99.99%	99.99%	0.01%	0.01%
Nahda University LP & Nahda University	Egypt	98.9%	98.9%	1.1%	1.1%
Nahda University for Education and Management Services Company S.A.E.	Egypt	99.90%	99.9%	0.1%	0.1%

Ownership interest held by the Group in Nahda University LP includes Nahda University business. All subsidiaries reporting dates are based on the educational and academic year (September till August each year).

On 11 August 2020 Taaleem Management Services acquired an additional 0.18% of Nahda LP for an EGP 2,000,000 consideration. After the transaction, Taaleem and Nahda Education SAE ownership in Nahda LP became 98.9%.

Name of subsidiary	Reporting date
Nahda Education Services S.A.E.	31 August 2021
Nahda University LP & Nahda University	31 August 2021
Nahda University for Education And Management Services S.A.E.	31 August 2021

Financial information about the material subsidiary of the Group as follows:

Name of subsidiary	Nahda University LP & Nahda University	
	2021	2020
<b>Summarised balance sheet</b>		
Current assets	132,704,655	243,899,940
Current liabilities	(160,791,210)	(290,582,764)
<b>Current net assets</b>	<b>(28,086,555)</b>	<b>(46,682,824)</b>
Non-current assets	711,792,336	580,493,630
Non-current liabilities	(79,453,378)	(67,511,135)
<b>Non-current net assets</b>	<b>632,338,958</b>	<b>512,982,495</b>
<b>Net assets</b>	<b>604,252,403</b>	<b>466,299,671</b>
<b>Accumulated NCI</b>	<b>10,585,111</b>	<b>8,867,782</b>

Name of subsidiary	Nahda University LP & Nahda University	
	2021	2020
<b>Summarized statement of profit and loss</b>		
Revenue	605,072,608	452,505,257
<b>Profit for the year</b>		
Other comprehensive income	155,375,662	128,355,344
<b>Total comprehensive income</b>	<b>155,375,662</b>	<b>128,355,344</b>
<b>Profit allocated to NCI</b>	<b>1,717,329</b>	<b>1,656,198</b>

Name of subsidiary	Nahda University LP & Nahda University	
	2021	2020
<b>Summarized statement of cash flows</b>		
Cash flows generated from operating activities	40,984,672	165,899,602
Cash flows used in investing activities	(157,782,236)	(177,032,025)
Cash flows used in financing activities	(19,140,259)	(8,270,989)
<b>Net decrease in cash and cash equivalents</b>	<b>(135,937,823)</b>	<b>(19,403,412)</b>

### Nahda Education Services 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 Services Company S.A.E. for a nominal amount to enable it to subscribe in the Nahda Education Services Company S.A.E. share capital increase from EGP 250,000 to E.G.P. 10 Million. The Company general meeting approved the share capital increase on 10 September 2015. Taaleem Management Services Company S.A.E was the sole subscriber to the Nahda Education Services S.A.E. capital increase (only 25% of the share capital increase was required to be paid).

On 9 September 2015, the predecessor ultimate controlling party paid 730,263,464 Egyptian Pounds (Note 16) and entered into an investment agreement to acquire 97.72 of Nahda University founder share and 100% of Nahda Education Service S.A.E., which in turn own 98.73 of Nahda LP. On 10 September 2015, Nahda Education Services Company S.A.E. entered into an assignment agreement with the University's founders whereby they have contractually passed to Nahda Education Services Company S.A.E. all of 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 Services Company S.A.E. to become a wholly owned subsidiary.

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 98.91%. The carrying amount of the existing non-controlling interest was 250,000 EGP and the consideration paid to non-controlling is 2,000,000 EGP. The group recognized a decrease in non-controlling interests of 1,450,439 EGP and a decrease in equity attributable to owners of the parent of 549,561 EGP.

### Nahda University for Education and Management Services Company S.A.E.

During 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 group concluded that it controls the established entity and its results were consolidated in the consolidated financial statements starting from the date of the agreement.

In addition to the above, Nahda University for Education and Management Services Company S.A.E. had 51% of Media Monitor for Publishing, Research and Marketing of initial investment amounting to EGP 31,875. Although the investment is more than 50%, it is considered as an associate to the Group since the Group did not have control over this investment. Nahda university for education and management services Company S.A.E recognized the investment as an investment in associate since Nahda university for education and management services Company S.A.E had significant influence on the company since it had one board representative out of five board members in the associate company. Also, the other shareholders had full control over the operation and business. The associate company has been fully impaired, and the Group doesn't have legal or constructive obligation to take any of the losses as the liability exceeded the share contributed capital.

Media Monitor ceased to operate in December 2020. Nahda University for Education and Management Services S.A.E sold and transferred all its shares in Media Monitor in February 2021.

### **B. New Egyptian Accounting Standards ("EAS") and interpretations adopted and not adopted yet**

On 28 March 2019, the minister of Investment issued a decree no. 69 for 2019 which includes new standards and amendments to the existing standards. The amendments in the EASs have been published in the official gazette on 7 April 2020. These changes are mainly represented in three new standards which should be adopted for the financial periods commencing on or after 1 January 2020.

On April 12, 2020, Financial Regulatory Authority "FRA" issued a statement postponing the application of amendments to the new Egyptian accounting standards to the financial statements and restricting them to the annual financial statements by the end of 2020.

On September 23, 2020, FRA issued a statement postponing the application of amendments to the new Egyptian accounting standards to be applied beginning on or after the 1st of January 2021.

On May 9, 2021, the Financial Regulatory Authority issued a statement postponing the presentation of the accounting impact of applying Standard No. (47) Financial Instruments in the financial statements until a maximum date of preparing the quarterly financial statements on December 31, 2021 with the inclusion of the combined accounting impact for the whole year starting from January 1, 2021 Until December 31, 2021, with companies obligated to adequately disclose this. The Group's fiscal year begins on September 1 and ends on August 31 of each year, so the Group has evaluated the impact of applying the new standards and implementing them starting from the fiscal year 2021-2022.

#### **New standards to be implemented**

Some new amended accounting standards were published that are mandatory for consolidated financial statements for years beginning from or after 1 January 2021.

Management assessed the expected impact of the new standards on the Group accounting policies and the Group retained earnings opening balance for the financial year 2021/2022.

#### **EAS No. (47) "Financial Instruments"**

EAS (47) "Financial Instruments" includes requirements for the recognition and measurement, impairment, derecognition, and general hedge accounting for financial instruments, along with a new impairment model based on expected credit losses rather than realized losses.

The classification of a financial asset is determined at initial recognition; however, if certain conditions are met, an asset may subsequently need to be reclassified. After initial recognition, all assets within the scope of the standard are measured at:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI); or
- Fair value through profit or loss (FVTPL)

As of the assessment date, the group financial assets comprise of the following:

- Cash

#### **Recognition, measurement, and classification:**

Based on standard requirements and the assessment of the management model of financial assets held by the company and their contractual cash flows, the Group will continue to hold trade receivables at amortized cost. Also, the Group investment in debt instruments shall be measured at amortized cost since the objective of the investments is to hold the assets to collect their contractual cash flows on specific dates, and the cash flows are only the payment of principal and interest.

The Group doesn't have any financial obligations measured at fair value.

#### **Impairment**

EAS (47) introduces a new impairment model based on expected losses rather than the incurred loss that applies to all items within the scope of the impairment requirement.

Expected credit losses are required to be measured through a loss allowance at an amount equal to 12-month expected credit losses or lifetime expected credit losses. The loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. It is also required for contract assets or trade receivables that are not considered to contain a significant financing component.

Additionally, entities can elect an accounting policy of recognizing lifetime expected credit losses for all contract assets and/or all trade receivables, including those that contain a significant financing component. The same election is also separately permitted for lease receivables. For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

The standard establishes a three-stage impairment model based on whether a financial asset has significantly increased credit risk since its initial recognition. However, a simplified model is permitted for: – Trade receivables or contract assets without a significant financing component; and – Other long-term trade receivables or contract assets with a significant financing component and lease receivables if the entity chooses as its accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses.

Hence, the standard allowed for a simplified approach for trade receivables instead of the general three-stage approach, under which entities shall calculate ECLs on trade receivables based on assets attributes and different historical loss patterns. Under the new model, entities shall update their historical provision rates with current and forward-looking estimates. The similar approach might be followed for contract assets.

Management assessed the Group financial assets based on the standard requirements and concluded that:

- No material impact on the three-month treasury bills issued and guaranteed by the Egyptian government.
- As permitted by EAS no. (47), the Group applied the simplified approach to assess the ECL on trade receivables by individually evaluating in-default receivables and a reserve for other receivables based on historical rates and forward-looking loss expectations.

As of the assessment date, the Group trade receivables balance mainly comprises of secured short-term advances to suppliers and prepayments, rent and other deposits.

Based on the assessment, management does not expect any material impact on the classification of financial assets, or the amount of loss expected.

### **EAS No. (48) "Revenue from contracts with customers"**

The EAS no. (48) superseded the EAS no. (8) "Construction Contracts" and EAS no. (11) "Revenue". The new standard provides a single, principles-based five-step model to be applied to all contracts with customers. Revenue is recognized when an entity transfers control of goods or services to a customer at the amount to which an entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognized either over time, in a manner that best reflects the entity's performance, or at a point in time when control of the goods or services is transferred to the customer. The five-step model includes:

- Identification of the contract with the customer
- Identification of contractual obligation to transfer goods and/or services
- Determination of the transaction price
- Allocation of the transaction price to the performance obligation
- Recognition of revenue once the performance obligation is met and based on the related transaction price

The Group's operating revenue is primarily comprised of tuition fees calculated based on fixed prices in exchange for the delivery of the academic service. The Group collects tuition fees prior to the start of the first and second semesters (around September and January each year) and recognizes the revenue on a daily basis as the service is provided to students during the semester. Operating revenue also includes students' services that are collected in cash upon the delivery of the service to students.

Management has assessed the impact of the application of the standard's five-step model on the Group financial statements and concluded that no change is required to its revenue recognition policy or measurement.

### **EAS No. (49) "Lease Contracts"**

Through a single model for financial and operating leases, the standard requires the recognition of a lease liability equal to the present value of the future lease obligations and a corresponding "right to use" asset. While the standard is changing the lessee accounting, the lessor accounting and classification for the lease as operating or financial remains the same.

Management assessed the lease contracts in place under the following requirements of the standard:

- The application of the lease liability calculation from the start date of the lease/contract
- The recognition of a "right to use" asset equal to discounted lease payments until the end of the lease term using the company's borrowing rate
- The recognition of a liability equal to discounted lease payments until the end of the lease term - using the company's borrowing rate – less any rent advances
- Straight-line amortization of the lease "right to use" asset
- The payments of Low-value lease contracts and contracts expected to terminate within the next 12 months to continue to be recognized as an expense in the statement of profit and loss

Based on the management review of all lease contracts in place and application of the standard requirements, the impact on the Group beginning retained earnings balance for the financial year 2021/2022 will be approximately EGP 4.1 million debit.

## **C. Basis of consolidation**

### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

### **i. Acquisition method**

The Group applies the acquisition method to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred in a business combination is measured at the fair value of the assets transferred, the liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. In any business combination, the Group recognises any non-controlling interests in the subsidiary at the proportionate share of the recognised amounts of acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquirer is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Inter-Company assets, liabilities, equity, income, expenses, and cash flows related to transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## ii. Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the parent company.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## iii. Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, and contingent liabilities at the date of acquisition. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored inside the group at the operating segments level.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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 separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## Measurement period

The measurement period is the period required for the Group to obtain the information needed for the initial measurement of the items resulting from the acquisition of the subsidiary and does not exceed one year from the date of acquisition. In case the Group obtains new information during the measurement period relative to the acquisition, amendment is made retrospectively for the amounts recognised at the date of acquisition.

## D. Investment in associate

Investments in associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Where an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence is clearly demonstrated.

A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The carrying amount of equity-accounted investments is fully impaired as disclosed in note 9.

## E. Foreign currency transaction

### (1) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured and presented using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Egyptian Pounds, which is the Group's functional and presentation currency.



## (2) Transactions and balances

Transactions made in foreign currency during the period are initially recognised in the functional currency of the Group 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 Group 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.

## F. Fixed assets

The Group 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 Group.

The Group 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 Group and the cost of the item can be measured reliably. The Group 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 Group recognises the costs of daily servicing of the fixed assets in the statement of profit or loss.

The straight-line method is used to allocate the depreciation of fixed assets consistently to their residual values over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life.

Below are the estimated useful lives of each type of the assets' Groups:

Buildings	40 years
Infrastructure	10 years
Furniture and fixtures	7 years
Laboratories	7 years
Machinery and equipment	7 years
Vehicles	5 years
Books	20 years
Programs & computers	10 years

The Group 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 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 statement of profit and loss "Other expenses - income".

Projects under construction are allocated to the relevant fixed assets category when the relevant assets are ready for use when it meets all the fixed assets recognition conditions. When the projects under construction cost exceeds the value expected to be recoverable it is reduced to the expected recoverable cost and the difference is recognized directly to the statement of profit or loss.

## G. Financial assets

### (i) Classification

The Group classifies its financial assets in the following categories:

Loans and receivables.

Held to maturity investments (treasury bills).

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

### Loans and receivables:

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are generally due for settlement within 30 days and therefore are all classified as current. Except for maturities greater than 12 months after the financial position date, these are classified as non-current assets and include cash equivalent and balances due from related parties and accrued revenues.

### Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

### (ii) Subsequent measurement

At initial recognition, the group 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.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Interest on held-to-maturity investments, loans and receivables calculated using the effective interest rate method is recognised in the profit or loss.

## H. Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with the indication of impairment.

### Financial assets recognised at amortised cost

For loans and receivables categories, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss within other income.

## I. Intangible assets other than goodwill

### (1) Licenses

The University licences acquired in a business combination are recognised by reference to fair value at the acquisition date. The University license presidential decree is indefinite, there are provisions for neither a licensing period nor license revoking in the private universities law No. 101 for 1992 which amended by law No. 12 for 2009, or its executive regulations, no governmental periodic renewal process or renewal fees requirements and no similar University license has been historically revoked or suspended in Egypt The Group does not charge amortisation expenses to licence as it is considered as infinite lived intangible asset.

For Software license: amortization is made over the license period, which is 10 years. The license is for the sites and educational programs that support the Group in the framework of the transition to interactive education.

### (2) Acquired customer relationships with existing students

Existing students acquired in a business combination are recognised by reference to fair value at the acquisition date. The Group charges amortisation expenses of the existing students' relationships as the economic benefits derived are expected over 4 years using the straight-line method. The Group fully amortized the acquired relationships with students in June 2020.

## J. Impairment of non-financial assets

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 possible reversal at each reporting date.

## K. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss when a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

## L. Cash and cash equivalents

In the consolidated statement of cash flows, "cash and cash equivalents" includes cash in 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.

## M. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of inventories comprises costs of purchase and other costs, incurred by the Group in bringing the inventories to their present location and condition, and excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period that write-down or loss occurred.

## N. Capital

Ordinary shares are classified within equity.

## O. Current and deferred income tax

The Group 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 related to items recognised - in the same period or different periods- in the statement of comprehensive income or directly in equity.

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.

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 consolidated financial statements.

Deferred tax is determined using tax rates and laws that have been enacted at the date of the consolidated 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 the 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 Group and it is probable that the temporary differences will not be settled in the foreseeable future. Generally, the Group is unable to control the settlement of the temporary difference for associates, only where there is an agreement in place that gives the Group 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 Group 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.

## P. Employees' benefits

### (1) Profit-sharing

According to Companies law, employees are entitled to a profit-sharing equivalent to 10% of the value of cash dividends, not exceeding the total wages at the end of the fiscal year, according to the proposals made by the group'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 Group's shareholders.

### (2) 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 statement of profit and loss using the accrual basis of accounting.

### (3) Employee Share Ownership Plan

Taaleem Management Services Company 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.

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 :

**A-** The difference between the share price at the beginning of the year (the first trading of the company's shares on the Egyptian Stock Exchange, which was 5.75 Egyptian Pounds for the first allocation) and the share price upon the exercise of the right by the end of the year. 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.

- The number of units allocated to this 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 statement of profit or loss.

## Q. Leases

### Operating lease

Leases in which the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any discounts received from the lessor) are recognised as an expense in the statement of profit or loss on a straight-line basis over the period of the lease.

## R. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## S. Borrowing costs

Specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Group determines the amount of borrowing costs that are capitalised on this asset, which is the actual borrowing costs incurred by the entity during the period because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Group recognises other borrowing costs as expenses in the period the Group incurs such costs.

## T. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and amended to show the best present estimate. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the pre-tax rate expenditures expected to be required to settle the obligation.

## U. Trade payables

Trade payables are recognised initially at the amount of goods or services received from others, whether they invoice 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 interest rate of similar term loans. Trade payables are then carried at amortised cost using the effective interest rate.

## V. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold or service rendered due to the Group's normal course of business, stated net of value-added taxes, discounts, or deductions. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the Group's activities, as described below. The amount of revenue is not considered accurately measurable unless all cases of uncertainty regarding the possibility of the collection of the amount due are excluded. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the related specifics arrangement.

### (1) Tuition revenue

The Group provides educational services to students through its owned university. Educational revenue is recognised throughout the period of rendering the educational services.

### (2) Bus and accommodation revenue

The Group provides transportation and accommodation services to students through its owned busses and dorms. The revenue is recognised throughout the period of rendering the services.

### (3) Management fees

Revenue from management fees is recognized throughout the period of rendering the services.

### (4) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

### (5) Dividend income

Dividend income is recognised when the right to receive payment is established.

## W. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Group should be able to have access to the principal market or the most advantageous market.

The fair value of the asset or liability is measured using the assumptions that market participants may use when pricing the asset or liability, assuming that market participants behave in their own economic interests.

The measurement of the fair value of a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset at its maximum and bestselling condition or to sell to another market participant who will use the asset in its best use.

The Group uses valuation techniques that are appropriate in the circumstances and where sufficient data are available to measure the fair value, increase the use of relevant observable inputs and minimize the use of inputs that are not observable.

## X. 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 Group's segments and are represented to the central management committee. The Group has one business segment which provides educational services to the university's students and all its operations are in Egypt.

## Y. Dividends

Dividends are recognised as liabilities in the consolidated financial statements upon the approval of the Group'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

### (1) Financial risks factors

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

The Group's management aims to minimise the potential adverse effects on the Group's financial performance. The Group 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. The following analysis shows the calculation of the effect of reasonable and possible shift in foreign currencies against the functional currency of the Group while keeping all other variables constant, on the consolidated statement of profit or loss:

The following table shows the currencies position denominated in Egyptian Pounds at the date of the statement of financial position:

	2021		2020
	Assets	Net	Net*
USD	900,771	900,771	638,698
GBP	17,816	17,816	16,310
EURO	5,202	5,202	-

\* The net balance for 2021 and 2020 is only financial assets as the group does not have any liabilities in foreign currency.

Note 24 is illustrating the foreign currency gains or losses that have been recognised in the consolidated statement of profit or loss during the year.

At the end of the year, if the foreign currency had increased or decreased by 10%, the effect on the consolidated profit or loss would have been as follows:

	2021	2020
USD +/-10%	90,077	63,870
GBP +/-10%	1,782	1,631
EURO +/-10%	520	-

#### ii. Cash flows and fair value interest rate risks

The Group's main interest rate risk arises from time deposits and treasury bills at fixed rates subject to change in renewal, which expose the Group to fair value risk. The risk is mitigated through the short-term nature of assets and that they are frequently repriced. Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates if the interest rate increased/decreased by 100 bps points (holding all other variables constant), the impact on the profit for the year ended 31 August 2021 is not material.

### (B) Credit risk.

Credit risk arises from cash and cash equivalents and due from related parties.

Cash at banks is placed with local banks that are subject to the supervision of the Central Bank of Egypt. Accordingly, the Parent Company's management believes that credit risk resulting from the cash at the bank is minimal.

Balances exposed to credit risks are as follows:

	2021	2020
Due from related parties	600	3,498,963
Cash at banks	92,356,660	172,147,006
Treasury bills	-	156,667,952
Accrued interest	-	248,473
	<b>92,357,259</b>	<b>332,562,394</b>

### (C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to short-age of funding. The Group'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 to negotiate with suppliers, and manage the inventory balances in order to ensure sufficient cash is maintained to discharge the Group's liabilities.

The Group'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.

The table below summarises the maturities of the Group's 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 5 years	Over 5 years	Total
<b>31-Aug-21</b>					
Trade and other payables - Non-current (Note17)	41,177,356	-	63,237,869	-	104,415,225
Trade and other payables	47,949,571	-	-	-	47,949,571
<b>Total</b>	<b>89,126,927</b>	<b>-</b>	<b>63,237,869</b>	<b>-</b>	<b>152,364,796</b>
<b>31-Aug-20</b>					
Due to related parties	32,880	-	-	-	32,880
Trade and other payables - Non-current (Note17)	20,722,602	-	61,034,077	-	81,756,679
Trade and other payables	53,428,144	-	-	-	53,428,144
<b>Total</b>	<b>74,183,626</b>	<b>-</b>	<b>61,034,077</b>	<b>-</b>	<b>135,217,703</b>

## (2) Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Group debts. The Group'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, trade and other payables less cash on hand and at banks. The total capital is the Group's total equity as described in the statement of financial position plus net debt (while not accounting for the net debt if the value is below zero).

Net debt to total capital is as follows:

	2021	2020
<b>Total liabilities</b>		
Due to related parties	-	32,880
Trade and other payable – Current	89,126,927	74,150,746
Trade and other payable – Non-current	63,237,869	54,132,219
Less: Cash and cash equivalents	(92,406,660)	(328,879,801)
<b>Net liabilities</b>	<b>59,958,136</b>	<b>(200,563,956)</b>
Equity	1,139,164,548	1,091,013,365
<b>Total capital</b>	<b>1,199,122,684</b>	<b>1,091,013,365</b>

## (3) Fair value estimation

At the period end, no financial assets or liabilities were measured at fair value. The carrying value of financial assets and financial liabilities classified as current assets or current liabilities in the statement of financial position at period-end approximates its fair value due to their shorter maturities.

The fair value of the non-current portion of trade and other payable is not expected to have a material difference from the reported carrying amount.

## 4. Critical accounting estimates and judgment 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 Group's accounting policies does not require management to use professional judgments that may have significant impacts on the amounts recognised in the consolidated financial statements.

### Estimated impairment of goodwill and license

The Group tests goodwill and license for impairment at least annually. The recoverable amount of the cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates as further detailed in Note 6.

### Estimation of useful lives for fixed assets

The estimation of the useful lives of items of property, plant and equipment 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 Group. 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.

If the estimated useful lives differ by 10% from management's estimates, the impact on depreciation for the year ended 31 August 2021 (31 August 2020) would not be material to the statement of profit and loss.

### Amortization of prepayments

During 2019, the Group has entered into a contract with the Egyptian Electricity Transmission Company for the purpose of obtaining access to the needed infrastructure equipment to facilitate connecting the university's premises with the national grid.

In August 2019, the Group has paid an amount of EGP 18,261,279 for the cost of obtaining access to the infrastructure equipment, as this will be used to support the electricity connection in the future without any ownership rights attributable to the Group, the payment was recognised as an advance payment for future utilities services to be amortised over 32 years which corresponds to the remaining useful life of the Buildings.

## 5. Fixed assets

	Land	Buildings	Infrastructure	Furniture & fixtures	Laboratories	Machinery & equipment	Vehicles	Books	Programs& computer	Projects under constructions	Total
<b>Year ended 31 August 2020</b>											
<b>Opening net book amount</b>	-	343,084,057	9,234,520	25,755,959	42,229,387	7,552,341	7,081,409	1,716,964	593,120	66,206,203	503,453,960
Additions	90,000,000	1,399,139	2,665,680	2,648,730	6,369,042	1,999,534	4,369,083	4,216	354,000	79,949,601	189,759,025
Transfer from PUC	-	2,466,721	49,873,219	8,555,217	17,218,805	-	-	-	-	(78,113,962)	-
Depreciation Charge	-	(10,234,342)	(3,341,756)	(8,862,843)	(10,964,247)	(2,021,448)	(4,798,966)	(1,215,356)	(447,894)	-	(41,886,852)
<b>Net book amount</b>	<b>90,000,000</b>	<b>336,715,575</b>	<b>58,431,663</b>	<b>28,097,063</b>	<b>54,852,987</b>	<b>7,530,427</b>	<b>6,651,526</b>	<b>505,824</b>	<b>499,226</b>	<b>68,041,842</b>	<b>651,326,133</b>
<b>31-Aug-20</b>											
Cost	90,000,000	396,939,735	97,784,405	98,559,668	95,362,357	18,807,310	37,663,889	3,088,351	3,560,996	68,041,842	909,808,553
Accumulated depreciation	-	(60,224,160)	(39,352,742)	(70,462,605)	(40,509,370)	(11,276,883)	(31,012,363)	(2,582,527)	(2,582,970)	-	(258,003,620)
Accumulated impairment	-	-	-	-	-	-	-	-	(478,800)	-	(478,800)
<b>Net book amount</b>	<b>90,000,000</b>	<b>336,715,575</b>	<b>58,431,663</b>	<b>28,097,063</b>	<b>54,852,987</b>	<b>7,530,427</b>	<b>6,651,526</b>	<b>505,824</b>	<b>499,226</b>	<b>68,041,842</b>	<b>651,326,133</b>

\* During the year ended 31 August 2020, the Group acquired a plot of land in the new city of Beni Suif by amounting to EGP 90,000,000. note (17).

Depreciation of the year includes amount of 41,041,212 for Operating Expenses and 845,639 for General and Administrative Expenses.

	Land	Buildings	Infrastructure	Furniture & fixtures	Laboratories	Machinery & equipment	Vehicles	Books	Programs& computer	Projects under constructions	Total
<b>Year ended 31 August 2021</b>											
<b>Opening net book amount</b>	90,000,000	336,715,575	58,431,663	28,097,063	54,852,987	7,530,427	6,651,526	505,824	499,226	68,041,842	651,326,133
Additions	108,962,347	143,651	1,773,405	2,725,362	13,740,161	123,099	3,841,200	-	213,948	40,188,523	171,711,696
Transfer from PUC	1,579,380	37,246,149	16,864,156	4,098,494	8,216,024	-	-	-	2,608,348	(70,612,551)	-
Disposals	-	-	-	-	-	-	(155,929)	-	-	-	(155,929)
<b>Accumulated depreciation for disposals</b>	-	-	-	-	-	-	<b>145,590</b>	-	-	-	<b>145,590</b>
Depreciation Charge	-	(10,774,084)	(8,736,397)	(9,803,776)	(13,567,166)	(1,938,508)	(2,585,479)	(36,535)	(1,186,172)	-	(48,628,117)
<b>Net book amount</b>	<b>200,541,727</b>	<b>363,331,291</b>	<b>68,332,827</b>	<b>25,117,143</b>	<b>63,242,006</b>	<b>5,715,018</b>	<b>7,896,908</b>	<b>469,289</b>	<b>2,135,350</b>	<b>37,617,814</b>	<b>774,399,373</b>
<b>31-Aug-21</b>											
Cost	200,541,727	434,329,535	116,421,966	105,383,524	117,318,542	18,930,409	41,494,750	3,088,351	6,383,292	37,617,814	1,081,509,910
Accumulated depreciation	-	(70,998,244)	(48,089,139)	(80,266,381)	(54,076,536)	(13,215,391)	(33,597,842)	(2,619,062)	(3,769,142)	-	(306,631,737)
Accumulated impairment	-	-	-	-	-	-	-	-	(478,800)	-	(478,800)
<b>Net book amount</b>	<b>200,541,727</b>	<b>363,331,291</b>	<b>68,332,827</b>	<b>25,117,143</b>	<b>63,242,006</b>	<b>5,715,018</b>	<b>7,896,908</b>	<b>469,289</b>	<b>2,135,350</b>	<b>37,617,814</b>	<b>774,399,373</b>

\* During the period ended 31 August 2021, the Group acquired Nahda University land in Beni Suif amounting to EGP 108,962,347 (Note 17).

Depreciation of the year includes amount of 47,633,631 for Operating Expenses and 994,486 for General and Administrative Expenses.

## 6. Intangible assets

31 August 2020	Movement				Balances
	Goodwill	License	Software	Existing students	2020
Arising from business combination	222,464,614	298,409,000	1,660,081	73,125	522,606,820
Amortisation charge*	-	-	(206,984)	(73,125)	(280,109)
<b>Net book amount</b>	<b>222,464,614</b>	<b>298,409,000</b>	<b>1,453,097</b>	<b>-</b>	<b>522,326,711</b>

31 August 2021	Movement				Balances
	Goodwill	License	Software	Existing students	2020
Arising from business combination	222,464,614	298,409,000	1,453,097	-	522,326,711
Amortisation charge*	-	-	(207,686)	-	(207,686)
<b>Net book amount</b>	<b>222,464,614</b>	<b>298,409,000</b>	<b>1,245,411</b>	<b>-</b>	<b>522,119,025</b>

### Goodwill

Nahda University LP and Nahda University are considered as one cash-generating unit as group has only one university that is located in Egypt, for which the goodwill resulting from acquisition was allocated.

The recoverable amount of cash-generating unit is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which cover a period of six years maximum. The terminal value is calculated using a 5% terminal growth rate (31 August 2020: 5%) which does not exceed the long-term average historical growth rate for the education sector in which the subsidiary operates. The management determines the specific assumptions of cash flow forecasts based on past experience and expectations of the market.

### Licenses

The fair value of the license is determined by using multi-period excess earnings method. ("MEEM") The fundamental principle underlying the MEEM is to isolate the net earnings attributable to the asset being measured. Cash flows are used as a basis for applying this method. An intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life excluding contributory assets. The net present value of any tax benefits associated with amortising the intangible asset for tax purposes (where relevant) is added, to arrive at the intangible asset's fair value. The contributory asset charges are calculated using the assets' respective fair values, and they are based on an 'earnings hierarchy' or prioritisation of total earnings ascribed to the assets in the group. The earnings hierarchy is the foundation of the MEEM, in which earnings are first attributed to a fair return on contributory assets (such as investment in working capital) and property, plant and equipment. These are considered a prerequisite to developing the ability to deliver goods and services to customers, and thus their values are not included as part of the intangible asset's value.

### Software

The useful lives of the software development assets are assessed to be finite lives. Assets with finite lives are amortized over their useful lives and tested for impairment whenever there are indications that the assets may be impaired.

Amortization is recognized in the income statement on a straight-line basis over the estimated useful life of the Software development asset from the date it is available for use the estimated useful lives are 10 years.

The University has signed a contract with Aptech's Company, which is a 10-year of license for the sites and educational programs for the Group in the framework of the transition to interactive education.

When testing Goodwill for impairment, the recoverable amount of a cash generating unit is determined based on value-in-use calculations. The recoverable amount was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a six-year period, this ascribed to the length of business cycle in the University. Cash flows beyond the six-year period are extrapolated using the estimated growth rates stated below. The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

Cash inflows used for the purpose of calculating the value in use include education revenue and tuition fees.

Cash outflows used for the purpose of calculating value in use include academic and admin staff costs, commissions, educational materials, and operating expenses.

Key assumptions used for value-in-use calculations to test the recoverability of goodwill are as follows:

	2021	2020
Revenue average annual growth rate	21%	25%
Gross profit average annual growth rate	26%	26%
Terminal growth	5%	5%
Discount rate	16.55%	16.4%

Management determined the budgeted gross margin based on past performance and its market expectations. The weighted average growth rates used are consistent with the forecasts included in industry reports. The determined value in use is higher than the carrying value of intangible assets and hence no impairment losses were recognised in the consolidated financial statements.

The discount rates used are pre-tax, and reflect specific risks relating to the relevant CGUs.



## Impact of possible changes in key assumptions

If the following key assumptions have changed:

To measure the sensitivity of changes in the assumptions used on the value in use of goodwill, assuming that the following changes occur to the main assumptions and analyzing their impact as follows:

- Assuming that: Budgeted average gross margin used in the value-in-use calculation for the CGU had been 5% lower than management's estimates. The value-in-use amount will be decreased by EGP 472M (2020: EGP 399,8M) which represent an 8.5% (2020: 7.19%) decline in the value-in-use amount.
- Assuming that: Budgeted average revenue growth rate used in the value-in-use calculation for the CGU had been 1% lower than management's estimates. The value-in-use amount will be decreased by EGP 436M (2020: EGP 220M) which represent an 7.9% (2020: 3.96%) decline in the value-in-use amount.
- Assuming that: Pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates. The value-in-use amount will be decreased by EGP 532M (2020: EGP 227M) which represent a 9.6% (2020: 4.08%) decline in the value-in-use amount.
- Assuming that: Terminal growth rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates. The value-in-use amount will be increased by EGP 352M (2020: EGP 350.9M) which represent a 6.3% (2020: 6.3%) incline in the value-in-use amount.

The 5% decline in growth rate or terminal growth rate or 5% increase in the discount rate would still result in significant excess of the value in use over the carrying amounts of intangible assets. Therefore, there are no indications of impairment of the carrying value of intangible assets.

## 7. Inventories

	2021	2020
Other supplies	3,488,693	3,742,483
Hospital supplies	1,745,608	1,316,374
	<b>5,234,301</b>	<b>5,058,857</b>

There are no indications of impairment in the value of the inventory as it is transferred to fixed assets or used within the normal course of business and not for the purpose of selling.

## 8. Trade and other receivables

	2021	2020
Prepaid expenses (Note 4)	22,951,203	20,429,374
Advances under investments*	45,000,000	-
Advances to suppliers	7,944,937	6,895,490
Deposits held with others	5,292,446	5,262,402
Advances to tax authority	4,480,969	4,885,754
Accrued interest	-	248,473
Employee custody	3,270,907	852,249
Other receivables	1,560,730	1,982,191
	<b>90,501,192</b>	<b>40,555,933</b>
Impairment in the other receivables	-	(1,694,593)
	<b>90,501,192</b>	<b>38,861,340</b>
Less: non-current portion		
Prepaid expenses – non-current portion (Note 4)	(16,547,720)	(17,118,386)
	<b>73,953,472</b>	<b>21,742,954</b>

\* Advances under an investment account represent of the amounts paid to establish the Egyptian International Company for Higher Education, in which Taaleem Management Services Company contributes 60% of capital. The founding assembly was held on March 28, 2021 for the company, and the presidential decree to establish the new university in the Sixth of October City has not yet been obtained. Accordingly, the company did not start the activity until the date of the financial position for the year ending on August 31, 2021. The management of the group is in the process of evaluating the extent of the group's control over the company to classify the investment appropriately as soon as the presidential decree of the company is issued.

Movement of impairment for other receivables is illustrated below:

	2021	2020
Balance at the beginning of the year	1,694,593	1,672,323
Impairment formed during the year	-	22,270
Impairment no longer required	(1,694,593)	-
<b>Balance at the ending of the year</b>	<b>-</b>	<b>1,694,593</b>

## 9. Related party transactions

The Group 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 period/ year:

### (i) Due from related parties:

Nature of relationship	2021	2020
Senior management	-	1,698,963
Associate to the Group	-	11,396,889
Other related party	600	1,800,000
Impairment in due from associate	-	(11,396,889)
	<b>600</b>	<b>3,498,963</b>

Movement of the impairment for due from associate is illustrated below:

	2021	2020
Balance at the beginning of the year	11,396,889	6,808,760
Impairment incurred during the year	926,525	4,588,129
Write off incurred during the year	(12,323,414)	-
<b>Balance as at 31 August</b>	<b>-</b>	<b>11,396,889</b>

### (ii) Due to related parties:

Nature of relationship	2021	2020
Other related party	-	32,880
	<b>-</b>	<b>32,880</b>

### (iii) Key management personnel compensation

	2021	2020
Profit distribution	6,622,875	6,428,401
Salaries	10,089,247	9,436,526
Sitting fees	6,600,000	-
	<b>23,312,122</b>	<b>15,864,927</b>

### (iv) Transactions during the year:

	Nature of transactions	2021	2020
Senior management	Advances	1,698,965	1,960,621
Other related parties	Payment of expenses on behalf of the company	1,766,519	(1,800,000)
Associate to the Group*	Payment of operating expense on behalf the associate to the group	4,658,760	(4,588,129)

\*Nahda University for Education and Management Services (an Egyptian joint stock company) has invested in Media Monitor for publishing, research and marketing. Taaleem paid expenses on behalf of Media Monitor during the year 2020, amounting to 4,588,129 EGP during the year (2019: 6,808,760 EGP).

Management has assessed amounts funded to the associate (Media Monitor) to be uncollectible considering the associate's operational performance and accordingly all balances have been impaired. Further, management assessed the carrying value of the investment in associate amounting to EGP 31,875 to be impaired, and accordingly, the full amount was recognised as an impairment within the statement of profit and losses during the year ended 31 August 2020.

Media Monitor ceased to operate in December 2020. Nahda University for Education and Management Services S.A.E sold and transferred all its shares in Media Monitor in February 2021.

## 10. Cash and bank balances

	2021	2020
Deposits with banks	280,000	180,000
Bank current accounts	92,076,660	171,967,006
Cash on hand	50,000	264,843
<b>Cash and cash on hand</b>	<b>92,406,660</b>	<b>172,411,849</b>
less: Time deposit restricted to cover letter of guarantee	(200,000)	(200,000)
<b>Cash and cash equivalents</b>	<b>92,206,660</b>	<b>172,211,849</b>

Current accounts and time deposits with banks are deposited with local banks under the supervision of the Central Bank of Egypt. Interest rates on current accounts are 7.8% per annual per annual. (31 August 2020: 6.5%).

Time deposits are placed at local banks and are matured within periods of 90 days as of the date of placement. These deposits have interest rates 7.5% per annum. (31 August 2020: 6.5%).

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise:

	2021	2020
Deposits with banks	280,000	180,000
Bank current accounts	92,076,660	171,967,006
Cash on hand	50,000	264,843
Treasury Bills less than 3 months	-	156,667,952
Less : coverage of a guarantee letter	(200,000)	(200,000)
<b>Cash and cash equivalents</b>	<b>92,206,660</b>	<b>328,879,801</b>

## 11. Treasury bills

	2021	2020
Treasury bills – 90 days maturity	-	159,000,000
Unamortized discount	-	(2,332,048)
	-	156,667,952

The treasury bills matured at a fixed annual rate of nil on August 31, 2021 (2020: 12%).

## 12. 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 730,250,000 distributed to 730,250,000 shares with a par value of EGP 1 for each share.

The paid-up capital of the nominal value is allocated as follows for the year ended 31 August 2021 (31 August 2020):

Name	Nationality	No. of Shares	Value of shares	Paid up capital
<b>31 August 2021</b>				
Thebes CV	Netherlands	152,045,115	152,045,115	152,045,115
EGY EDU BV	Netherlands	96,151,414	96,151,414	96,151,414
Other shareholders	Egyptian & foreign	482,053,471	482,053,471	482,053,471
		<b>730,250,000</b>	<b>730,250,000</b>	<b>730,250,000</b>

Name	Nationality	No. of Shares	Value of shares	Paid up capital
<b>31 August 2021</b>				
Sphinx Obelisk B.V.	Netherlands	73,024,970	730,249,700	730,249,700
Amr Abdel Karim Tawheed Helal	Egyptian	10	100	100
Omar Amin Hesham Mohamed	Egyptian	10	100	100
Ehab Ahmed Amr Ehab Tantawy	Egyptian	10	100	100
		<b>73,025,000</b>	<b>730,250,000</b>	<b>730,250,000</b>

The Company has been 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 paid within five years. 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.

The Company's board of directors held a meeting on 19 November 2019 and decided to request an extraordinary general meeting to discuss increasing the Company's capital. 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 22 February 2020, the Company's board held a meeting and called for EGP 292,000,000 payment in the Company capital to increase the total paid-in capital of the Company to EGP 598,850,000 and the amount was registered in the commercial register on 8 March 2020.

On 12 May 2020, the Company's board held a meeting and called for EGP 131,400,000 payment in the Company capital to increase 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.

Sphinx Obelisk, the former direct parent company of Taaleem Management Services has sold its entire stake to its shareholders, and currently the largest shareholder in Taaleem Management Services is Thebes CV, owning 20.821% of the company's capital.

## 13. Legal reserve

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 discontinued if the legal reserve reaches 50% of the issued capital. This reserve is not available for distribution to shareholders.

## 14. Non-controlling interests

	Capital	Reserves	Retained earnings	Total
<b>31 August 2020</b>				
<b>Balance at 1 September 2019</b>	<b>1,795,000</b>	<b>4,285,472</b>	<b>1,477,016</b>	<b>7,557,488</b>
Acquisition of non-controlling interests in Nahda University LP	(250,000)	(607,868)	(592,571)	(1,450,439)
Acquisition of non-controlling interests in Nahda University for Education Services Management	(32,500)	-	1,137,035	1,104,535
Total comprehensive income for the year	-	-	1,656,198	1,656,198
<b>Balance at 31 August 2020</b>	<b>1,512,500</b>	<b>3,677,604</b>	<b>3,677,678</b>	<b>8,867,782</b>
<b>31 August 2021</b>				
<b>Balance at 1 September 2020</b>	<b>1,512,500</b>	<b>3,677,604</b>	<b>3,677,678</b>	<b>8,867,782</b>
Total comprehensive income for the year	-	-	1,717,329	1,717,329
<b>Balance at 31 August 2021</b>	<b>1,512,500</b>	<b>3,677,604</b>	<b>5,395,007</b>	<b>10,585,111</b>

## 15. Deferred tax liabilities

Deferred income tax is represented in the tax liabilities arising from temporary differences between the tax basis of assets and their carrying amounts in the consolidated financial statements.

Change in tax assets and liabilities during the year is as follows:

	Balance at 1 September 2020	Expense/ (Income) charged to the statement of income during the year	Balance at 31 August 2021
<b>Liabilities</b>			
Fixed assets	13,480,811	2,778,606	16,259,417
Fixed assets - arising from business combination	19,541,109	(1,901,804)	17,639,305
Intangible assets - arising from business combination	67,129,228	-	67,129,228
<b>Total liabilities</b>	<b>100,151,148</b>	<b>876,802</b>	<b>101,027,950</b>

	Balance at 1 September 2019	Expense/ (Income) charged to the statement of income during the year	Balance at 31 August 2020
<b>Liabilities</b>			
Fixed assets	10,834,369	2,646,442	13,480,811
Fixed assets - arising from business combination	21,970,482	(2,429,373)	19,541,109
Intangible assets - arising from business combination	67,145,681	(16,453)	67,129,228
<b>Total liabilities</b>	<b>99,950,532</b>	<b>200,616</b>	<b>100,151,148</b>

## 16. Provisions

	Lawsuits provisions	Tax provisio	Other provisions	Total
<b>Balances as of 1 September 2019</b>	<b>420,000</b>	<b>8,119,463</b>	<b>730,263,468</b>	<b>738,802,931</b>
Provisions incurred during the year	1,000,000	-	-	1,000,000
Provisions used during the year	-	(3,915,849)	(730,263,468)	(734,179,317)
<b>Balances as of 31 August 2020</b>	<b>1,420,000</b>	<b>4,203,616</b>	<b>-</b>	<b>5,623,614</b>
Provisions incurred during the year	-	204,000	-	204,000
Provisions used during the year	-	(74,809)	-	(74,809)
<b>Balances as of 31 August 2021</b>	<b>1,420,000</b>	<b>4,332,805</b>	<b>-</b>	<b>5,752,805</b>

### Other provisions

Management estimated that it is probable that Sphinx Obelisk B.V. the immediate parent of the company ("the Parent") at this time would demand a payment amounting to EGP 730.3M ("the Transaction Price") which represents the cash consideration paid on behalf of the company for the purpose of acquiring a controlling stake of 98.7% in Nahda University LP. On 10 September 2015 and 31 May 2016, the company recognised provisions amounting to EGP 258M and EGP 472.3M respectively corresponding to the recognition of the effects of the business combination accounting in the consolidated financial statements.

On the 30th of January 2020, Sphinx Obelisk claimed from Taaleem Management Services the EGP 730,263,468. Taaleem signed a loan agreement with Sphinx Obelisk for EGP 730.3 M and recognized a corresponding liability being the consideration paid on behalf of Taaleem to acquire Nahda Group and utilized the related provision made for that purpose. and the loan was settled during February and March 2020 as follows:

- On 4 February 2020 the management made the 1st repayment of the loan for EGP 307,000,000.
- On 20 February 2020 the management made the 2nd repayment of the loan for EGP 292,000,000.
- On 19 March 2020 the management made the last repayment for EGP 131,263,468. The payments were fully settled on their maturities.

## 17. Trade and other payables

	2021	2020
Amounts payable in relation to acquiring a plot of land	104,415,225	74,854,821
Accrued expenses	27,708,218	24,510,174
Trade payable	6,400,773	12,939,583
Tax Authority	6,058,739	6,112,950
Retentions	1,910,153	6,354,336
Social insurance authority	195,525	119,525
Other payables	5,676,163	3,391,576
	<b>152,364,796</b>	<b>128,282,965</b>
<b>Less: non-current portion</b>		
Amounts payable in relation to acquiring a plot of land – non-current portion*	(63,237,869)	(54,132,219)
	<b>89,126,927</b>	<b>74,150,746</b>

\* In April 2020, the company acquired a 26.5 acres plot of land in the new Beni Suef city as part of Nahda University expansion plan. The purchase price amounted to 90 million Egyptian pounds in addition to a 1.5% one-time administrative expenses added to the price. The payment terms was a 25% in advance with the remaining balance payable in 5 annual instalments, bearing interest at the corridor rate announced by the Central Bank of Egypt plus 2%. The company paid the first instalment amounting to EGP 13.5 million on November 4, 2020, and the second instalment is due in November 2021. Borrowing costs capitalized in the projects under construction (Note No. 5) amounted to EGP 13 million. The group will pay the remaining amount of the land purchase price with a total of 59.1 EGP over four remaining annual instalments.

On December 30, 2020, the company paid a down payment of 63.7 million Egyptian pounds to purchase the land of Nahda University current campus. The group signed the purchase contract with Beni Suef Governorate on January 17, 2021 for a total purchase price of EGP 109 million; 105 million pounds land price plus 4 million pounds of administrative fees. The company paid 63.7 million Egyptian pounds (down payment and administrative fees), and shall pay the remaining EGP 45.2 million over two equal annual instalments, EGP 22.6 million each.

### 17.a) Deferred revenues:

Deferred revenue represents, the revenues collected from the university students for the academic year 2020-2021 amounting to EGP 31,226,158 (August 2020: EGP 178,999,459) for which education services have not yet been provided as of 31 August 2021. These amounts are amortized throughout the educational process from the date of commencement of the academic year 2020-2021.

The following table shows the movement of deferred revenues at the date of the statement of financial position:

	2021	2020
<b>Balance at the beginning of the year</b>	<b>178,999,459</b>	<b>210,952,467</b>
Collected during the year	439,863,721	403,267,476
Transferred to revenue	(587,637,022)	(435,220,484)
<b>Balance at year end</b>	<b>31,226,158</b>	<b>178,999,459</b>

**18. Other income**

	2021	2020
Reversal of other payables- no longer required	6,915,861	-
Other revenue	3,928,580	2,269,814
	<b>10,844,441</b>	<b>2,269,814</b>

**19. Current income tax liability**

	2021	2020
Balance at the beginning of the year	46,048,374	28,962,732
Current income tax for the year	55,003,107	47,975,918
Current tax related to the previous years	-	12,459,339
Paid during the year	(45,926,587)	(43,349,615)
	<b>55,124,894</b>	<b>46,048,374</b>

**20. Operating revenue**

	2021	2020
Tuition fees	581,505,393	428,903,370
Student housing subscription	5,903,801	5,758,672
Bus subscription	227,828	558,442
Other educational fees	14,496,667	15,014,959
	<b>602,133,689</b>	<b>450,235,443</b>

**21. Operating costs**

	2021	2020
Salaries and wages	66,269,605	63,181,111
Depreciation	47,633,631	41,041,212
Educational activities expenses	30,140,920	20,240,117
Governmental fees	10,680,046	7,886,390
Utilities expenses	8,665,992	7,628,182
Educational governmental fund subscription	3,300,000	3,775,000
Transportation and travel expenses	2,824,332	2,368,119
Laboratory expense	2,527,881	2,080,797
Land rent	2,159,728	5,363,880
Amortization expense of prepaid expenses	570,665	572,228
Amortization expense of intangible assets	207,686	206,984
Conference, symposium and training expenses	241,883	292,859
Other expenses	1,356,063	1,490,154
	<b>176,578,432</b>	<b>156,127,033</b>

**22. General and administrative expenses**

	2021	2020
Listing expenses	74,445,385	-
Salaries and wages	43,297,056	42,167,235
Value added tax on management fees	14,936,567	5,508,189
Rent	13,315,647	2,367,155
Professional fees	10,707,556	11,725,888
Advertising expenses	6,961,305	6,058,054
Sitting fees	6,600,000	-
Social insurance	6,641,054	4,549,338
Security	6,424,270	5,578,294
Cleaning, internet and water	5,287,213	4,398,837
Telephone and fax expense	3,811,283	2,294,701
Maintenance fees	3,361,977	2,816,627
Governmental fees	2,214,421	-
Transportation and travel expenses	2,054,060	1,721,896
Comprehensive medical insurance plan	2,044,706	1,421,269
Community service expenses	1,752,531	4,029,772
Depreciation expense	994,486	845,639
Impairment of due from related parties (Note 9)	926,525	4,588,129
Conference and camps expense	701,787	2,752,862
Real estate tax	342,092	612,226
Hospitality expenses	468,281	645,053
Amortization expense	-	73,125
Impairment of receivable and other debit balances (Note8)	-	22,270
Other expenses	4,452,654	2,261,438
	<b>211,740,856</b>	<b>106,437,997</b>

\* Represents the amount of Group contribution in the unified medical treatment plan with a percentage of 0.0025 from total operating revenue, other income and finance income; according to article No. 40 of law No. 2 of 2020 (Contribution in comprehensive medical insurance plan).

## 23. Expenses by nature

	2021	2020
Salaries and wages	109,566,661	105,348,346
Listing expenses	74,445,385	-
Depreciation expense	48,628,108	41,886,852
Educational activities expenses	30,140,920	20,240,117
Rent	15,475,693	7,731,035
Vat on management fees	14,936,567	5,508,189
Utilities expenses	10,880,413	7,628,182
Professional fees	10,707,556	11,725,888
Governmental fees	10,680,046	7,886,390
Advertising expenses	6,961,305	6,058,054
Sitting fees	6,600,000	-
Social insurance	6,641,054	4,549,338
Security	6,424,270	5,578,294
Cleaning, internet and water	5,287,213	4,398,837
Transportation and travel expenses	4,878,392	4,090,015
Telephone and fax expense	3,811,283	2,294,701
Maintenance fees	3,361,977	2,816,627
Educational governmental fund subscription	3,300,000	3,775,000
Laboratory expense	2,527,881	2,080,797
Comprehensive medical insurance plan	2,044,706	1,421,269
Community service expenses	1,752,531	4,029,772
Amortization expenses	207,686	280,109
Conference and camps expense	943,670	3,045,721
Impairment of receivable and other debit balances (Note8)	926,525	22,270
Amortization expense of prepaid expenses	570,665	572,228
Real estate tax	342,092	612,226
Impairment of due from related parties (Note 9)	-	4,588,129
Hospitality expenses	468,281	645,053
Other expenses	5,808,409	3,751,591
	<b>388,319,288</b>	<b>262,565,030</b>

## 24. Finance income (cost) - net

	2021	2020
Interest income	19,147,638	16,383,734
Interest expenses	(2,463,909)	-
Foreign currency gain/ (loss)	56,618	(644,140)
	<b>16,740,347</b>	<b>15,739,594</b>

## 25. Income tax expenses

	2021	2020
Deferred income tax (Note 14)	876,802	200,616
Current tax expenses for the year	55,003,107	47,975,153
Current tax related to prior years	-	12,459,339
	<b>55,879,909</b>	<b>60,635,873</b>

### 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:

	2021	2020
<b>Net profit before tax</b>	<b>241,195,189</b>	<b>204,679,821</b>
Income tax based on tax rate	54,268,918	46,052,959
Non-deductible expenses	1,610,991	2,123,575
Current tax related to prior years	-	12,459,339
	<b>55,879,909</b>	<b>60,635,873</b>
<b>Effective tax rate</b>	<b>23.1%</b>	<b>29.6%</b>

## 26. Earnings per share

### (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).
- The weighted average number of ordinary shares outstanding during the year represented the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued by the Group 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.

	2021	2020
Net profit for the year attributable to owners of the parent company	183,597,951	142,387,750
Actual/ Expected distribution to the employees	(3,050,058)	(7,756,085)
	<b>180,547,893</b>	<b>134,631,665</b>
Weighted average of No. of shares	730,250,000	33,989,000
Earnings per share	<b>0.25</b>	<b>3.96</b>

### (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 decrease.

During the financial year ended 31 August 2021 the Group did not issue any potential ordinary shares that results in a dilution.

## 27. Tax position Taaleem Management Services Company

### (1) Income tax

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

- Tax returns are regularly submitted, and the Company has not been notified by any examination request till the date of the consolidated financial statements.

### (2) Payroll tax

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

- The tax is deducted and paid on a regular basis
- The Company has not been notified by any examination request for wage and salary tax for the years mentioned above till the date of the consolidated financial statements.

### (3) Stamp duty

Financial years from the date of inspection till year 2018:

- The Company has been inspected and settled all claims.

Financial years from year 2019 till year 31 August 2021:

- The Company has not been notified by any examination request

### (4) Withholding tax

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

- The tax is deducted and paid on a regular basis.
- The Company has not been notified by any examination request for withholding tax for the years mentioned above till the date of the consolidated financial statements.

### (5) Value added tax (VAT)

Financial years from 2016 till 31 December 2018:

- The Company has been registered for VAT according to Law no 67 of 2016 and VAT returns are submitted on a regular basis
- The Company has been inspected and settled all claims.

Financial years from 2019 till 31 August 2021:

- VAT returns are submitted on a regular basis

There are no disputes with tax authorities and no uncertain tax issues until the reporting date.

## Nahda University Company - LP

### (1) Income tax

Period from inception till August 2018

- The university has been inspected by the Egyptian Tax Authority and internal committees and all taxes have been paid.

Period from 1 September 2018 till 31 August 2021

- The tax returns were submitted on the due dates and the documents necessary to complete the inspection work are being prepared.

### (2) Salaries tax

Period from inception till December 2008

- The university has been inspected by the Egyptian Tax Authority, and inspection differences have been settled.

Period from 2009 till 2015

- The university has been inspected and all taxes have been paid.

Period from 2016 till 31 August 2021

- Salary tax is being deducted from employees and delivered regularly.

### (3) Stamp Tax

Period from inception till August 2018

- The university has been inspected by Egyptian Tax Authority; and inspection differences have been settled

Period from 2019 till 31 August 2021

- The University has not been notified of any inspections.

There are no disputes with tax authorities and no uncertain tax issues until the reporting date.

## Nahda University for Education and Management Services S.A.E.

### (1) Income tax

Period from inception till 31 August 2021

- No tax inspection has been done since the establishment date until the date of the consolidated financial statements

### (2) Salaries tax

Period from inception till 31 August 2021

- No tax inspection has been done since the establishment date until the date of the consolidated financial statements, however, the company has no employees until the date of the consolidated financial statements.

### (3) Stamp Tax

Period from inception till 31 August 2021

- No tax inspection has been done since the establishment date until the date of the consolidated financial statements.

There are no disputes with tax authorities and no uncertain tax issues until the reporting date.

## Nahda Education Services S.A.E.

### (1) Income tax

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

- Tax returns are regularly submitted, and the Company has not been notified by any examination request till the date of the consolidated financial statements.

### (2) Payroll tax

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

- The Company has not been notified by any examination request for wage and salary tax for the years mentioned above till the date of the consolidated financial statements.



**[3] Stamp duty**

Financial years from year 2015 till 31 August 2021:

- The Company has not been notified by any examination request for stamp duty for the years mentioned above till the date of the consolidated financial statements.

**[4] Withholding tax**

Financial years from the date of inception till August 2021:

- The Company has not been notified by any examination request for stamp duty for the years mentioned above till the date of the consolidated financial statements.

There are no disputes with tax authorities and no uncertain tax issues until the reporting date.

**28. Capital commitment**

Capital commitments contracted on the date of the consolidated financial statements have not been recognized as liabilities to the Company:

	2021	2020
Capital commitment*	26,277,320	14,906,701
	<b>26,277,320</b>	<b>14,906,701</b>

\*The capital commitments on August 31, 2021 represent the remaining value of the university firefighting infrastructure contract, in addition to the contract to establish outpatient clinics for the Faculty of Physiotherapy. The management signed two lease contracts during the year and evaluated the impact of the two contracts in accordance with Egyptian Accounting Standard No. 49 "Lease Contracts" on the financial statements as shown in Note No. 2-b.

**29. Significant event****COVID -19 Impact:**

In these extraordinary times, Taaleem believes that we all have a role to play in keeping our community, our students and our employees healthy. Our individual actions can affect everyone's health, which is why we focus on doing our part by putting in place safety measures and precautions.

As soon as the World Health Organization declared a global emergency with the new Corona virus continuing to spread around the world, Taaleem formed a task force to manage these emerging risks and ensure the health and safety of the parties involved.

Our approach is based on the World Health Organization (WHO) and the Ministry of Health and Population (Egypt's Ministry of Health and Population). As we move forward, we learn new information about the virus all the time and carefully review and update our protocols.

- After the announcements of the Ministry of Higher Education for the hybrid education system, we closely monitor our academic plan and follow the guidelines and practices of the World Health Organization and the Ministry of Health and Population
- One of the effects of Covid-19 was that the Ministry of Higher Education shifted the academic calendar to start in October 2021 instead of the usual academic calendar start date in September each year. The academic calendar shift resulted in a corresponding shift in the tuition fees collection period to start by the end of August instead of the end of July, which decreased the deferred revenue balance as of August 31, 2021 to EGP 31 million compared to EGP 179 million as of August 31, 2020. The shift and collection delay have no impact on expected revenues since 2021/2022 collection continued in September 2021.

In response to COVID-19 and taking into account the importance of anticipating the potential impact on expected financial outcomes for the period ending August 31, 2022, as well as the operations in the event of any closure to reduce exposure to the virus, the management expects the following financial implications:

- Targeted accommodation and transportation revenues for 2021/2022 are EGP 5 million and EGP 1 million respectively, which represents 1% of the total targeted revenue and may decrease if any decisions are taken to enforce a full closure. Our COVID-19 impact limitation to transportation and accommodation proceeds is due to the fact that the university is able to transfer 100% of the academic process to online education, which has been implemented during the 2019/2020 full closure and the hybrid education during 2020/2021.
- Based on the above, and as the University is enrolling targeted students for the 2021/2022 academic year, we do not expect any reduction in targeted revenue except for transportation and accommodation income.
- The Group expects educational activities to continue, virtually or physically, and therefore management does not expect a negative impact on the Group's ability to continue as a going concern and to generate sufficient revenues and profits to meet the expectations of its stakeholders.

This page has intentionally been left blank



## **Taaleem Management Services**

Twelve Business Center, Neptune Building  
26th of July Corridor, Sheikh Zayed  
Giza, Egypt

## **Website**

[www.taaleem.me](http://www.taaleem.me)

## **Contact Details**

Investor Relations  
[IR@taaleem.me](mailto:IR@taaleem.me)