

**TAALEEM MANAGEMENT SERVICES  
COMPANY S.A.E. AND ITS SUBSIDIARIES**

**LIMITED REVIEW REPORT  
AND INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE SIX-MONTH PERIOD ENDED  
28 FEBRUARY 2026**

# TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

## Interim consolidated financial statements For the six-month period ended 28 February 2026

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## *Limited review report*

### *On the interim consolidated financial statements*

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

#### *Introduction*


We have conducted a limited review for the accompanying interim consolidated statement of financial position of Taaleem Management Services Company S.A.E. (the "Company") and its subsidiaries (together the "Group") as of 28 February 2026 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with the Egyptian Accounting Standards, and our responsibility is limited to expressing a conclusion on these interim consolidated financial statements based on our limited review.

#### *Scope of the limited review*

We have conducted our limited review in accordance with the Egyptian Standard on Review Engagements No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

#### *Conclusion*

In light of our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Company and its subsidiaries as of 28 February 2026, and their financial performance, and their cash flows for the six-month period then ended in accordance with Egyptian Accounting Standards.



Hisham Mohamed Hamed  
R.A.A. 39411  
F.R.A. 422


16 April 2026  
Cairo

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Interim consolidated statement of financial position – As of 28 February 2026**

(All amounts in Egyptian Pounds)			
	Note	28 February 2026	31 August 2025
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	5	6,922,719,399	6,431,562,755
Intangible assets	6	654,850,722	606,076,346
Right of use assets	11	10,515,247	12,774,121
Debtors and other debit balances	8	38,217,423	44,152,496
Deferred tax Asset	17/b	124,960,317	66,678,132
<b>Total non-current assets</b>		<b>7,751,263,108</b>	<b>7,161,243,850</b>
<b>Current assets</b>			
Inventories	7	8,363,798	6,793,128
Debtors and other debit balances	8	189,107,854	158,432,703
Cash and cash equivalents	10	632,882,825	276,408,332
<b>Total current assets</b>		<b>830,354,477</b>	<b>441,634,163</b>
<b>Total assets</b>		<b>8,581,617,585</b>	<b>7,602,878,013</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Paid-up capital	12	734,037,191	730,250,000
Reserves	13	30,800,431	37,699,041
Put option reserve	22	(1,088,615,364)	(976,621,455)
Share Premium		36,281,291	-
Retained earnings		2,293,335,846	1,888,099,981
<b>Total equity attributable to shareholders of the parent company</b>		<b>2,005,839,395</b>	<b>1,679,427,567</b>
Non-controlling interests	15	1,777,717,950	1,375,376,865
<b>Total equity</b>		<b>3,783,557,345</b>	<b>3,054,804,432</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	17/a	87,626,262	85,602,577
Lease liabilities	20	10,681,560	13,780,398
Bank borrowings	16	2,307,246,446	2,268,750,000
Put option liability	22	1,088,615,364	976,621,455
<b>Total non-current liabilities</b>		<b>3,494,169,632</b>	<b>3,344,754,430</b>
<b>Current liabilities</b>			
Provisions	18	35,784,432	35,784,432
Lease liabilities	20	5,935,666	5,359,197
Bank borrowings	16	341,948,045	239,018,732
Creditors and other credit balances	19/a	334,384,764	349,574,674
Deferred revenues	19/b	344,560,732	282,540,689
Current income tax liabilities	21	183,069,020	242,744,671
Employee stock ownership plan	14	58,207,949	48,296,756
<b>Total current liabilities</b>		<b>1,303,890,608</b>	<b>1,203,319,151</b>
<b>Total liabilities</b>		<b>4,798,060,240</b>	<b>4,548,073,581</b>
<b>Total liabilities and equity</b>		<b>8,581,617,585</b>	<b>7,602,878,013</b>

- There changes in the comparative figures (Note no. 33)
- The accompanying notes on pages 7- 62 form an integral part of these interim consolidated financial statements.
- Limited review report attached

  
**Mr. Khaled Khater**  
**Chief Financial Officer**

  
**Eng. Mohamed El Rashidi**  
**Chief Executive Officer**

16 April 2026

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

**Interim consolidated statement of profit or loss**  
**For the six-month period ended 28 February 2026**

(All amounts in Egyptian Pounds)

	Note	Six months ended		Three months ended	
		28 February 2026	28 February 2025	28 February 2026	28 February 2025
Revenues	23	1,460,186,820	1,080,363,347	591,306,547	489,774,133
Cost of revenues	24	(390,123,340)	(260,788,996)	(191,937,940)	(135,739,562)
<b>Gross profit</b>		<b>1,070,063,480</b>	<b>819,574,351</b>	<b>399,368,607</b>	<b>354,034,571</b>
General and administrative expenses	25	(289,015,463)	(205,309,469)	(142,214,257)	(112,778,173)
Other operating income		3,654,446	5,563,539	1,977,370	2,627,999
<b>Operating profit</b>		<b>784,702,463</b>	<b>619,828,421</b>	<b>259,131,720</b>	<b>243,884,397</b>
Finance income	27/A	16,306,878	42,980,858	7,126,873	26,254,835
Finance cost	27/B	(274,785,240)	(12,134,143)	(130,875,790)	(9,689,613)
<b>Profit before tax</b>		<b>526,224,101</b>	<b>650,675,136</b>	<b>135,382,803</b>	<b>260,449,619</b>
Income tax	28	(126,744,241)	(163,630,476)	(33,027,520)	(72,345,021)
<b>Profit for the period</b>		<b>399,479,860</b>	<b>487,044,660</b>	<b>102,355,283</b>	<b>188,104,598</b>
<b>Profit attributable to:</b>					
Owners of the parent company		462,129,024	492,124,156	137,951,786	196,285,326
Non-controlling interests	15	(62,649,164)	(5,079,496)	(35,596,503)	(8,180,728)
<b>Profit for the period</b>		<b>399,479,860</b>	<b>487,044,660</b>	<b>102,355,283</b>	<b>188,104,598</b>
Earnings per share	29	0.61	0.66	0.18	0.26

- The accompanying notes on pages 7- 62 form an integral part of these interim consolidated financial statements.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

Interim consolidated statement of comprehensive income  
For the six-month period ended 28 February 2026

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Profit for the period	399,479,860	487,044,660	102,355,283	188,104,598
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>399,479,860</b>	<b>487,044,660</b>	<b>102,355,283</b>	<b>188,104,598</b>
<b>Total comprehensive income is attributable to:</b>				
Owners of the parent company	462,129,024	492,124,156	137,951,786	196,285,326
Non-controlling interests	(62,649,164)	(5,079,496)	(35,596,503)	(8,180,728)
<b>Total comprehensive income for the period</b>	<b>399,479,860</b>	<b>487,044,660</b>	<b>102,355,283</b>	<b>188,104,598</b>

- The accompanying notes on pages 7- 62 form an integral part of these interim consolidated financial statements.

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Interim consolidated statement of changes in equity  
For the six-month period ended 28 February 2026**

	Equity attributable to shareholders of the parent company							Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
	Note	Paid-up capital	Share Premium	Reserves	Put option reserve	Retained earnings				
<b>Balance at 1 September 2024</b>		730,250,000	-	10,256,045	(753,158,690)	1,352,524,303	1,339,871,658	1,001,374,614	2,341,246,272	
Capital increase		-	-	-	-	-	-	256,000,000	256,000,000	
Profit share distribution to board members and employees		-	-	-	-	(45,843,038)	(45,843,038)	-	(45,843,038)	
Transfer to legal reserve		-	-	10,888,435	-	(10,888,435)	-	-	-	
Put option reserve	13	-	-	-	(83,027,915)	-	(83,027,915)	-	(83,027,915)	
Tax on dividends related to expected distributions to shareholders	22	-	-	-	-	(34,772,149)	(34,772,149)	-	(34,772,149)	
Total comprehensive income for the period		-	-	-	-	492,124,156	492,124,156	(5,079,496)	487,044,660	
<b>Balance at 28 February 2025</b>		<b>730,250,000</b>	<b>-</b>	<b>21,144,480</b>	<b>(836,186,605)</b>	<b>1,753,144,837</b>	<b>1,668,352,712</b>	<b>1,252,295,118</b>	<b>2,920,647,830</b>	
<b>Balance at 1 September 2025</b>		<b>730,250,000</b>	<b>-</b>	<b>37,699,041</b>	<b>(976,621,455)</b>	<b>1,888,099,981</b>	<b>1,679,427,567</b>	<b>1,375,376,865</b>	<b>3,054,804,432</b>	
Capital increase		3,787,191	-	-	-	-	3,787,191	464,990,249	468,777,440	
Profit share distribution to board members and employees		-	-	-	-	(48,003,970)	(48,003,970)	-	(48,003,970)	
Share Premium		-	20,493,492	-	-	-	20,493,492	-	20,493,492	
Transfer to legal reserve	13	-	-	9,655,951	-	(9,655,951)	-	-	-	
Put option reserve	22	-	-	-	(111,993,909)	-	(111,993,909)	-	(111,993,909)	
Employee stock ownership plan		-	15,787,799	(16,554,561)	-	766,762	-	-	-	
Total comprehensive income for the period		-	-	-	-	462,129,024	462,129,024	(62,649,164)	399,479,860	
<b>Balance at 28 February 2026</b>		<b>734,037,191</b>	<b>36,281,291</b>	<b>30,800,431</b>	<b>(1,088,615,364)</b>	<b>2,293,335,846</b>	<b>2,005,839,395</b>	<b>1,777,717,950</b>	<b>3,783,557,345</b>	

- The accompanying notes on pages 7- 62 form an integral part of these interim consolidated financial statements.

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Interim consolidated statement of cash flows  
For the six-month period ended 28 February 2026**

(All amounts in Egyptian Pounds)

	Note	28 February 2026	28 February 2025
<b>Cash flows from operating activities</b>			
Profit for the period before tax		526,224,101	650,675,136
<b>Adjustments for:</b>			
Fixed assets depreciation	5		32,294,564
Right of use assets depreciation	11	81,096,811	5,796,770
Intangible assets amortization	6	2,258,874	104,545
Debtors and other debit balances amortization		104,546	282,987
Gain from sale of fixed assets		284,553	-
Interest expense – lease contracts	27/B	1,040,916	1,640,376
Interest expense	27/B	271,288,562	8,908,715
Interest income	27/A	(16,306,878)	(42,980,858)
Employee stock ownership plan expense	14	37,932,680	15,694,189
<b>Operating profit before changes in operating assets and liabilities</b>		<b>903,924,165</b>	<b>672,416,424</b>
<b>Changes in operating assets and liabilities</b>			
Inventories		(1,570,670)	1,461,802
Debtors and other debit balances		(37,147,015)	(50,519,850)
Change in restricted cash		-	(6,300,000)
Creditors and other credit balances		(22,717,905)	(61,737,374)
Income tax paid		(230,556,008)	(151,344,274)
Deferred revenues		62,020,043	125,285,834
<b>Net cash flows generated from operating activities</b>		<b>673,952,610</b>	<b>529,262,562</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of fixed assets	5	(567,324,710)	(650,261,535)
Proceeds from Sale of fixed assets		4,106,114	-
Payments for purchase of intangible assets	6	(48,878,922)	(511,680)
Interest received	27/A	16,306,878	42,980,858
<b>Net cash flows used in investing activities</b>		<b>(595,790,640)</b>	<b>(607,792,357)</b>
<b>Cash flows from financing activities</b>			
Non-controlling interests in paid-up capital		464,990,249	256,000,000
Proceeds from borrowings		94,746,446	193,326,888
Settlement of borrowings		(233,644,108)	(122,314,000)
Capital increase		3,787,191	-
Profit share distribution to board members and employees		(48,003,970)	(45,843,038)
Tax on dividends related to expected distributions to shareholders		-	(34,772,149)
Lease payments	20	(3,563,285)	(8,899,700)
<b>Net cash flows generated from financing activities</b>		<b>278,312,523</b>	<b>237,498,001</b>
<b>Net change in cash and cash equivalents</b>		<b>356,474,493</b>	<b>158,968,206</b>
Cash and cash equivalents at the beginning of the period		266,393,038	427,999,323
<b>Cash and cash equivalents at the end of the period</b>	10	<b>622,867,531</b>	<b>586,967,529</b>

- Refer to note (10) for the non-cash transactions.

- The accompanying notes on pages 7- 62 form an integral part of these interim consolidated financial statements.

# TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

## Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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### 1. Introduction

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

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

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

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

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

The interim consolidated financial statements have been approved by the Board of Directors on 16 April 2026, and the general assembly of shareholders has the right to amend these interim consolidation financial statements after their issuance.

### 2. Accounting policies

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

#### 2.1 Basis of preparation of the interim consolidated financial statements

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

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 preparation of the interim 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 interim consolidated financial statements, as well as significant judgments used by the Group's management when applying the Group's accounting policies.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 2. Accounting policies (continued)

##### 2.1 Basis of preparation of the interim consolidated financial statements (continued)

##### 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 interests	
		28 February 2026	31 August 2025	28 February 2026	31 August 2025
Nahda Education Company S.A.E.	Egypt	99.9%	99.9%	0.01%	0.01%
Nahda University LP & Nahda University	Egypt	98.9%	98.9%	1.1%	1.1%
Nahda University Company for Education and Management Services Company S.A.E.	Egypt	99.9%	99.9%	0.1%	0.1%
Badya International University Company for Education S.A.E.	Egypt	60%	60%	40%	40%
SB Investment Company S.A.E.	Egypt	32%	32%	68%	68%
Memphis University	Egypt	32%	-	68%	-

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).

Financial information about the material subsidiaries of the Group are summarised as follows:

Name of subsidiary	Nahda University	
	28 February 2026	31 August 2025
<b>Summarised interim statement of financial position</b>		
Current assets	1,177,743,201	859,483,281
Current liabilities	(808,537,476)	(774,448,973)
<b>Working Capital</b>	<b>369,205,725</b>	<b>85,034,308</b>
Non-current assets	2,102,269,709	1,929,193,312
Non-current liabilities	(227,225,432)	(186,592,590)
<b>Non-current net assets</b>	<b>1,875,044,277</b>	<b>1,742,600,722</b>
<b>Net assets</b>	<b>2,244,250,002</b>	<b>1,827,635,030</b>

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Notes to the interim consolidated financial statements  
For the six-month period ended 28 February 2026**

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

**2. Accounting policies (continued)**

**2.1 Basis of preparation of the interim consolidated financial statements (continued)**

	<b>Nahda University</b>	
	<b>28 February 2026</b>	<b>28 February 2025</b>
<b>Summarised interim statement of profit or loss</b>		
Revenues	1,237,268,041	1,031,859,870
<b>Profit for the period</b>	<b>416,614,964</b>	<b>424,549,082</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>416,614,964</b>	<b>424,549,082</b>
<b>Profit allocated to non-controlling interests</b>	<b>4,554,405</b>	<b>4,641,140</b>

	<b>Nahda University</b>	
	<b>28 February 2026</b>	<b>28 February 2025</b>
<b>Summarised interim statement of cash flows</b>		
Cash flows generated from operating activities	204,432,777	303,029,612
Cash flows used in investing activities	(192,294,120)	(133,892,935)
Cash flows used in financing activities	(2,288,432)	(156,509,447)
<b>Net change in cash and cash equivalents</b>	<b>9,850,225</b>	<b>12,627,230</b>

Name of subsidiary	<b>Badya International University Company for Education S.A.E.</b>	
	<b>28 February 2026</b>	<b>31 August 2025</b>
<b>Summarised interim statement of financial position</b>		
Current assets	345,082,321	67,674,118
Current liabilities	(276,643,255)	(262,997,794)
<b>Working Capital</b>	<b>68,439,066</b>	<b>(195,323,676)</b>
Non-current assets	3,259,929,037	3,166,941,517
Non-current liabilities	(2,100,000,000)	(2,100,000,000)
<b>Non-current net assets</b>	<b>1,159,929,037</b>	<b>1,066,941,517</b>
<b>Net assets</b>	<b>1,228,368,103</b>	<b>871,617,841</b>

	<b>Badya International University Company for Education S.A.E.</b>	
	<b>28 February 2026</b>	<b>28 February 2025</b>
<b>Summarised interim statement of profit or loss</b>		
Revenues	170,938,306	53,994,416
<b>Losses for the period</b>	<b>(200,749,743)</b>	<b>(51,575,181)</b>
Other comprehensive loss	-	-
<b>Total comprehensive loss</b>	<b>(200,749,743)</b>	<b>(51,575,181)</b>
<b>Losses allocated to non-controlling interests</b>	<b>(80,299,897)</b>	<b>(20,630,072)</b>

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Notes to the interim consolidated financial statements  
For the six-month period ended 28 February 2026**

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

**2. Accounting policies (continued)**

**2.1 Basis of preparation of the interim consolidated financial statements (continued)**

	<b>Badya International University</b>	
	<b>28 February 2026</b>	<b>28 February 2025</b>
<b>Summarised interim statement of cash flows</b>		
Cash flows used in operating activities	(65,597,234)	(120,396,837)
Cash flows used in investing activities	(76,730,285)	(422,756,652)
Cash flows generated from financing activities	419,639,955	533,072,366
<b>Net change in cash and cash equivalents</b>	<b>277,312,436</b>	<b>(10,081,123)</b>

Name of subsidiary	<b>SB Investment Company S.A.E.</b>	
	<b>28 February 2026</b>	<b>31 August 2025</b>
<b>Summarised interim statement of financial position</b>		
Current assets	131,956,848	97,475,729
Current liabilities	(45,584,301)	(64,172,480)
<b>Working Capital</b>	<b>86,372,547</b>	<b>33,303,249</b>
Non-current assets	1,366,100,841	1,061,452,748
Non-current liabilities	(17,250)	(17,250)
<b>Non-current net assets</b>	<b>1,366,083,591</b>	<b>1,061,435,498</b>
<b>Net assets</b>	<b>1,452,456,138</b>	<b>1,094,738,747</b>

	<b>SB Investment Company S.A.E.</b>	
	<b>28 February 2026</b>	<b>28 February 2025</b>
<b>Summarised interim statement of profit or loss</b>		
Finance income	5,668,044	23,030,818
<b>Profit for the period</b>	<b>1,849,376</b>	<b>16,043,290</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>1,849,376</b>	<b>16,043,290</b>
<b>Losses allocated to non-controlling interests</b>	<b>1,257,576</b>	<b>10,909,437</b>

	<b>SB Investment Company S.A.E.</b>	
	<b>28 February 2026</b>	<b>28 February 2025</b>
<b>Summarised interim statement of cash flows</b>		
Cash flows used in operating activities	(20,704,645)	40,760,289
Cash flows used in investing activities	(299,058,985)	(59,311,974)
Cash flows generated from financing activities	355,868,012	192,014,081
<b>Net change in cash and cash equivalents</b>	<b>36,104,382</b>	<b>173,462,396</b>

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 2. Accounting policies (continued)

##### 2.1 Basis of preparation of the interim consolidated financial statements (continued)

Name of subsidiary	Memphis University	
	28 February 2026	31 August 2025
<b>Summarised interim statement of financial position</b>		
Current assets	52,888,450	-
Current liabilities	(52,480,957)	-
<b>Working Capital</b>	<b>407,493</b>	-
Non-current assets	17,002,437	-
Non-current liabilities	-	-
<b>Non-current net assets</b>	<b>17,002,437</b>	-
<b>Net assets</b>	<b>17,409,930</b>	-
	Memphis University	
	28 February 2026	28 February 2025
<b>Summarised interim statement of profit or loss</b>		
Revenues	51,980,475	-
<b>Profit for the period</b>		
Other comprehensive income	17,409,930	-
<b>Total comprehensive income</b>	-	-
<b>Profit allocated to non-controlling interests</b>	<b>17,409,930</b>	-
	<b>11,838,752</b>	-
	Memphis University	
	28 February 2026	28 February 2025
<b>Summarised interim statement of cash flows</b>		
Cash flows generated from operating activities	50,208,885	-
Cash flows used in investing activities	(17,084,937)	-
Cash flows generated from financing activities	-	-
<b>Net change in cash and cash equivalents</b>	<b>33,123,948</b>	-

##### 2.1.1 Nahda Education Company S.A.E, Nahda University LP and Nahda University

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

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

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **2. Accounting policies (continued)**

##### **2.1 Basis of preparation of the interim consolidated financial statements (continued)**

###### **2.1.1 Nahda Education Company S.A.E, Nahda University LP and Nahda University (continued)**

On 9 September 2015, the predecessor ultimate controlling party paid 730,263,464 Egyptian Pounds and entered into an investment agreement to acquire 97.72% of Nahda University founder share and 100% of Nahda Education Service S.A.E., which in turn own 98.73% of Nahda LP. On 10 September 2015, Nahda Education Company S.A.E. entered into an assignment agreement with the University's founders whereby they have contractually passed to Nahda Education Company S.A.E. all their beneficial rights in the University. Subsequently, during 2019 a presidential decree issued to transfer 97.72% of the university's predecessor founders' rights to Nahda University Company for Education and Management Services 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 because of the University's performance and manage the day-to-day activities of the University. By virtue of this revised management agreement and the above other arrangements, Taaleem Management Services Company S.A.E. obtained control over the Nahda University's business and consolidated the University's business in its financial statements from that date.

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

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 interests was 250,000 EGP and the consideration paid to non-controlling interests 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.

###### **2.1.2 Nahda University Company for Education and Management Services 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 19 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 interim consolidated financial statements starting from the date of the agreement.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.1 Basis of preparation of the interim consolidated financial statements (continued)

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

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

Upon establishment of established Badya International University company for Education S.A.E, the Company entered into a shareholder’s agreement with Palm Hills for Education S.A.E. On 1 February 2023, an amendment was signed that gives the right to Taaleem Management Services S.A.E. to control the subsidiary established Badya International University Company for Education S.A.E, Its financial results were consolidated in the group interim consolidated financial statements starting from the date of the presidential decree issued on 12 August 2023 to establish a private university under the name “Badya University”.

An additional investment in Badya International University company for Education S.A.E., formerly known as the Egyptian International Company for Higher Education S.A.E., amounting to EGP 334,500,000, was paid during the financial period ended 28 February 2026 to complete the subsidiary’s share capital, in accordance with the resolutions of the Board of Directors’ meetings held on 3 September 2025, 23 October 2025, 18 December 2025, and 22 February 2026, respectively.

##### 2.1.4 SB Investment Company S.A.E.

In 22 November 2022, Taaleem Management Services S.A.E. signed a subscription agreement and a shareholder’s agreement to become a shareholder in SB Investment Company S.A.E. (the ‘investee’), an established company whose primary objective is to carry out the business, and wholly own, develop and manage “Memphis University” (the ‘University’).

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

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

The shareholders agreement signed between Taaleem Management Services S.A.E. and the existing shareholders of SB Investment Company S.A.E. granted Taaleem Management Services S.A.E the control over SB Investment S.A.E and full control over the University.

## **TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

### **Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026**

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

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#### **2. Accounting policies (continued)**

##### **2.1 Basis of preparation of the interim consolidated financial statements (continued)**

##### **2.1.4 SB Investment Company S.A.E. (continued)**

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

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

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

An additional investment of EGP 113,877,764 was paid in SB Investments Company during the financial period ended February 28, 2026, to complete the subsidiary's capital in accordance with the Board of Directors' meetings held on September 2, 2025, October 15, 2025, 18 January 2026 and 22 February 2026, respectively.

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

The shareholders agreement includes a "Call Option" giving Taaleem Management Services Company S.A.E. the right to purchase 19% of the subsidiary's shares from the existing shareholders of the subsidiary that would increase Taaleem Group ownership to 51% of SB Investment Company S.A.E. This option is exercisable upon the lapse of the first academic year of the University and for a period of twelve months thereafter "put option exercise period".

The shareholders agreement also includes a "Put Option" to the existing shareholders in case Taaleem Management Services Company S.A.E. do not exercise the call option, the existing shareholders shall have the right to require Taaleem Management Services S.A.E. to purchase the 19% share from the existing shareholders' at their fair value on a specified date. This option is exercisable upon the expiry of Taaleem call option period and for a period of twelve months thereafter "call option exercise period".

## **TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

### **Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026**

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

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#### **2. Accounting policies (continued)**

##### **2.2 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.

###### **2.2.1 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.

###### **2.2.2 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.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **2. Accounting policies (continued)**

#### **2.2 Basis of consolidation (continued)**

#### **2.2.2 Changes in ownership interests (continued)**

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.

#### **2.2.3 Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interests 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.

#### **2.2.4 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.

## **TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

### **Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026**

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

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#### **2. Accounting policies (continued)**

##### **2.3 Foreign currency transaction**

###### **(a) Functional and presentation currency**

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

###### **(b) Transactions and balances**

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

##### **2.4 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 interim consolidated 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.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.4 Fixed assets (continued)

Below are the estimated useful lives of each group of assets:

Buildings	40 years
Books	20 years
Infrastructure	10 years
Programs and computers	5 - 10 years
Laboratories	7 years
Machinery and equipment	4 - 7 years
Furniture and fixtures	4 - 7 years
Vehicles	4 - 5 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 interim consolidated statement of profit or loss.

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

##### 2.5 Financial assets

###### (i) Classification

The Group classifies financial assets in the following measurement categories:

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

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

As for the financial assets measured at fair value, the profits or losses will be recorded in the interim consolidated profit or loss statement or the interim consolidated other comprehensive income statement. As for the investments in equity instruments not held for trading, it depends on whether the Group has made an irrevocable election at initial recognition to measure the equity investment at fair value through other comprehensive income.

Debt instruments are reclassified only when the Group's business model for managing these assets changes.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.5 Financial assets (continued)

###### (ii) 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.

###### (iii) Subsequent measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except for financial assets measured at fair value through profit or loss. Transaction costs related to financial assets measured at fair value through profit or loss are recognized as an expense in the interim consolidated statement of profit or loss.

###### (iv) Debt instruments

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

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

Movements in the carrying amount are presented through the interim consolidated statement of comprehensive income, with the exception of recognizing impairment gains or losses, interest income and foreign exchange gains and losses recognized in the interim consolidated statement of profit or loss.

On the financial asset derecognition, retained earnings/losses -previously recognized in the interim consolidated statement of comprehensive income- from the statement of equity to the interim consolidated statement of profit or losses and recognized in other income/(loss). Interest income from these financial assets is included in financing income using the effective interest method. Foreign exchange gains and losses are presented in other income/(loss) and impairment expense is presented as a separate line item in the interim consolidated statement of profit or loss.

Fair value through profit or loss: Assets not meeting the criteria of amortized cost or fair value through other comprehensive income is measured at fair value through profit or loss. The income or loss from debt instrument that is subsequently measured at fair value through profit or loss in the interim consolidated statement of profit or loss (net) included in the other income/(loss) during the period it was originated in.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.6 Impairment of financial assets

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

As permitted by EAS 47, the Group applies the simplified approach for ECL on trade receivables. The Group uses a provision matrix in the calculation of the ECL on trade receivables to estimate the lifetime expected credit losses, applying certain provision rates to respective aging buckets.

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

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

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

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

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

##### 2.7 Intangible assets other than goodwill

###### 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 an 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.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **2. Accounting policies (continued)**

##### **2.8 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.

##### **2.9 Cash and cash equivalents**

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

##### **2.10 Inventories**

Inventory is measured at the lower of cost or net realizable value. Cost is determined using the weighted average method and includes all purchase costs as well as other costs necessary to bring the inventory to its present location and condition, excluding borrowing costs. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and any other costs necessary to make the sale. Any reduction in the value of inventory resulting from a decrease in net realizable value, as well as any inventory losses, is recognized as an expense in the period in which the reduction or loss occurs

##### **2.11 Capital**

###### Ordinary shares

Ordinary shares are classified within equity.

##### **2.12 Current and deferred income tax**

The Group recognises the current and deferred tax in the interim consolidated profit or loss for the year. Current and deferred tax is recognised in other comprehensive income or directly in equity if its related to items recognised - in the same period or different periods- in the interim consolidated 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 interim consolidated financial statements.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.12 Current and deferred income tax (continued)

Deferred tax is determined using tax rates and laws that have been enacted at the date of the interim 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.

##### 2.13 Employees' benefits

###### (a) 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 last fiscal year, according to the proposals made by the group's board of directors and subject to approval by the general assembly of the Company's shareholders. Profit sharing is recognised as a dividend distribution through equity and as a liability when approved by the parent Company's shareholders.

###### (b) Defined contribution plan

Under a defined contribution plan, the Group pays fixed contributions to the General Organization for Social Insurance on a mandatory basis. Once the contributions have been paid, the Group has no further legal or constructive obligations. Contributions are recognized as an expense in the period in which the related employee services are rendered and are included in employee costs.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.13 Employees' benefits (continued)

###### (c) Employee Share Ownership Plan

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

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

Elements of the scheme:

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

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

During the year, the total employee stock ownership plan expenses incurred through the interim consolidated statement of profit or loss amounted to EGP 37,932,680 (28 February 2025: EGP 15,694,189).

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **2. Accounting policies (continued)**

##### **2.14 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.

##### **2.15 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.

##### **2.16 Provisions**

Provisions are recognised when the group has a present (legal or constructive) obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. The Group recognises the commitments required for restructuring and not related to the Company's effective activities within the costs of the provision for restructure.

A contingent obligation is a present obligation that arose due to past events, and was not recognized because it was not expected to have an outflow of resources embodying for use's economic benefits to settle the obligation, or it couldn't be reliably estimated. Instead, the Group disclosed its contingent liabilities in its notes to the financial statements.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **2. Accounting policies (continued)**

##### **2.16 Provisions (continued)**

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. However, it is expected that an outflow of resources is required to settle all items of obligations.

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

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

##### **2.17 Creditors and other credit balances**

Creditors and other credit balances are recognised initially at the amount of goods or services received from others, whether the invoice is 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.

##### **2.18 Revenue recognition**

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

Step (1) Identify the contract with the customer:

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

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

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

Step (3) Determine the transaction price:

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

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

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

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.18 Revenue recognition (continued)

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

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

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

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

Below are the types of revenue generated by the Company

(a) Tuition fee revenue

The Group provides educational services to students through its owned university. Educational revenue is recognized over the period during which the academic services are delivered.

(b) Revenue from transportation and student living

The Group provides educational services to students through its owned university. Revenue from transportation and student housing is recognized over the period during which the services are provided.

(c) Interest Income

Interest income is recognized on a time-proportion basis using the effective interest rate.

##### 2.19 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.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.19 Fair value estimation (continued)

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 best-selling 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.

##### 2.20 Segment reporting

Business segments are reported in accordance with internally submitted reports to the chief operating decision-maker 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.

##### 2.21 Dividends

Dividends are recognised as liabilities in the interim consolidated financial statements upon the approval of the Group's General Assembly of Shareholders. The company is obligated to deduct 5% 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.

##### 2.22 Leases

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

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

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

#### (a) Right of use assets:

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

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 2. Accounting policies (continued)

##### 2.22 Leases (continued)

###### (a) Right of use assets: (continued)

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

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

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

###### (b) Lease liabilities.

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

### 3. Financial risk management

#### 3.1 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 flows and fair value interest rate risks), credit risk, and liquidity risk. The Group is not exposed to price risk as it doesn't have investments measured at fair value.

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 interim consolidated statement of profit or loss:

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

	28 February 2026			31 August 2025
	Assets	Liabilities	Net	Net
USD	46,762,061	(6,849,843)	39,912,218	58,519,873
EUR	46,370	(3,037,229)	(2,990,859)	(2,922,737)
GBP	46,367	-	46,367	47,239
	<b>46,854,798</b>	<b>(9,887,072)</b>	<b>36,967,726</b>	<b>55,644,375</b>

Note 27 is illustrating the foreign currency exchange differences that have been recognised in the interim consolidated statement of profit or loss during the period.

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

	28 February 2026	31 August 2025
USD +10%	3,991,222	5,851,987
USD -10%	(3,991,222)	(5,851,987)
EURO +10%	(299,086)	(292,274)
EURO -10%	299,086	292,274
GBP +10%	4,637	4,724
GBP -10%	(4,637)	(4,724)

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 3. Financial risk management (continued)

##### 3.1 Financial risks factors (continued)

###### (a) Market risk (continued)

###### (ii) Cash flows and fair value interest rate risks

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

The Group is exposed to interest rate risk on all interest-bearing assets and liabilities (bank deposits, treasury bills, loans). The Group maintains an appropriate mix of fixed rate and variable rate borrowings to manage the interest rate risk.

The sensitivity on the interim consolidated financial statements is the effect of the assumed changes in the interest rates on the Group's results for one year based on financial assets and liabilities with variable interest rates at 28 February 2026 and 31 August 2025:

	Increase	Effect on interim consolidated financial statements EGP
28 February 2026	1%	26,491,945
31 August 2025	1%	25,077,687

###### (b) Credit risk

Credit risk arises from cash and cash equivalents and treasury bills.

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

Balances exposed to credit risks are as follows:

	28 February 2026	31 August 2025
Cash and cash equivalents	632,882,825	276,408,332

###### (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 shortage of funding. The Group's exposure to liquidity risk results primarily from the lack of offset between the maturities of Financial assets and liabilities.

The management makes cash flow projections on a periodic basis and takes the necessary actions 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.

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Notes to the interim consolidated financial statements - For the six-month period ended 28 February 2026**

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

**3. Financial risk management (continued)**

**3.1 Financial risks factors (continued)**

**(c) Liquidity risk (continued)**

The table below summarises the maturities of the 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 2 years	From 2 year to 5 years	Above 5 years	Total
<b>28 February 2026</b>						
Bank borrowings	542,000,994	303,752,945	615,073,517	2,459,066,634	562,962,240	<b>4,482,856,330</b>
Creditors and other credit balances	334,384,764	-	-	-	-	<b>334,384,764</b>
Lease liabilities	3,712,480	3,794,535	6,756,738	4,964,357	-	<b>19,228,110</b>
Put option liability	-	-	563,573,607	1,457,570,312	-	<b>2,021,143,919</b>
Employee stock ownership plan	58,207,949	-	-	-	-	<b>58,207,949</b>
<b>Total</b>	<b>938,306,187</b>	<b>307,547,480</b>	<b>1,185,403,862</b>	<b>3,921,601,303</b>	<b>562,962,240</b>	<b>6,915,821,072</b>
<b>31 August 2025</b>						
Bank borrowings	596,591,672	329,712,109	632,427,734	2,242,797,344	1,218,717,500	<b>5,020,246,359</b>
Creditors and other credit balances	349,456,545	-	-	-	-	<b>349,456,545</b>
Lease liabilities	3,563,288	3,712,480	7,753,181	7,762,449	-	<b>22,791,398</b>
Put option liability	-	-	-	2,021,143,919	-	<b>2,021,143,919</b>
Employee stock ownership plan	-	48,296,756	-	-	-	<b>48,296,756</b>
<b>Total</b>	<b>949,611,505</b>	<b>381,721,345</b>	<b>640,180,915</b>	<b>4,271,703,712</b>	<b>1,218,717,500</b>	<b>7,461,934,977</b>

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

### 3. Financial risk management (continued)

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the interim 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's 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 creditors and other credit balances, lease liabilities and bank borrowings less cash and cash equivalents. The total capital is the Group's total equity as described in the interim consolidated statement of financial position plus net debt.

Net debt to total capital ratio is as follows:

	<b>28 February 2026</b>	<b>31 August 2025</b>
<b>Total debt</b>		
Creditors and other credit balances	334,384,764	349,574,674
Lease liabilities	16,617,226	19,139,595
Bank borrowings	2,649,194,491	2,507,768,732
Deferred revenues	344,560,732	282,540,689
Less: Cash and cash equivalents	(632,882,825)	(276,408,332)
<b>Net debt</b>	<b>2,711,874,388</b>	<b>2,882,615,358</b>
Total equity	3,783,557,345	3,054,804,432
<b>Total capital</b>	<b>6,495,431,733</b>	<b>5,937,419,790</b>
<b>Net debt to total capital ratio</b>	<b>42%</b>	<b>49%</b>

The table below sets out an analysis of liabilities from financing activities and the movements in the company's liabilities from financing activities for the six-month period ended 28 February 2026 and 31 August 2025. The items of these liabilities are those that are reported as financing in the interim consolidated statement of cash flows.

	<b>Lease liability</b>	<b>Bank borrowings</b>	<b>Cash &amp; cash equivalent</b>	<b>Total</b>
<b>Net debt as at 31 August 2024</b>	<b>31,445,467</b>	<b>1,941,924,498</b>	<b>(427,999,323)</b>	<b>1,545,370,642</b>
Cash flows	(15,161,708)	(229,866,687)	151,590,991	(93,437,404)
lease "including Interest"	2,855,836	-	-	2,855,836
Proceeds from loans	-	194,163,650	-	194,163,650
Bank borrowings interest	-	149,182,641	-	149,182,641
Capitalized interest	-	452,364,630	-	452,364,630
<b>Net debt as at 31 August 2025</b>	<b>19,139,595</b>	<b>2,507,768,732</b>	<b>(276,408,332)</b>	<b>2,250,499,995</b>
Cash flows	(3,563,285)	(233,644,108)	(356,474,493)	(593,681,886)
lease "including Interest"	1,040,916	-	-	1,040,916
Proceeds from loans	-	94,746,446	-	94,746,446
Bank borrowings interest	-	271,288,562	-	271,288,562
Capitalized interest	-	9,034,859	-	9,034,859
<b>Net debt as at 28 February 2026</b>	<b>16,617,226</b>	<b>2,649,194,491</b>	<b>(632,882,825)</b>	<b>2,032,928,892</b>

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 3. Financial risk management (continued)

##### 3.3 Fair value estimation

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

#### 4. Critical accounting estimates and judgment

##### 4.1 Critical accounting estimates and assumptions

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

###### (a) 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.

###### (b) Estimation of useful lives for fixed assets

The estimation of the useful lives of items of fixed assets is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and the estimated period during which the assets are expected to earn benefits for the 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.

###### (c) Impairment of financial assets

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

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Notes to the interim consolidated financial statements  
For the six-month period ended 28 February 2026**

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

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**4. Critical accounting estimates and judgment (continued)**

(d) Depreciation of right of use assets

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

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Notes to the interim consolidated financial statements - For the six-month period ended 28 February 2026**

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

**5. Fixed assets**

	Land	Buildings	Infrastructure	Furniture & fixtures	Laboratories	Machinery & equipment	Vehicles	Books	Programs & computers	Projects under construction	Total
<b>Year ended 31 August 2025</b>											
Opening net book value	200,541,727	359,639,383	50,556,797	20,236,913	37,471,878	2,361,907	16,495,485	398,902	1,515,432	3,955,402,145	4,644,620,569
Additions	-	-	1,616,329	26,426,928	54,098,448	4,265,095	37,839,700	-	22,171,214	1,735,868,339	1,882,286,053
Transfer from projects under construction	983,487,689	915,567,691	31,977,328	31,664,611	96,704,174	373,720	50,289,532	-	55,242,992	(2,165,307,737)	-
Depreciation expense	-	(24,650,978)	(11,230,696)	(11,640,516)	(23,800,168)	(675,343)	(12,685,441)	(38,849)	(10,621,876)	-	(95,343,867)
<b>Net book value</b>	<b>1,184,029,416</b>	<b>1,250,556,096</b>	<b>72,919,758</b>	<b>66,687,936</b>	<b>164,474,332</b>	<b>6,325,379</b>	<b>91,939,276</b>	<b>360,053</b>	<b>68,307,762</b>	<b>3,525,962,747</b>	<b>6,431,562,755</b>
<b>At 31 August 2025</b>											
Cost	1,184,029,416	1,381,173,398	161,972,520	181,226,521	287,182,064	25,047,959	143,965,453	776,975	86,102,307	3,525,962,747	6,977,439,360
Accumulated depreciation	-	(130,617,302)	(89,052,762)	(114,538,585)	(122,707,732)	(18,722,580)	(52,026,177)	(416,922)	(17,794,545)	-	(545,876,605)
<b>Net book value</b>	<b>1,184,029,416</b>	<b>1,250,556,096</b>	<b>72,919,758</b>	<b>66,687,936</b>	<b>164,474,332</b>	<b>6,325,379</b>	<b>91,939,276</b>	<b>360,053</b>	<b>68,307,762</b>	<b>3,525,962,747</b>	<b>6,431,562,755</b>
<b>Period ended 28 February 2026</b>											
Opening net book value	1,184,029,416	1,250,556,096	72,919,758	66,687,936	164,474,332	6,325,379	91,939,276	360,053	68,307,762	3,525,962,747	6,431,562,755
Additions	-	-	3,145,557	16,136,466	86,337,406	6,696,714	26,986,956	92,444	2,063,325	434,900,701	576,359,569
Transfer from projects under construction	-	-	3,898,296	64,574,915	65,241,271	1,052,436	43,172,913	-	19,098,461	(197,038,292)	(4,106,114)
Disposals	-	(17,419,456)	-	-	-	-	-	-	-	(4,106,114)	(81,096,811)
Depreciation expense	-	(148,036,758)	(95,253,713)	(126,762,022)	(143,791,213)	(19,360,714)	(66,338,860)	(437,577)	(26,992,559)	-	(626,973,416)
<b>Net book value</b>	<b>1,184,029,416</b>	<b>1,233,136,640</b>	<b>73,762,660</b>	<b>135,175,880</b>	<b>294,969,528</b>	<b>13,436,395</b>	<b>147,786,462</b>	<b>431,842</b>	<b>80,271,534</b>	<b>3,759,719,042</b>	<b>6,922,719,399</b>
<b>28 February 2026</b>											
Cost	1,184,029,416	1,381,173,398	169,016,373	261,937,902	438,760,741	32,797,109	214,125,322	869,419	107,264,093	3,759,719,042	7,549,692,815
Accumulated depreciation	-	(148,036,758)	(95,253,713)	(126,762,022)	(143,791,213)	(19,360,714)	(66,338,860)	(437,577)	(26,992,559)	-	(626,973,416)
<b>Net book value</b>	<b>1,184,029,416</b>	<b>1,233,136,640</b>	<b>73,762,660</b>	<b>135,175,880</b>	<b>294,969,528</b>	<b>13,436,395</b>	<b>147,786,462</b>	<b>431,842</b>	<b>80,271,534</b>	<b>3,759,719,042</b>	<b>6,922,719,399</b>

- During the period, an amount of EGP 9,034,859 (August 31, 2025: EGP 87,654,743) was capitalized to property, plant and equipment as borrowing costs on several projects at Nahda University.
- No borrowing costs were capitalized during the period to property, plant and equipment from the loan related to Badia University project (August 31, 2025: EGP 392,306,590 was capitalized)

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 5. Fixed assets (continued)

##### Additions to projects under construction include:

- EGP 2,933,268 (August 31, 2025: EGP 21,083,760) representing a plot of land for Badia University, and EGP 56,567,562 (August 31, 2025: EGP 807,669,153) representing construction works, machinery, equipment, furniture, and fixtures at Badia University.
- EGP 167,426,373 (August 31, 2025: EGP 368,730,259) representing several new projects at Nahda University.
- EGP 205,261,829 (August 31, 2025: EGP 533,304,000) representing construction works at Memphis University.

Depreciation expenses have been charged during the period / year as follows:

	<u>28 February 2026</u>	<u>31 August 2025</u>
Cost of revenues (Note 24)	73,625,966	90,663,126
General and administrative expenses (Note 25)	7,470,845	4,680,741
	<u><b>81,096,811</b></u>	<u><b>95,343,867</b></u>

#### 6. Intangible assets

	<u>Movement</u>			<u>Balances</u>
	<u>Goodwill</u>	<u>License</u>	<u>Software</u>	<u>2026</u>
<b>28 February 2026</b>				
Balance at the beginning of the period	222,464,614	383,198,000	413,732	606,076,346
Additions	-	48,878,922		48,878,922
Amortisation charge (Note 24)	-	-	(104,546)	(104,546)
<b>Net book amount</b>	<u><b>222,464,614</b></u>	<u><b>432,076,922</b></u>	<u><b>309,186</b></u>	<u><b>654,850,722</b></u>
	<u>Movement</u>			<u>Balances</u>
	<u>Goodwill</u>	<u>License</u>	<u>Software</u>	<u>2025</u>
<b>31 August 2025</b>				
Balance at the beginning of the year	222,464,614	382,686,320	622,589	605,773,523
Additions	-	511,680	-	511,680
Amortisation charge	-	-	(208,857)	(208,857)
<b>Net book amount</b>	<u><b>222,464,614</b></u>	<u><b>383,198,000</b></u>	<u><b>413,732</b></u>	<u><b>606,076,346</b></u>

Amortized expenses have been charged during the period/year to Cost of revenues.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### 6. Intangible assets (continued)

##### 6.1 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 interim consolidated statement of profit or loss 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.

##### 6.2 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 fixed assets. 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.

##### 6.3 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 nine years maximum. The terminal value is calculated using a 3.5% terminal growth rate (31 August 2025: 3.5%) 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.

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.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 6. Intangible assets (continued)

##### 6.3 Goodwill (continued)

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:

	<u>28 February 2026</u>	<u>31 August 2025</u>
Gross profit average annual growth rate	%18	18%
Revenue average annual growth rate	%18	18%
Terminal growth	%3.5	3.5%
Discount rate	%30	30%

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 interim consolidated financial statements.

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

##### 6.4 Impact of possible changes in key assumptions

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 analysing 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 454 million (31 August 2025: EGP 454 million) which represent a 7.5% (31 August 2025: 7.5%) 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 313 million (31 August 2025: EGP 313 million) which represent a 5.2% (31 August 2025: 5.2%) 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 289 million (31 August 2025: EGP 289 million) which represent a 4.8% (31 August 2025: 4.8%) decline in the value-in-use amount.
- Assuming that: Terminal growth rate applied to the cash flow projections of this CGU had been 1% lower than management's estimates, the value-in-use amount will be decreased by EGP 136 million (31 August 2025: EGP 136 million) which represent a 2.3% (31 August 2025: 2.3%) increase 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.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 7. Inventories

	<u>28 February 2026</u>	<u>31 August 2025</u>
Other supplies	5,381,484	4,882,376
Hospital supplies	2,982,314	1,910,752
	<u><b>8,363,798</b></u>	<u><b>6,793,128</b></u>

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

#### 8. Debtors and other debit balances

	<u>28 February 2026</u>	<u>31 August 2025</u>
Due from students	122,379,694	82,940,905
Prepaid expenses*	68,974,533	79,766,026
Advances to suppliers	13,578,178	16,500,197
Withholding tax	9,546,178	12,122,390
Deposits held with others	5,220,790	5,177,772
Due from employees	3,780,890	865,286
Other receivables	3,845,014	5,212,623
	<u><b>227,325,277</b></u>	<u><b>202,585,199</b></u>
<u>Less: non-current portion</u>		
Prepaid expenses – non-current portion	<u>(38,217,423)</u>	<u>(44,152,496)</u>
	<u><b>189,107,854</b></u>	<u><b>158,432,703</b></u>

\* During September 2024, Badya International University Company for Education S.A.E. entered into an agreement with The University of Texas Medical Branch “UTMB” to provide educational services. The contract extends over a period of five years starting from Badya University’s first academic year starting 1 September 2024 and may be terminated by either party at any time following the completion of the first two academic years. The prepaid expenses amounting to EGP 34 million as of February 28, 2026 were paid by Badya University to UTMB in accordance with the following terms:

##### Start-up fee:

- First instalment: USD 500,000 due on the effective date of the agreement
- Second instalment: USD 500,000 is due on 15 October 2024
- Third instalment: USD 50,000 is due to 15 October 2025

The University shall also make annual payments throughout the term of the contract as outlined below:

- USD 900 annual per-student fee for the students enrolled in the medicine, dentistry and physiotherapy faculties.
- The total compensation payable by Badya University shall not be less than USD 1,400,000 in any fiscal year.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 9. Related party transactions

The Group enters into transactions with related parties in accordance with the requirements of Accounting Standard (15), Disclosure of Related Parties. The management determines the terms and conditions of transactions and services provided to or received from related parties, as well as other related expenses.

##### 9.1 Key management compensation

	<u>28 February 2026</u>	<u>28 February 2025</u>
Profit distribution	27,282,836	22,696,700
Salaries	17,373,208	16,152,284
Employee stock ownership plan payments	38,795,471	14,767,863
Board meeting attendance	3,755,000	5,545,000
	<u><b>87,206,515</b></u>	<u><b>59,161,847</b></u>

#### 10. Cash and cash equivalents

	<u>28 February 2026</u>	<u>31 August 2025</u>
Bank current accounts	626,582,825	270,108,332
Deposits with banks	6,300,000	6,300,000
<b>Cash at Banks</b>	<u><b>632,882,825</b></u>	<u><b>276,408,332</b></u>

Current accounts and time deposits with banks are with local banks that are under the supervision of the Central Bank of Egypt. The average interest rate on these current accounts during the period/ year is 18% per annum (31 August 2025: 20.75%) and the interest rate on these time deposits during the period/ year is 16% per annum (31 August 2025: 16%).

Non-cash transactions in the interim consolidated statement of cash flows are as follows:

	<u>28 February 2026</u>	<u>31 August 2025</u>
Additions to fixed assets: capitalized borrowing costs.	9,034,859	136,713,292
Transfer of accrued interest from creditors and other credit balance to fixed assets.	-	122,766,792
Employee stock ownership plan (Share Issue Premium)	36,281,291	-
Accrued dividends for board members and employees included in creditors and other credit balance.	-	43,761,373

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 10. Cash and cash equivalents (continued)

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

	<u>28 February 2026</u>	<u>31 August 2025</u>
Cash at Banks	632,882,825	276,408,332
<b>Less:</b> restricted cash	<u>(10,015,294)</u>	<u>(10,015,294)</u>
<b>Cash and cash equivalents</b>	<u><b>622,867,531</b></u>	<u><b>266,393,038</b></u>

#### 11. Right of use assets

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

	<u>28 February 2026</u>	<u>31 August 2025</u>
<b>Balance at the beginning of the period / year</b>	<b>12,774,121</b>	<b>22,598,713</b>
Depreciation during the period / year (Note 24)	<u>(2,258,874)</u>	<u>(9,824,592)</u>
<b>Balance</b>	<u><b>10,515,247</b></u>	<u><b>12,774,121</b></u>

Management starts by calculating the initial measurement amount of the lease obligation, at the present value of the unpaid lease payments on that date. Lease payments are discounted using the implicit interest rate in the lease if that rate can be determined easily. If it is not possible to determine that rate, the lessee must use the interest rate on the additional borrowing of the lessee. Assets arising from a lease are initially measured on a present value basis. An interest rate range of 10.75% and 17.25% has been used.

#### 12. Paid-up capital

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

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

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

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 12. Paid-up capital (continued)

The paid-up capital of the nominal value as at 28 February 2026 and 31 August 2025 is allocated as follows:

<b>Name</b>	<b>Nationality</b>	<b>No. of shares</b>	<b>Value of shares</b>	<b>Paid-up capital</b>
<b>28 February 2026</b>				
Palm Hills Developments S.A.E.	Egyptian	238,166,695	238,166,695	238,166,695
Thebes CV	Netherlands	183,551,108	183,551,108	183,551,108
Other shareholders	Egyptian & foreign	312,319,388	312,319,388	312,319,388
		<b>734,037,191</b>	<b>734,037,191</b>	<b>734,037,191</b>
<b>31 August 2025</b>				
Palm Hills Developments S.A.E.	Egyptian	238,166,695	238,166,695	238,166,695
Thebes CV	Netherlands	152,045,115	152,045,115	152,045,115
Other shareholders	Egyptian & foreign	340,038,190	340,038,190	340,038,190
		<b>730,250,000</b>	<b>730,250,000</b>	<b>730,250,000</b>

The Company was established on 8 September 2014 with EGP 250,000 issued capital, and as permitted by the law, 25% of issued capital amounting to EGP 62,500 has been paid and the remaining amount to be 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 extraordinary general meeting was held on 14 January 2020 and unanimously approved to increase the Company's authorized capital to EGP 1,000,000,000 (one billion Egyptian Pounds) and increase the Company's issued capital to EGP 730,250,000 (seven hundred thirty million two hundred fifty-thousand Egyptian Pounds).

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

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

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

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

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 12. Paid-up capital (continued)

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

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

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

#### 13. Reserves

	<u>28 February 2026</u>	<u>31 August 2025</u>
Legal reserve *	30,800,431	21,144,480
Employee stock ownership plan reserve	-	16,554,561
	<u><b>30,800,431</b></u>	<u><b>37,699,041</b></u>

\* 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. Employee stock ownership plan

	<u>28 February 2026</u>	<u>31 August 2025</u>
Balance at the beginning of the period / year	<b>48,296,756</b>	<b>12,572,692</b>
Expenses during the period / year (Note 25)	37,932,680	35,724,064
Settlements during the period /year	(28,021,487)	-
<b>Balance at the end of the period /year</b>	<u><b>58,207,949</b></u>	<u><b>48,296,756</b></u>

The employee stock ownership plan's reward on 5 years with calculated on the basis of 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 transfer of a number of shares calculated by dividing the annual value over the share price by the time of each exercise, resulting in the final shares for each beneficiary.

The estimated value of the incentive and reward scheme for one year is 16,795,750 units, subject to change with the change in the share performance.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 15. Non-controlling interests

	<u>Capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total</u>
<b>31 August 2025</b>				
<b>Balance at 1 September 2024</b>	<b>983,062,994</b>	<b>3,677,604</b>	<b>14,634,016</b>	<b>1,001,374,614</b>
Capital increase	438,000,000	-	-	438,000,000
Total comprehensive income for the year	-	-	(63,997,749)	(63,997,749)
<b>Balance at 31 August 2025</b>	<b><u>1,421,062,994</u></b>	<b><u>3,677,604</u></b>	<b><u>(49,363,733)</u></b>	<b><u>1,375,376,865</u></b>
<b>28 February 2026</b>				
<b>Balance at 1 September 2025</b>	<b>1,421,062,994</b>	<b>3,677,604</b>	<b>(49,363,733)</b>	<b>1,375,376,865</b>
Capital increase	464,990,249	-	-	464,990,249
Total comprehensive Income for the period	-	-	(62,649,164)	(62,649,164)
<b>Balance at 28 February 2026</b>	<b><u>1,886,053,243</u></b>	<b><u>3,677,604</u></b>	<b><u>(112,012,897)</u></b>	<b><u>1,777,717,950</u></b>

#### 16. Bank borrowings

	<u>28 February 2026</u>	<u>31 August 2025</u>
Medium-term loans	2,419,746,446	2,381,250,000
Accrued Interest	229,448,045	126,518,732
	<b><u>2,649,194,491</u></b>	<b><u>2,507,768,732</u></b>
<b>Less: non-current portion</b>		
Medium-term loans	(2,307,246,446)	(2,268,750,000)
	<b><u>341,948,045</u></b>	<b><u>239,018,732</u></b>

\* Bank Borrowings represent the value of a loan granted to the Group by Kuwait Finance house. The total loan amount available is EGP 2.71 million. The withdrawal balance from the loans amounted to EGP 2,419,746,446 as of 28 February 2026 (31 August 2025: 2,381,250,000), the interest rate for the loan is 1.25% per annum plus lending corridor rate. The terms of these contracts are five years for Nahda University and nine years for Badya University, starting from the date of the first withdrawal of the "funding year", with a grace year granted to the Group of one year for Nahda University and five years for Badya University from the date of the first withdrawal.

The Group is committed to paying the total funding amount of Nahda University in 8 semi-annual instalments of equal value starting from March 2024, due in September and March every financial year, and at Badya University over four years starting from March 2028, due in September and March of every financial year.

In December 2022, Kuwait Finance house approved the granting of financing to Nahda University in the amount of EGP 450 million, aimed at funding the university's capital expenditures. This includes the construction and establishment of the Faculty of Arts and Architecture and the teaching hospital, in addition to furnishing and development works and all expenses related to the university's projects in Beni Suef. the financing is granted for a five-year period, with a grace period of up to 12 months, starting from the date of the first utilization of the facility or until the end of November 2023.

## **TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

### **Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026**

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

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#### **16. Bank borrowings (continued)**

In September 2024, Kuwait Finance house has agreed to increase the funding amount granted to Badya International University Company for Education S.A.E to be of EGP 2.1 billion instead of EGP 1.5 billion, provided that the increase in the financing amount is used to include the accrued interest during the financing year.

In September 2025, Kuwait Finance house approved granting Nahda Education University financing of EGP 160 million to cover the university's capital expenditures related to the construction and establishment of the Faculty of Nursing. The financing is for a term of four years, with a grace period of up to 13 months starting from the date of first utilization or until the end of September 2026.

The University is committed to paying interest at the end of March and September of each year, in addition to repaying the total financing amount in six equal semi-annual installments after the grace period, with these installments due at the end of March and September of each year.

The medium-term loans outstanding at Nahda University amounted to EGP 348,352,200 EGP 2,300,842,291 at Badya International University company for Education S.A.E,

#### **Loan guarantees:**

- A tri-party agreement was established between Kuwait Finance house, Nahda University (Borrower), and Taaleem Management Services Company S.A.E. (Guarantor), whereby Taaleem Management Services Company agreed to forfeit the management fees received from Nahda University in case of Nahda defaulting on any loan repayments due.
- An insurance policy against all risks on the assets of the Group covering at least 110% of the value of the financing amount.

#### **Other pledges:**

- Badya International University Company for Education S.A.E, Company should provide the bank with an uncancellable power of attorney, which gives the bank the right to arrange a mortgage on the Company's own assets financed by the bank, for the power of attorney to include the right for the bank to register, sell to oneself or others, these assets.
- The Company should open an exclusive operating account with the bank in which the company deposits 100% of the tuition fees in this account.
- Transferring the surplus in cash flows to the Company's account at the bank, the surplus in cash flows is represented by the tuition fees for Badya University and any other income except for the operating expenditures.
- In case the shareholders decide to increase any management fees, the company pledges to grant the bank the priority of paying all the bank's due amounts related to the principle, interest and administrative expenses of the Company over the increase in the management fees.
- The company's shareholders pledge to cover any increase in cost or deficit in the debt service ratio from the shareholder's own resources or through capital increase.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 16. Bank borrowings (continued)

##### Other pledges: (continued)

- No dividends shall be distributed for any financial year unless all amounts due to the bank have been settled, including principal, interest, expenses, commissions, and charges related to that financial year, and provided that all post-withdrawal obligations are met and there is no event of default by the Company.

All the above-mentioned conditions shall apply when Badya University starts operations.

##### Debt covenants:

The financial leverage for Nahda University shall not exceed 1.5 and the debt service ratio is not less than 1.5 for the entire financing period.

The financial leverage for Badya International University Company for Education shall not exceed 5 in the first year and 3 in the subsequent years and the debt service ratio is not less than 1 for the entire financing period. Financial covenants will be measured on the Company's approved financial statements from 2027.

#### 17. Deferred tax Assets and liabilities

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

##### 17.A Deferred tax liabilities

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

	<u>Balance at 1 September 2025</u>	<u>Movement during the year charged to the statement of profit or loss</u>	<u>Balance at 28 February 2026</u>
<b>Deferred tax liabilities</b>			
Fixed assets	(22,250,131)	(3,477,245)	<b>(25,727,376)</b>
Fixed assets - arising from business combination	(13,958,543)	251,505	<b>(13,707,038)</b>
Intangible assets - arising from business combination	(67,129,228)	-	<b>(67,129,228)</b>
<b>Deferred tax assets</b>			
Lease liabilities	1,054,063	378,168	<b>1,432,231</b>
Employee stock ownership plan	10,024,882	823,887	<b>10,848,769</b>
Provision	6,656,380	-	<b>6,656,380</b>
<b>Net deferred tax assets</b>	<b>(85,602,577)</b>	<b>(2,023,685)</b>	<b>(87,626,262)</b>

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Notes to the interim consolidated financial statements  
For the six-month period ended 28 February 2026**

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

**17. Deferred tax Assets and liabilities (continued)**

**17.A Deferred tax liabilities (continued)**

	<b>Balance at 1 September 2024</b>	<b>Movement during the year charged to the statement of profit or loss</b>	<b>Balance at 31 August 2025</b>
<b>Deferred tax liabilities</b>			
Fixed assets	(16,872,345)	(5,377,786)	(22,250,131)
Fixed assets - arising from business combination	(14,616,460)	657,917	(13,958,543)
Intangible assets - arising from business combination	(67,129,228)	-	(67,129,228)
<b>Deferred tax assets</b>			
Lease liabilities	1,990,520	(936,457)	1,054,063
Employee stock ownership plan	1,986,968	8,037,914	10,024,882
Provision	-	6,656,380	6,656,380
<b>Net deferred tax liabilities</b>	<b>(94,640,545)</b>	<b>9,037,968</b>	<b>(85,602,577)</b>

**17.B Deferred tax Assets**

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

	<b>Balance at 1 September 2025</b>	<b>Movement during the year charged to the statement of profit or loss</b>	<b>Balance at 28 February 2026</b>
<b>Deferred tax liabilities</b>			
Fixed assets	(15,428,820)	-	(15,428,820)
<b>Deferred tax assets</b>			
Tax losses	82,106,952	58,282,185	140,389,137
<b>Net deferred tax assets</b>	<b>66,678,132</b>	<b>58,282,185</b>	<b>124,960,317</b>

	<b>Balance at 1 September 2024</b>	<b>Movement during the year charged to the statement of profit or loss</b>	<b>Balance at 31 August 2025</b>
<b>Deferred tax liabilities</b>			
Fixed assets	(559,797)	(14,869,023)	(15,428,820)
<b>Deferred tax assets</b>			
Tax losses	8,093,005	74,013,947	82,106,952
<b>Net deferred tax Asset</b>	<b>7,533,208</b>	<b>59,144,924</b>	<b>66,678,132</b>

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 18. Provisions

	<u>Lawsuits provisions</u>	<u>Other provisions</u>	<u>Total</u>
<b>Balances at 1 September 2025</b>	1,262,182	34,522,250	35,784,432
Provisions formed during the period	-	-	-
<b>Balances at 28 February 2026</b>	<u>1,262,182</u>	<u>34,522,250</u>	<u>35,784,432</u>
	<u>Lawsuits provisions</u>	<u>Other provisions</u>	<u>Total</u>
<b>Balances at 1 September 2024</b>	1,262,182	5,012,405	6,274,587
Provisions used during the year	-	(490,155)	(490,155)
Provisions formed during the year	-	30,000,000	30,000,000
<b>Balances at 31 August 2025</b>	<u>1,262,182</u>	<u>34,522,250</u>	<u>35,784,432</u>

#### 19. Creditors and other credit balances and Deferred revenues

##### 19/A. Creditors and other credit balances

	<u>28 February 2026</u>	<u>31 August 2025</u>
Accrued expenses	156,529,689	119,772,482
Retentions	60,736,860	45,765,609
Tax authority	28,268,132	19,116,539
Trade payables	51,749,064	38,923,853
Amounts payable in relation to acquiring a plot of land	-	51,422,527
Social insurance authority	2,319,282	1,308,729
Other payables	34,781,737	73,264,935
	<u>334,384,764</u>	<u>349,574,674</u>

On 3 August 2021, the group entered into a tri-party agreement with Palm for Urban Development and Palm Hills Developments for the purchase of a plot of land with a total area of SQM 149,189 in the 6th of October City for the purposes of establishing Badya University. The purchase price amounted to 417.7 million Egyptian pounds. The group has paid an amount of EGP 60 million in advance with the remaining balance payable through 10 equal instalments starting 6 months after the approval of the Cabinet of National and Private Universities. On 30 March 2023, Taaleem and Palm Hills Developments announced that the Cabinet has approved Badya University's file and accordingly the agreed upon payment schedule became effective and the first instalment for this plot of land was paid on 30 September 2023.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 19. Creditors and other credit balances and Deferred revenues (continued)

##### 19/A. Creditors and other credit balances (continued)

On 10 August 2021, the Group has also entered into another tri-party agreement with Palm for Urban Development and Palm Hills Developments for the purchase of a plot of land with a total are of SQM 14,015 in the 6th of October City for the purposes of establishing a teaching hospital. The purchase price amounted to 39.2 million Egyptian pounds payable through 2 equal instalments, the first and the second instalment is to be paid 6 months and 12 months respectively after the approval of the Cabinet of National and Private Universities. On 30 March 2023, Taaleem and Palm Hills Developments announced that the Cabinet has approved Badya University's file and accordingly the agreed upon payment schedule became effective and the first instalment for this plot of land was paid on 30 September 2023.

The land and its related liability are both recorded at the present value of the future payments discounted at the Company's incremental borrowing rate for the discounted amount to be EGP 346,889,848 and the interest amount to be of EGP 110,081,352. this obligation has been fully settled and paid, and accordingly, there is no outstanding liability on the company as of February 28, 2026.

##### 19/b. Deferred revenues

Deferred revenues represent; the revenues collected from the university students for the academic year 2025-2026 for which education services have not yet been provided as of 30 February 2026. These amounts will be amortized throughout the educational process from the date of commencement of the academic year 2025-2026.

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

	<b>28 February 2026</b>	<b>31 August 2025</b>
<b>Balance at the beginning of the period / year</b>	<b>282,540,689</b>	<b>148,133,526</b>
Collected during the period / year	1,483,875,166	2,121,767,018
Revenue recognised during the period / year	(1,421,855,123)	(1,987,359,855)
<b>Balance at the end of the period / year</b>	<b>344,560,732</b>	<b>282,540,689</b>

#### 20. Lease liabilities

Liability represents current value for lease liability related to managerial head quarter of the Group and the Smart Village building, and it has been evaluated with current value of contractual lease payments discounted at an incremental borrowing rate range between 10.75% and 17.25%.

	<b>28 February 2026</b>	<b>31 August 2025</b>
<b>Current value</b>		
Less than one year	5,935,666	5,359,197
More than one year	10,681,560	13,780,398
	<b>16,617,226</b>	<b>19,139,595</b>

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 20. Lease liabilities (continued)

The lease movements are presented as follows:

	<u>28 February 2026</u>	<u>31 August 2025</u>
<b>Balance at the beginning of the period / year</b>	<b>19,139,595</b>	<b>31,445,467</b>
<b>Add:</b> interest charged during the period / year (Note 27/b)	1,040,916	2,855,836
<b>Less:</b> lease payments during the period / year	<u>(3,563,285)</u>	<u>(15,161,708)</u>
<b>Lease liabilities at the end of the period / year</b>	<b><u>16,617,226</u></b>	<b><u>19,139,595</u></b>

The lease commitments undiscounted are as follows:

	<u>28 February 2026</u>	<u>31 August 2025</u>
Less than six months	3,712,480	3,563,288
From six months to one year	3,794,535	3,712,480
From one year to two years	6,756,738	7,753,181
From two year to five years	<u>4,964,357</u>	<u>7,762,449</u>
	<b><u>19,228,110</u></b>	<b><u>22,791,398</u></b>

#### 21. Current income tax liabilities

	<u>28 February 2026</u>	<u>31 August 2025</u>
<b>Balance at the beginning of the period / year</b>	<b>242,744,671</b>	<b>163,544,630</b>
Current income tax for the period / year (Note 28)	183,002,741	244,594,714
Paid during the period / year	(230,556,008)	(153,272,370)
Used from withholding tax balance during the period / year	<u>(12,122,384)</u>	<u>(12,122,303)</u>
<b>Balance at the end of the period / year</b>	<b><u>183,069,020</u></b>	<b><u>242,744,671</u></b>

#### 22. Put option liability / reserve

	<u>28 February 2026</u>	<u>31 August 2025</u>
<b>Balance at the beginning of the period / year</b>	<b>976,621,455</b>	<b>753,158,690</b>
Change in fair value during the period / year	<u>111,993,909</u>	<u>223,462,765</u>
	<b><u>1,088,615,364</u></b>	<b><u>976,621,455</u></b>

The group has written put options over the non-controlling interests of its subsidiary Badya International University Company for Education S.A.E, which permit the holder to sell their shares back to the group at their fair value on a specified date. The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within liabilities with a corresponding charge directly to equity. The charge to equity is recognised as written put options over non-controlling interests, adjacent to the parent equity in the Group's net assets.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 22. Put option liability / reserve (continued)

The group has written call options over the non-controlling interests of its subsidiary SB Investment Company S.A.E. giving Taaleem Management Services S.A.E the right to purchase 19% of the company shares from the existing shareholders of the Company that would increase Taaleem Group ownership to 51% of SB Investment Company S.A.E. In case Taaleem Management Services do not exercise this call option, a put option is granted which permits the existing shareholders in SB investments company the right to require Taaleem Management Services S.A.E to purchase 19% these shares at their fair value on a specified date.

The present value of the redemption amount and the change in the fair value of the shares are subsequently accreted through put options reserve and put option liability up to the redemption amount that is payable at the date at which the option first becomes exercisable.

If the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

#### 23. Revenues

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Tuition fees	1,402,849,241	1,048,614,173	571,047,001	472,388,919
Student housing subscription	11,789,328	6,827,207	4,675,760	3,618,810
Bus subscription	539,888	606,535	193,833	333,339
Other educational fees	45,008,363	24,315,432	15,389,953	13,433,065
	<b>1,460,186,820</b>	<b>1,080,363,347</b>	<b>591,306,547</b>	<b>489,774,133</b>

#### 24. Cost of revenues

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Salaries and wages	132,564,766	97,100,662	66,745,410	49,697,676
Educational activities expenses	117,108,579	77,986,228	55,838,600	40,320,538
Depreciation expense ( Note 5)	73,625,966	30,212,227	38,444,052	16,901,205
Governmental fees	25,416,272	17,465,913	10,998,861	9,091,381
Utilities expenses	15,007,659	12,155,219	6,303,228	4,543,220
Right of use assets depreciation (Note 11)	2,258,874	5,796,770	1,129,436	2,898,385
Amortization expenses (Note 6)	104,546	104,546	52,273	52,273
Other expenses	24,036,678	19,967,431	12,426,080	12,234,884
	<b>390,123,340</b>	<b>260,788,996</b>	<b>191,937,940</b>	<b>135,739,562</b>

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

**Notes to the interim consolidated financial statements  
For the six-month period ended 28 February 2026**

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

**25. General and administrative expenses**

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>28 February 2026</b>	<b>28 February 2025</b>	<b>28 February 2026</b>	<b>28 February 2025</b>
Salaries and wages	90,193,275	60,633,144	45,439,875	31,574,448
Security and cleaning expenses	26,225,641	23,377,500	13,641,490	13,453,428
Value added tax on management fees	31,819,001	20,202,497	15,909,501	10,101,248
Professional fees	17,813,703	16,183,912	9,188,843	8,905,151
Employee stock ownership plan expenses (Note 14)	37,932,680	15,694,189	16,078,734	7,803,740
Advertising expenses	12,848,799	10,880,919	5,020,025	5,386,645
Maintenance fees	8,694,776	7,361,693	2,850,994	3,434,186
Social insurance	10,162,424	7,251,072	5,462,622	4,330,637
Board meeting attendance	3,755,000	5,545,000	1,745,000	4,110,000
Rent expenses*	7,415,202	3,040,921	3,552,855	1,634,122
Telephone and fax expenses	3,557,918	2,672,112	1,694,296	1,403,210
Depreciation expense (Note 5)	7,470,845	2,082,337	4,371,016	1,180,492
Other expenses	31,126,199	30,384,173	17,259,006	19,460,866
	<b><u>289,015,463</u></b>	<b><u>205,309,469</u></b>	<b><u>142,214,257</u></b>	<b><u>112,778,173</u></b>

\* These rent amounts are represented by lease contracts which are less than one year or of a low value.

**TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES**

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**26. Expenses by nature**

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Salaries and wages	222,758,041	157,733,806	112,185,286	81,272,124
Educational activities expenses	106,678,812	67,563,796	50,370,021	34,078,412
Depreciation expense	81,096,811	32,294,564	42,815,068	18,081,697
Value added tax on management fees	31,819,001	20,202,497	15,909,501	10,101,248
Governmental fees	25,416,272	17,465,913	10,998,861	9,091,381
Transportation and travel expenses	21,669,083	16,455,727	11,327,272	9,745,267
Professional fees	17,813,703	16,183,912	9,188,843	8,905,151
Employee stock ownership plan expense	37,932,680	15,694,189	16,078,734	7,803,740
Cleaning expenses	14,191,270	14,047,446	7,749,414	8,622,499
Utilities expenses	15,007,659	12,155,219	6,303,228	4,543,220
Advertising expenses	12,848,799	10,880,919	5,020,025	5,386,645
Conference and camps expenses	3,155,671	10,831,074	1,228,434	7,886,699
Security expenses	12,034,371	9,330,054	5,892,076	4,830,929
Maintenance fees	8,694,776	7,361,693	2,850,994	3,434,186
Social insurance	10,162,424	7,251,072	5,462,622	4,330,637
Educational governmental fund subscription	6,220,610	6,360,000	2,953,188	3,180,000
Right of use assets depreciation	2,258,874	5,796,770	1,129,437	2,898,385
Board meeting attendance	3,755,000	5,545,000	1,745,000	4,110,000
Laboratory expenses	4,209,157	4,062,432	2,515,390	3,062,126
Comprehensive medical expense	4,289,799	3,305,506	1,678,436	1,533,003
Rent expenses	7,415,202	3,040,921	3,552,863	1,634,122
Telephone and fax expenses	3,557,918	2,672,112	1,694,296	1,403,210
Real estate tax	328,656	328,656	164,328	164,328
Amortization of prepaid expenses	284,553	282,987	142,278	140,712
Amortization of intangible assets	104,545	104,545	52,272	52,740
Community service expenses	-	98,298	-	98,298
Other expenses	25,435,116	19,049,357	15,144,330	12,126,976
	<b>679,138,803</b>	<b>466,098,465</b>	<b>334,152,197</b>	<b>248,517,735</b>

**27/a. Finance income**

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Interest income	16,306,878	42,980,858	7,126,873	24,028,888
Foreign currency exchange gain	-	-	-	2,225,947
	<b>16,306,878</b>	<b>42,980,858</b>	<b>7,126,873</b>	<b>26,254,835</b>

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 27/b. Finance cost

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Interest expense	271,288,562	8,908,715	129,822,972	8,908,715
Interest expense – lease contracts (Note 20)	1,040,916	1,640,376	501,328	780,898
Foreign currency exchange losses	2,455,762	1,585,052	551,490	-
	<b>274,785,240</b>	<b>12,134,143</b>	<b>130,875,790</b>	<b>9,689,613</b>

#### 28. Income tax

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Income tax expense for the period	183,002,741	163,429,324	60,949,835	72,177,705
Deferred tax income for the period	(56,258,500)	201,152	(27,922,315)	167,316
	<b>126,744,241</b>	<b>163,630,476</b>	<b>33,027,520</b>	<b>72,345,021</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 Group's profit as follows:

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Profit before tax	526,224,101	650,675,136	135,382,803	260,449,619
Income tax based on a tax rate of 22.5%	118,400,423	146,401,906	30,461,131	58,601,164
Non-deductible expenses	8,343,818	17,228,570	2,566,389	13,743,857
<b>Income tax expense</b>	<b>126,744,241</b>	<b>163,630,476</b>	<b>33,027,520</b>	<b>72,345,021</b>
<b>Effective tax rate</b>	<b>24.1%</b>	<b>25.1%</b>	<b>24.4%</b>	<b>27.8%</b>

#### 29. Earnings per share

##### (a) Basic:

Basic earnings per share is calculated by dividing:

- The profit attributable to the parent company, deducting all the distributions to employees and Board of directors (If any)
- By the weighted average number of ordinary shares outstanding during the year represented by the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued by the 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.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

#### 29. Earnings per share (continued)

##### (a) Basic: (continued)

	Six months ended		Three months ended	
	28 February 2026	28 February 2025	28 February 2026	28 February 2025
Net profit for the period attributable to owners of the parent company	462,129,024	492,124,156	137,951,786	196,285,326
Expected distribution to the employees	(16,526,056)	(9,928,138)	(8,424,020)	(4,733,049)
	<b>445,602,968</b>	<b>482,196,018</b>	<b>129,527,766</b>	<b>191,552,277</b>
Weighted average number of shares	733,174,553	730,250,000	734,037,191	730,250,000
<b>Earnings per share</b>	<b>0.61</b>	<b>0.66</b>	<b>0.18</b>	<b>0.26</b>

During the financial period ended February 28, 2026, the Group issued 3,787,191 shares under the employee and executive incentive program for employees, managers, and executive board members, which resulted in an increase in the issued share capital.

##### (b) 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 (dilution).

#### 30. Tax position

##### 30.1 Taaleem Management Services Company S.A.E.

###### 30.1.1 Income tax

- (a) Financial years from the date of inception till 31 August 2021:
- Tax returns are regularly submitted on the legal due dates and the above mentioned years are currently under inspection according to the income tax law no. 91 for the year 2005 and its amendments.
- (b) The year from 1 September 2021 till 31 August 2024:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (c) The year from 1 September 2024 till 31 August 2025:
- Tax return for this year was prepared and submitted on 31 December 2025, i.e. within the legal deadline.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **30. Tax position (continued)**

##### **30.1 Taaleem Management Services Company S.A.E. (continued)**

###### **30.1.2 Payroll tax**

- (a) The year from the beginning of the activity till year 2021:
- The company has been examined, with no outstanding claims or disputes related to the period.
- (b) The year from year 2022 till 28 February 2026:
- The payroll tax is deducted monthly from the employees and regularly submitted to the Egyptian Tax Authority. The quarterly returns are submitted on the legal due dates and annual settlements are made in January of each year for the year ended 31 December. according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.

###### **30.1.3 Stamp tax**

- (a) The year from inception till 31 August 2021:
- The company has been examined, with no outstanding claims or disputes related to the period.
- (b) The year from 1 September 2021 till 28 February 2026:
- The company has not received any notification of a stamp duty audit for the above-mentioned period up to the date of the interim consolidated financial statements.

###### **30.1.4 Withholding tax**

- (a) The year from the beginning of the activity till 28 February 2026:
- The company regularly applies the withholding tax system and prepares form 41 according to the provisions of the law no. 91 for the year 2005 and the executive regulation implementing the law and the due tax is paid on the legal due dates till the date of the interim consolidated financial statements.

###### **30.1.5 Value added tax (VAT)**

- (a) The year from 8 September 2016 till 31 August 2022:
- The company has been registered for the VAT since the beginning of the law no. 67 for the year 2016 and the company has regularly submitted the monthly tax returns on the legal due dates. The year mentioned above has been inspected with no outstanding claims or disputes related to the period.
- (b) The year from 1 September 2022 till 28 February 2026:
- The company regularly submits the monthly tax returns on the legal due dates.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **30. Tax position (continued)**

##### **30.2 Nahda University**

###### **30.2.1 Income tax**

- (a) The year from the beginning of the activity till 31 August 2020:
- The university has been inspected by the Egyptian Tax Authority and all taxes have been paid. The settlement of the withholding tax on the amounts paid to the University of Vienna is currently being finalized in accordance with Article 56 of Income Tax Law No. 91 of 2005.
- (b) The year from 1 September 2020 till 31 August 2024:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020. The tax audit for these years has been completed, and the settlement of the withholding tax in accordance with Article 56 of Income Tax Law No. 91 of 2005.
- (c) The year from 1 September 2024 till 31 August 2025:
- Tax return for this year is prepared and submitted on 31 December 2025, i.e. within the legal deadline.

###### **30.2.2 Salaries tax**

- (a) The year from the beginning of the activity till year 2022:
- Documentary examination was carried out with no outstanding claims or disputes related to the period.
- (b) The year from year 2023 till 28 February 2026:
- The payroll tax is deducted monthly from the employees and regularly submitted to the Egyptian Tax Authority. The quarterly returns are submitted on the legal due dates and annual settlements are made in January of each year for the year ended 31 December.

###### **30.2.3 Value added tax (VAT)**

- (a) The year from year 2016 till 31 August 2024:
- The university has been registered for Value Added Tax (VAT) since the implementation of Law No. 67 of 2016. The university has regularly submitted its monthly tax returns within the legal deadlines. This period has been inspected, and the tax with no outstanding claims or disputes related to the period.
- (b) The year from 1 September 2024 till 28 February 2026:
- The company regularly submits its monthly tax returns and pays the Value Added Tax (VAT) within the legal deadlines.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **30. Tax position (continued)**

##### **30.2 Nahda University (continued)**

###### **30.2.4 Stamp tax**

- (a) The year from the beginning of the activity till 31 August 2022:
  - Documentary examination was carried out with no outstanding claims or disputes related to the period.
- (b) The year from 1 September 2022 till 28 February 2026:
  - Tax dues have been paid in accordance with Law No. 111 of 1980, amended by Law No. 143 of 2006, and Law No. 3 of 2022.

###### **30.2.5 Withholding Tax**

- (a) The year from the beginning of the activity till 28 February 2026:
  - The university has been consistent in applying the withholding and addition system and prepares Form 41 in accordance with the provisions of Law No. 91 of 2005 and its executive regulations. The due tax is paid within the legal deadlines up to the date of the interim consolidated financial statements

###### **30.2.6 Profit distribution tax**

- (a) The year from year 2014 till 31 August 2018:
  - Taxes have been paid in full, the tax examination was conducted, and form 9 was issued after all dues on the university were settled.
- (b) The year from 1 September 2018 till 31 August 2024:
  - The University has paid the total tax due with annual corporate tax return.
- (c) The year from 1 September 2024 till 31 August 2025:
  - The due tax for this period is currently being paid along with the annual corporate tax return.

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

###### **30.3.1 Income tax**

- (a) The year from the beginning of the activity till 31 August 2024:
  - The company regularly submits the tax returns on the legal due dates accordance to Law No. 91 of 2005 and its amendments, as well as the Unified Tax Procedures Law No. 206 of 2020.
- (b) The year from 1 September 2024 till 31 August 2025:
  - Tax return for this year was submitted on 31 December 2025, i.e. within the legal deadline.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **30. Tax position (continued)**

##### **30.3 Nahda University Company for Education and Management Services S.A.E. (continued)**

###### **30.3.2 Salaries tax**

- (a) The year from the beginning of the activity till 31 December 2023:
- No wages or salaries have been paid and no tax inspection has been carried out since the date of the beginning of the activity till the date.
- (b) The year from 1 January 2024 till 28 February 2026:
- Tax returns for the year are submitted within the legal deadline, and as of July 2024, the company has joined the new salaries and wages system, and monthly settlements have been submitted on a regular basis. However, the company has no employees until the date of the interim consolidated financial statements.

###### **30.3.3 Stamp tax**

- (a) The year from the beginning of the activity till 31 August 2021:
- The company has been examined, with no outstanding claims or disputes related to the period.
- (b) The year from 1 September 2021 till 28 February 2026:
- No activities subject to stamp tax were carried during the year. The Company has not been notified with any examination request for stamp tax for the year mentioned above till the date of the interim consolidated financial statements.

##### **30.4 Nahda Education Company S.A.E.**

###### **30.4.1 Income tax**

- (a) The year from the beginning of the activity till 31 August 2021:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments.
- (b) The year from 1 September 2021 till 31 August 2024:
- The tax returns were submitted within the legal deadlines in accordance with the Income Tax Law No. 91 of 2005 and its amendments, as well as the Unified Tax Procedures Law No. 206 of 2020.
- (c) The year from 1 September 2024 till 31 August 2025:
- Tax return for this year was submitted on 31 December 2025, i.e. within the legal deadline.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **30. Tax position (continued)**

##### **30.4 Nahda Education Company S.A.E. (continued)**

###### **30.4.2 Payroll tax**

- (a) The year from the beginning of the activity till 2021:
- The period was inspected at the Corporate Tax Office in Cairo, with no outstanding claims or disputes related to the period.
- (b) The year from 1 January 2022 till 28 February 2026:
- Tax returns for the year are submitted within the legal deadline, and as of July 2024, the company has joined the new salaries and wages system, and monthly settlements have been submitted on a regular basis. However, the company has no employees until the date of the interim consolidated financial statements.

###### **30.4.3 Stamp tax**

- (a) The year from the beginning of the activity till 31 August 2021:
- These years have been inspected, and the due taxes have been fully paid.
- (b) The year from 1 September 2021 till 28 February 2026:
- No activities subject to stamp tax were carried during the year. Therefore, no stamp duty was paid for that period. Form 10 for stamp duty was not submitted, and the company has not yet been requested for a tax audit in accordance with the provisions of Law No. 111 of 1980, as amended by Law No. 143 of 2006 and Law No. 3 of 2022.

##### **30.5 Badya International University company for Education S.A.E.**

###### **30.5.1 Income tax**

- (a) The year from the beginning of the activity till 31 August 2024:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (b) The year from 1 September 2024 till 31 August 2025:
- Tax return for this year was submitted on 31 December 2025, i.e. within the legal deadline..

###### **30.5.2 Payroll tax**

- (a) The year from the beginning of the activity till 31 December 2023:
- The payroll tax is deducted monthly from the employees and regularly submitted to the Egyptian Tax Authority. The quarterly returns are submitted on the legal due dates and annual settlements are made in January of each year for the year ended 31 December according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (b) The year from 1 January 2024 till 28 February 2026:
- Tax returns for the year are submitted within the legal deadline, and as of July 2024, the company has joined the new salaries and wages system, and monthly settlements have been submitted on a regular basis.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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

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#### **30. Tax position (continued)**

#### **30.5 Badya International University company for Education S.A.E. (continued)**

##### **30.5.3 Stamp tax**

- (a) The year from the beginning of the activity till 28 February 2026:
- No activities subject to stamp tax were carried during the year. The Company has not been notified with any examination request for stamp tax for the year mentioned above till the date of the interim consolidated financial statements.

#### **30.6 SB Investment Company S.A.E**

##### **30.6.1 Income Tax**

- (a) The year from inception till 31 August 2023:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (b) From 1 January 2024 till 31 August 2024:
- The tax period was adjusted to end on August 31, 2024, and the tax return was submitted within the legal deadline
- (c) From 1 September 2024 till 31 August 2025:
- Tax return for this year was submitted on 31 December 2025, i.e. within the legal deadline.

##### **30.6.2 Payroll Tax**

- (a) The year from inception till 31 December 2023:
- These years are currently under inspection, starting from the beginning of operations till December 31, 2023.
- (b) From 1 January 2024 till 28 February 2026:
- Tax returns for the year are submitted within the legal deadline, and as of 15 July 2024, the company has joined the new salaries and wages framework, and monthly have been submitted Form 4 for salaries, and Form 6 for settlements regularly within the legal deadlines, noting that there has been no employment up to that date.

##### **30.6.3 Stamp tax**

- (a) The year from inception till 28 February 2026:
- No activities subject to stamp tax were carried during the year. The Company has not been notified with any examination request for stamp tax for the year mentioned above till the date of the interim consolidated financial statements.

## TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

### Notes to the interim consolidated financial statements For the six-month period ended 28 February 2026

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#### 31. Capital commitments

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

	<u>28 February 2026</u>	<u>31 August 2025</u>
Capital commitments*	190,439,048	555,086,037

\* Capital commitments as of February 28, 2026, represent the value of the contract for constructing the Faculty of Nursing at Nahda University, in addition to contracts for the construction of the first phase of Badya University and Memphis University.

#### 32. Significant and subsequent events

During the period, the Monetary Policy Committee of the Central Bank of Egypt implemented a series of interest rate reductions in response to declining inflation levels. These reductions continued over subsequent meetings, with effects extending into 2026. Accordingly, the overnight deposit rate reached 19.00% and the overnight lending rate reached 20.00%.

On February 28, 2026, the United States and Israel entered into a direct military confrontation with Iran. The conflict also resulted in military clashes involving Gulf countries. These developments are expected to have a significant economic impact on the global economy, particularly on the Middle East region. Company management is closely monitoring ongoing developments to assess their potential impact on the company.

#### Movements in the Egyptian Pound Exchange Rate

The Egyptian market has experienced economic volatility in recent periods, most notably the continued rise in the U.S. dollar exchange rate against the Egyptian pound. The exchange rate reached EGP 54.3 per U.S. dollar in April 2026, compared to levels ranging between EGP 46.9 and EGP 47.1 per U.S. dollar in February 2026.

#### 33. Changes in comparative figures

The Group reclassified deferred tax assets and liabilities as at 31 August 2025. This reclassification aims to enhance the clarity and accuracy of the Group's financial reporting.

The impact of the above-mentioned changes is as follows:

	<u>Balance at 31 August 2025</u>	<u>Reclassification</u>	<u>Balance at 31 August 2025 restatement</u>
<b>Non-current asset</b>			
Deferred tax assets	-	66,678,132	66,678,132
<b>Non-current liabilities</b>			
Deferred tax liability	(18,924,445)	(66,678,132)	(85,602,577)