TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

INDEPENDENT AUDITOR'S REPORT
AND THE SEPARATE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2026

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Independent auditor's report

To the Shareholders of Taaleem Management Services Company "S.A.E."

Report on the separate financial statements

We have audited the accompanying separate financial statements of Taaleem Management Services Company "S.A.E." (the "Company") which comprise the separate statement of financial position as of 31 August 2026 and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the separate financial statements

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

Auditor's responsibility

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

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

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

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Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of Taaleem Management Services Company "S.A.E" as of 31 August 2026, and its financial performance and its cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the applicable relevant Egyptian laws and regulations.

Report on other legal and regulatory requirements

The Company maintains proper financial records that include all what have been stipulated by the applicable law and the Company's statutes to be recorded therein, and the accompanying separate financial statements are in agreement with the financial records.

The financial information included in the Board of Directors' report that is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with the Company's accounting records, within the limits that such information is recorded in financial records.



Hisham Mohamed Hamed
R.A.A 39411
F.R.A 422
Cairo
29 October 2026

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Separate statement of financial position –As of 31 August 2026

(All amounts in Egyptian Pounds)

	Note	2026	2025
Assets			
Non-current assets			
Fixed assets	5	24,160,408	18,992,304
Investments in subsidiaries	6	2,397,246,168	1,877,418,290
Right of use assets	10	6,542,594	9,346,563
Deferred tax assets	14	4,587,174	11,047,596
Total non-current assets		**2,432,536,344**	**1,916,804,753**
Current assets			
Debtors and other debit balances	7	20,513,513	18,109,695
Due from related parties	8/A	8,222,675	38,157,069
Cash and cash equivalents	9	41,269,927	3,374,868
Total current assets		**70,006,115**	**59,641,632**
Total assets		**2,502,542,459**	**1,976,446,385**
Equity and liabilities			
Equity			
Paid-up capital	11	734,037,191	730,250,000
Reserves	12	30,800,431	37,699,041
Share Premium		36,281,290	-
Retained earnings		734,077,238	452,982,719
Total equity		**1,535,196,150**	**1,220,931,760**
Liabilities			
Non-current liabilities			
Lease liabilities	15	7,217,742	11,482,960
Total non-current liabilities		**7,217,742**	**11,482,960**
Current liabilities			
Creditors and other credit balances	16	18,073,900	12,404,609
Lease liabilities	15	4,265,223	3,399,780
Due to related parties	8/B	824,674,401	612,467,778
Current income tax liabilities	17	94,033,718	67,462,742
Employee stock ownership plan	13	19,081,325	48,296,756
Total current liabilities		**960,128,567**	**744,031,665**
Total liabilities		**967,346,309**	**755,514,625**
Total liabilities and equity		**2,502,542,459**	**1,976,446,385**

- The accompanying notes on pages 8 – 38 form an integral part of these separate financial statements.
- Auditor's report included.

Mr. Khaled Khater
Chief Financial Officer

Eng. Mohamed El Rashidi
Chief Executive Officer

29 October 2026

Separate statement of profit or loss - For year the financial ended 31 August 2026

(All amounts in Egyptian Pounds)

	Note	2026	2025
Management fees		636,379,944	404,049,951
Salaries		(62,844,659)	(55,791,502)
Board remuneration		(7,705,000)	(9,740,000)
Professional fees		(25,073,356)	(25,649,990)
Employee stock ownership plan expense	13	(78,160,693)	(35,724,064)
Other expenses	18	(11,886,482)	(15,299,815)
Right-of-use assets depreciation	10	(2,803,969)	(2,803,968)
Depreciation expense	5	(7,644,982)	(4,677,410)
Comprehensive medical expense		(1,591,335)	(1,010,514)
Finance income	19/A	1,485,005	1,756,101
Finance cost	19/B	(1,374,357)	(1,681,054)
Other income		162,382	344,042
Profit before tax		**438,942,498**	**253,771,777**
Income tax	20	(100,954,823)	(60,652,758)
Profit for the year		**337,987,675**	**193,119,019**
Basic earnings per share	21/1	**0.415**	**0.238**
Diluted earnings per share	21/2	**0.415**	**0.238**

- The accompanying notes on pages 8 – 38 form an integral part of these separate financial statements.

Separate statement of comprehensive income - For the financial year ended 31 August 2026

(All amounts in Egyptian Pounds)

	2026	2025
Profit for the year	337,987,675	193,119,019
Other comprehensive income	-	-
Total comprehensive income for the year	**337,987,675**	**193,119,019**

- The accompanying notes on pages 8 – 38 form an integral part of these separate financial statements.

TAALEEM MANAGEMENT SERVICES COMPANY S.A.E.

Separate statement of changes in equity - For the financial year ended 31 August 2026

(All amounts in Egyptian Pounds)

	Paid-up capital	Reserves	Retained earnings	Share premium	Total
Balance at 1 September 2024	**730,250,000**	**10,256,045**	**333,149,734**	**-**	**1,073,655,779**
Employee stock ownership plan reserve	-	16,554,561	(16,554,561)	-	-
Dividends distribution to board members and employees	-	-	(45,843,038)	-	**(45,843,038)**
Total comprehensive income for the year	-	-	193,119,019	-	**193,119,019**
Transfer to legal reserve	-	10,888,435	(10,888,435)	-	-
Balance at 31 August 2025	**730,250,000**	**37,699,041**	**452,982,719**	**-**	**1,220,931,760**
Balance at 1 September 2025	**730,250,000**	**37,699,041**	**452,982,719**	**-**	**1,220,931,760**
Capital increase	3,787,191	-	-	-	**3,787,191**
Employee stock ownership plan	-	(16,554,561)	766,761	15,787,800	-
Share premium	-	-	-	20,493,490	**20,493,490**
Dividends distribution to board members and employees	-	-	(48,003,966)	-	**(48,003,966)**
Total comprehensive income for the year	-	-	337,987,675	-	**337,987,675**
Transfer to legal reserve	-	9,655,951	(9,655,951)	-	-
Balance at 31 August 2026	**734,037,191**	**30,800,431**	**734,077,238**	**36,281,290**	**1,535,196,150**

- The accompanying notes on pages 8 – 38 form an integral part of these separate financial statements.

Separate statement of cash flows - For the financial year ended 31 August 2026

(All amounts in Egyptian Pounds)

	Note	2026	2025
Cash flows from operating activities			
Profit for the year before tax		438,942,498	253,771,777
Adjustments for:			
Fixed assets depreciation	5	7,644,982	4,677,410
Right of use assets depreciation	10	2,803,969	2,803,968
Interest income	19/A	(1,480,107)	(1,756,101)
Interest expense – lease liability	15	1,374,357	1,680,744
Employee stock ownership plan expense	13	78,160,693	35,724,064
Operating profit before changes in operating assets and liabilities		**527,446,392**	**296,901,862**
Changes in operating assets and liabilities			
Debtors and other debit balances		(14,526,202)	(16,631,890)
Due from related parties		29,934,394	(30,059,637)
Due to related parties		212,206,623	276,806,906
Creditors and other credit balances		5,669,291	(8,350,509)
Cash flows generated from operating activities		**760,730,498**	**518,666,732**
Employee stock ownership plan settlements		(86,882,634)	-
Dividends distribution to board members and employees		(48,003,966)	(45,843,038)
Income tax paid		(55,801,041)	(55,854,744)
Net cash flows generated from operating activities		**570,042,857**	**416,968,950**
Cash flows from investing activities			
Payments for purchase of fixed assets	5	(12,813,086)	(12,111,867)
Interest collected	19	1,480,107	1,756,101
Investments in subsidiaries	6	(519,827,878)	(412,000,000)
Net cash flows used in investing activities		**(531,160,857)**	**(422,355,766)**
Cash flows from financing activities			
Capital increase		3,787,191	-
Lease payments	15	(4,774,132)	(4,340,118)
Net cash flows used in financing activities		**(986,941)**	**(4,340,118)**
Net change in cash and cash equivalents		**37,895,059**	**(9,726,934)**
Cash and cash equivalents at the beginning of the year	9	3,374,868	13,101,802
Cash and cash equivalents at the end of the year		**41,269,927**	**3,374,868**

- Refer to note (9) for the non-cash transactions.

- The accompanying notes on pages 8 – 38 form an integral part of these separate financial statements.

1. Introduction

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

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

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

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

The largest shareholder in Taaleem Management Services is Palm Hills Developments S.A.E. owning 32.44% of the company's capital.

The separate financial statements were authorized for issue by the Board of Directors on 29 October 2026. The General Assembly of Shareholders has the right to amend these separate financial statements after their issuance.

2. Accounting policies

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

2.1 Basis of preparation of the separate financial statements

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

The financial statements of the Company have been prepared on a going concern basis. Accordingly, the Company is expected to realize its assets and settle its liabilities in the normal course of business.

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

2. Accounting policies (continued)

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

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

The Company has prepared the separate financial statements of the Company under the Egyptian Accounting Standards. The separate financial statements are available from the Company's management and issued and approved by the board of directors on 29 October 2026. Investments in subsidiaries are presented in these separate financial statements and accounted for at cost method.

2.2 Foreign currency transaction

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2.3 Fixed assets

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

2. Accounting policies (continued)

2.3 Fixed assets (continued)

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

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

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

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

The residual value of an asset is the estimated amount that the Company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its estimated useful life.

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 separate statement of profit or loss.

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

2.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements by using the cost method of accounting. The Cost method require recognition of investment at cost and recording of investment income to the extent of dividends distribution received from investee. The subsidiaries are entities controlled by the Company, a subsidiary is separate when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2. Accounting policies (continued)

2.5 Financial assets

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

(i) Classification

The company classifies financial assets in the following measurement categories:

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

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

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

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

(ii) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company 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 company has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

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

2. Accounting policies (continued)

2.5 Financial assets (continued)

(iv) Debt instruments

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

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

- Fair value though 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 other comprehensive income.

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

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

- Fair value though 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 statement of profit or loss (net) included in the other income/loss during the period it was originated in.

2.6 Impairment of financial assets

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

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

2. Accounting policies (continued)

2.6 Impairment of financial assets (continued)

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 customers to settle receivables.

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

A financial asset is written off, either in full or in part, when the Company has exhausted all practical recovery efforts and concludes that there is no reasonable expectation of recovery. A financial asset may be written off while collection activities continue, where management seeks to recover amounts contractually due despite there being no reasonable expectation of recovery. Any subsequent recoveries of amounts previously written off are recognized in the separate statement of profit or loss.

2.7 Impairment of non-financial assets

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

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

2.8 Cash and cash equivalents

Cash includes on demand bank balances. For the purposes of preparing the separate statement of cash flows, cash and cash equivalents include cash and highly liquid short-term investments with original maturities of three months or less from the date of acquisition, which are readily convertible into specific amounts of cash and are subject to an insignificant risk of changes in value.

2.9 Capital

Ordinary shares
Ordinary shares are classified within equity.

2. Accounting policies (continued)

2.10 Leases

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

The 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.

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.

2. Accounting policies (continued)

2.10 Leases (continued)

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

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- 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 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 the separate profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.11 Employees' benefits

Employee Profit-sharing

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

Defined contribution plan

Under a defined contribution plan, the company 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.

Employees Share Ownership Plan

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

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

2. Accounting policies (continued)

2.11 Employees' benefits (continued)

Elements of the scheme:

- Each beneficiary is granted units that are considered the basis on which allocated shares are calculated.
- The supervisory committee determines the date of the grant.
- The scheme period is seven years starting from the date of listing of the company's shares on the Egyptian Stock Exchange on April 7, 2021.
- The total shares allocated to each beneficiary shall be allocated over five years with each year grant calculated based on the following formula:
- The difference between the share price on the first trading day of the company's shares on the Egyptian Stock Exchange, which was EGP 5.75, and the share price at the time of exercising the right. Then, the difference is multiplied by the number of units allocated to each participant to calculate the grant. The monetary allocation shall be then divided into three equal values and exercised over three consecutive years through the ownership of shares at the share market price at the time of each exercise.
- Starting from April 2021, the number of units allocated to the scheme is 83,978,750 units to be allocated over five years for 16,795,750 units per year.
- The company recognizes the cost related to the services performed by the employees participating in the scheme over the period of performing the service. The company recognizes the obligations related to the scheme at the date of each financial position according to the fair value of the consideration expected to be paid to employees on the date of grant. The fair value of these obligations is estimated at the date of the financial position by taking into consideration all the circumstances related to the cash flows expected to be paid discounted at the market rate of return.
- The change in the fair value of these obligations is recognized in the separate statement of profit or loss.
- During the year, the total employee stock ownership plan expenses amounted to EGP 78,160,693 (31 August 2025: EGP 35,724,064).

2.12 Segments reporting

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

2.13 Current and deferred income tax

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

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

2. Accounting policies (continued)

2.13 Current and deferred income tax (continued)

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

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

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

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

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

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

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

2.14 Provisions

Provisions are recognised when the company 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 company 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 company disclosed its contingent liabilities in its notes to the financial statements.

2. Accounting policies (continued)

2.14 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 Company recognises the reimbursement when it is virtually certain that reimbursement will be received if the Company settles the liability. The reimbursement should be recognised as a separate asset in the statement of financial position. The amount recognised should not exceed the amount of the provision.

2.15 Creditors and other credit balances

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

2.16 Revenue recognition

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

Step (1) Identify the contract with the customer:
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and meets the specified criteria for those rights and obligations.

Step (2) Identify the performance obligations in the contract:
A performance obligation is a promise to transfer a good or service to the customer.

Step (3) Determine the transaction price:
The transaction price is the amount of consideration that the entity expects to be entitled to in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties.

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

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

2. Accounting policies (continued)

2.16 Revenue recognition (continued)

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

Revenue represents the fair value of the consideration received or receivable, including cash and receivables arising from the provision of educational services through the Company'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 Company, provided that other conditions specific to each activity of the Company are met. Revenue is not considered reliably measurable unless all related uncertainties have been resolved. The Company 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) Administrative and Operational Services Revenue

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

2.17 Dividends

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

3. Financial risk management

3.1 Financial risks factors

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

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

3. Financial risk management (continued)

3.1 Financial risks factors (continued)

(a) Market risk

(i) Foreign currency exchange rate risks

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

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

(ii) Cash flows and fair value interest rate risks

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

The Company is exposed to interest rate risk on all interest-bearing assets and liabilities represented by bank current accounts. The Company maintains an appropriate mix of fixed rate and variable rate borrowings to manage the interest rate risk. The impact on profit for the year ended 31 August 2026 (31 August 2025) is not material.

(b) Credit risk

Credit risk arises from cash and cash equivalents, due from related parties and debtors and other debit balances.

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

Balances exposed to credit risks are as follows:

	2026	2025
Due from related parties	8,222,675	38,157,069
Cash and cash equivalents	41,269,927	3,374,868
Debtors and other debit balances*	149,689	403,914
	49,642,291	**41,935,851**

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

3. Financial risk management (continued)

3.1 Financial risks factors (continued)

(c) Liquidity risk

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

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

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

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

	Less than 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 year to 5 years	Total
31 August 2026					
Lease liabilities	2,543,720	2,707,831	5,776,706	1,985,743	**13,014,000**
Creditors and other credit balances	18,073,900	-	-	-	**18,073,900**
Due to related parties	334,034,972	490,639,429	-	-	**824,674,401**
Employee stock ownership plan	-	19,081,325	-	-	**19,081,325**
Total	**354,652,592**	**512,428,585**	**5,776,706**	**1,985,743**	**874,843,626**
31 August 2025					
Lease liabilities	2,312,473	2,461,665	5,251,551	7,762,449	**17,788,138**
Creditors and other credit balances	12,404,609	-	-	-	**12,404,609**
Due to related parties	202,024,974	410,442,804	-	-	**612,467,778**
Employee stock ownership plan	-	48,296,756	-	-	**48,296,756**
Total	**216,742,056**	**461,201,225**	**5,251,551**	**7,762,449**	**690,957,281**

3.2 Capital risk management

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

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

3. Financial risk management (continued)

3.2 Capital risk management

Net debt to total capital ratio is as follows:

	2026	2025
Total debt		
Due to related parties	824,674,401	612,467,778
Lease liabilities	11,482,965	14,882,740
Creditors and other credit balances	18,073,900	12,404,609
Less: Cash and cash equivalents	(41,269,927)	(3,374,868)
Net debt	**812,961,339**	**636,380,259**
Total equity	1,535,196,150	1,220,931,760
Total capital	**2,348,157,489**	**1,857,312,019**
Net debt to total capital ratio	**35%**	**34%**

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

	Lease liability	Cash and Cash equivalent	Total
Net debt in 31 August 2024	**17,542,114**	**(13,101,802)**	**4,440,312**
Cash flow	(4,340,118)	9,726,934	**5,386,816**
Lease liabilities (including interest)	1,680,744	-	**1,680,744**
Net debt in 31 August 2025	**14,882,740**	**(3,374,868)**	**11,507,872**
Cash flow	(4,774,132)	(37,895,059)	**(42,669,191)**
Lease liabilities (including interest)	1,374,357	-	**1,374,357**
Net debt in 31 August 2026	**11,482,965**	**(41,269,927)**	**(29,786,962)**

3.3 Fair value estimation

At period-end no financial assets or liabilities were measured at fair value except for the employee stock ownership plan liability. The carrying value of financial assets and financial liabilities classified as current assets or current liabilities in the separate statement of financial position at period-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 Company's accounting policies does not require management to use professional judgments that may have significant impacts on the amounts recognised in the separate financial statements.

4.2 Estimation of useful lives for fixed assets

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

4.3 Impairment of financial assets

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

4.4 Depreciation of right of use assets

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

4.5 Employee stock ownership plan

The measurement and recognition of the cost of the Employee stock ownership plan requires the use of several significant estimates and assumptions. These primarily include the determination of the Company's share price at the settlement date and the estimation of the amount expected to be settled based on the difference in the share price at the dates specified under the terms of the scheme. Management determines fair value based on a valuation prepared by an independent financial advisor. Actual results may differ from these estimates, and the effect of any future revisions is recognized in the statement of profit or loss.

5. Fixed assets

	Vehicles	Electrical devices	Furniture & office equipment	Computers and software	Projects under construction	Total
1 September 2024						
Cost	9,086,060	505,302	8,225,787	1,815,547	2,807,522	22,440,218
Accumulated depreciation	(3,843,858)	(430,064)	(5,086,985)	(1,521,464)	-	(10,882,371)
Net book value	**5,242,202**	**75,238**	**3,138,802**	**294,083**	**2,807,522**	**11,557,847**
Opening net book value	**5,242,202**	**75,238**	**3,138,802**	**294,083**	**2,807,522**	**11,557,847**
Additions	6,800,000	81,136	-	149,400	5,081,331	**12,111,867**
Transferred from projects under construction	-	-	-	7,888,853	(7,888,853)	-
Depreciation expense	(2,687,148)	(49,248)	(1,761,513)	(179,501)	-	**(4,677,410)**
Net book value	**9,355,054**	**107,126**	**1,377,289**	**8,152,835**	-	**18,992,304**
At 31 August 2025						
Cost	15,886,060	586,438	8,225,787	9,853,800	-	**34,552,085**
Accumulated depreciation	(6,531,006)	(479,312)	(6,848,498)	(1,700,965)	-	**(15,559,781)**
Net book value	**9,355,054**	**107,126**	**1,377,289**	**8,152,835**	-	**18,992,304**
year ended 31 August 2026						
Opening net book value	**9,355,054**	**107,126**	**1,377,289**	**8,152,835**	-	**18,992,304**
Additions	4,982,000	172,196	-	7,658,890	-	**12,813,086**
Transferred from projects under construction	-	-	-	-	-	-
Depreciation expense	(4,187,940)	(72,596)	(1,292,539)	(2,091,907)	-	**(7,644,982)**
Net book value	**10,149,114**	**206,726**	**84,750**	**13,719,818**	-	**24,160,408**
At 31 August 2026						
Cost	20,868,060	758,634	8,225,787	17,512,690	-	**47,365,171**
Accumulated depreciation	(10,718,946)	(551,908)	(8,141,037)	(3,792,872)	-	**(23,204,763)**
Net book value	**10,149,114**	**206,726**	**84,750**	**13,719,818**	-	**24,160,408**

6. Investments in subsidiaries

Company	Country of incorporation	Share %	2026	2025
Nahda University LP & Nahda University	Egypt	98.9%	730,263,466	730,263,466
Nahda University for Education and Management Services Company S.A.E.	Egypt	99.9%	249,978	249,978
Nahda Education Company S.A.E.	Egypt	99.99%	12,000,000	12,000,000
Future Minds for Education and Management Services S.A.E.	Egypt	99.89%	220,750,000	-
Badya International University Company for Education S.A.E.	Egypt	48%	819,600,115	660,000,000
SB Investment Company S.A.E.	Egypt	32%	614,382,609	474,904,846
			2,397,246,168	**1,877,418,290**

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

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

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

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

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

On 31 October 2016, Taaleem Management Services Company S.A.E. acquired the remaining 2.5% in Nahda Education 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 Company S.A.E. ownership in Nahda LP became 98.9%.

6. Investments in subsidiaries (continued)

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

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

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

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

On 1 February 2021, Taaleem Management Services Company "S.A.E" established Badya International University company for Education S.A.E, previously, Egyptian International Higher Education S.A.E. which was registered in the commercial register under No. 161102 (the "Established entity"). At the date of establishment Taaleem Management Services Company "S.A.E" owned 48% and Palm Hills for Education S.A.E owned 40%.

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

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

The increase in investment in Badya International University company for Education S.A.E, previously, Egyptian International Higher Education S.A.E of EGP 291,600,000 was paid during the financial period ended 31 August 2026 to complete the subsidiary's issued capital as per the board meetings held on 3 September 2025, 23 October 2025, 18 December 2025 and 22 February 2026 and 17 March 2026 respectively.

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

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

6. Investments in subsidiaries (continued)

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

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

SB Investment Company S.A.E.

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

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

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

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

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

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

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 139,477,763 was paid in SB Investments Company during the financial period ended August 31, 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, 22 February 2026 and 16 July 2026 respectively.

6. Investments in subsidiaries (continued)

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

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

The shareholders agreement includes a "Call Option" 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 "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 existing shareholders' options share at their fair value on a specified date. This option can be exercised upon the expiry of the Call Option exercise period and for a duration of 12 months ('Put Option Exercise Period').

The Company would recognize any put option liability for the variance between the option's exercise price and the fair value of the shares subject matter to the option. The management has assessed the impact of granting the put options on the separate financial statements and no adjustments were needed since the option price is directly linked to the fair value of the shares subject to the put option. However, there is a put option liability recognized on the group's consolidated financial statements amounting to EGP 1.09 billion as at 31 August 2026 (31 August 2025: EGP 977 million).

Future Minds for Education and Management Services S.A.E.

On 10 June 2026, the Extraordinary General Assembly of Future Minds Education and Management Services S.A.E. approved an increase in the company's issued capital by EGP 220.75 million, increasing the issued capital from EGP 0.25 million to EGP 221.0 million. Taaleem Management Services S.A.E. solely subscribed to and fully paid for the entire capital increase, resulting in an increase in its ownership interest in Future Minds from 0.04% to 99.89%. Consequently, Taaleem Management Services S.A.E. obtained direct control over Future Minds Education and Management Services S.A.E. Accordingly, the assignment of rights arrangement was terminated, and the balances relating to amounts previously funded by Taaleem Management Services S.A.E. on behalf of Future Minds in connection with its investment in Badya International University for Education S.A.E. were settled.

Prior to the acquisition of Future Minds Education and Management Services S.A.E. by Taaleem Management Services S.A.E., Future Minds held a 12% equity interest in Badya International University for Education S.A.E. Future Minds had entered into an assignment of rights agreement in favor of Taaleem Management Services S.A.E. whereby the economic benefits associated with such investment were assigned to Taaleem Management Services S.A.E.

7. Debtors and other debit balances

	2026	2025
Withholding tax	19,092,372	12,122,390
Prepaid expenses	789,196	5,101,020
Advances to suppliers	482,256	482,371
Due from employees	149,689	403,914
	20,513,513	**18,109,695**

8. Related party balances / transactions

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

(a) Due from related parties:

Nature of the entity's relationship	2026	2025
Subsidiary	8,222,675	38,157,069

(b) Due to related parties:

Nature of the entity's relationship	2026	2025
Subsidiary	824,674,401	612,467,778

(c) Key management compensation

	2026	2025
Share based compensation	38,204,775	37,638,981
Salaries and wages	35,890,330	32,817,369
Dividends distribution	27,282,836	22,696,700
Board meeting attendance	7,705,000	9,740,000
	109,082,941	**102,893,050**

(d) Transactions with related parties

Nature of the entity's relationship	Nature of transactions	2026	2025
Subsidiaries	Management fees collected in advance	196,361,637	276,806,894
	Management fees*	(700,017,938)	(444,454,947)
	Expenses paid on behalf th subsidiaries	(65,620)	(59,638)
	Transfers	45,845,000	(30,000,000)
	Collection from managements fees	700,017,938	444,454,947

8. Related party balances / transactions (continued)

* Management fees

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

The company has a subordination agreement in respect of a tri-party agreement on December 29, 2022 between Al-Nahda University, Ahli United Bank, and Taaleem Management Services Company Guarantor), whereby Taaleem Management Services Company agreed to suspend the payment of the management fees received from Nahda University in case of Nahda defaulting on any loan repayments due. The loan amount is EGP 356,629,908 on 31 August 2026.

9. Cash and cash equivalents

	2026	2025
Bank current accounts	41,269,927	3,374,868

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

Non-cash transactions in the cash flow as follows:

	2026	2025
Employee stock ownership plan (Share premium)	36,281,290	-
Withholding tax and income tax paid	12,122,384	12,122,305

The above items represent non-cash transactions and have therefore been excluded from the separate statement of cash flows. The related tax effect is included within receivables and other debit balances. The corresponding effect of the share premium balance is reflected partly in retained earnings and partly in the employee incentive and reward scheme liability, based on the nature of the respective transactions.

10. Right of use assets

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

	2026	2025
Balance at the beginning of the year	**9,346,563**	**12,150,531**
Depreciation during the year	(2,803,969)	(2,803,968)
Balance	**6,542,594**	**9,346,563**

11. Paid-up capital

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

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

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

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

Name	Nationality	No. of shares	Value of shares	Paid up capital
31 August 2026				
Palm Hills Developments S.A.E.	Egyptian	238,166,695	238,166,695	32.44%
Thebes CV	Netherlands	183,551,108	183,551,108	25.00%
Other shareholders	Egyptian and foreign	312,319,388	312,319,388	42.56%
		734,037,191	**734,037,191**	**100%**
31 August 2025				
Palm Hills Developments S.A.E.	Egyptian	238,166,695	238,166,695	32.61%
Thebes CV	Netherlands	152,045,115	152,045,115	20.82%
Other shareholders	Egyptian and foreign	340,038,190	340,038,190	46.57%
		730,250,000	**730,250,000**	**100%**

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

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).

11. Paid-up capital (continued)

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

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

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

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

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

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

The largest shareholder in Taaleem Management Services is Palm Hills Developments S.A.E. with 32.44% ownership.

12. Reserves

	2026	2025
Legal reserve	30,800,431	21,144,480
Employee stock ownership plan	-	16,554,561
	30,800,431	**37,699,041**

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

13. Employee stock ownership plan

	2026	2025
Balance at the beginning of the year	**48,296,756**	**12,572,692**
Expenses during the year	78,160,693	35,724,064
Settlements during the year	(107,376,124)	-
Balance at the end of the year	**19,081,325**	**48,296,756**

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

14. Deferred tax assets

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

	Balance at 1 September 2025	Movement during the year charged to the statement of profit or loss	Balance at 31 August 2026
Fixed assets	**155,242**	(1,022,381)	(867,139)
Lease liabilities	**867,472**	293,542	1,161,014
Employee stock ownership plan	**10,024,882**	(5,731,583)	4,293,299
Net deferred tax assets	**11,047,596**	**(6,460,422)**	**4,587,174**

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

15. Lease liabilities

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

	2026	2025
Current value		
Less than one year	4,265,223	3,399,780
More than one year	7,217,742	11,482,960
	11,482,965	**14,882,740**

The lease movements are presented as follows:

	2026	2025
Balance at the beginning of the year	**14,882,740**	**17,542,114**
Add: interest charged during the year	1,374,357	1,680,744
Less: lease payments during the year	(4,774,132)	(4,340,118)
Lease liabilities at the end of the year	**11,482,965**	**14,882,740**

The lease commitments undiscounted are as follows:

Managerial head quarter office	2026	2025
Less than six months	2,543,720	2,312,473
From six months to one year	2,707,831	2,461,665
From one year to two years	5,776,706	5,251,551
From two years to five years	1,985,743	7,762,449
	13,014,000	**17,788,138**

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

16. Creditors and other credit balances

	2026	2025
Tax authority	7,930,619	4,436,227
Accrued Expenses	9,392,347	7,249,507
Social insurance authority	748,075	593,977
Others	2,859	124,898
	18,073,900	**12,404,609**

17. Current income tax liabilities

	2026	2025
Balance at the beginning of the year	**67,462,742**	67,528,143
Current income tax for the year	94,494,401	67,911,648
Paid during the year	(55,801,041)	(55,854,744)
Used from withholding tax balance during the year	(12,122,384)	(12,122,305)
	94,033,718	**67,462,742**

18. Other expenses

	2026	2025
Medical Insurance expense	1,787,996	-
Maintenance fees	1,602,792	1,433,048
Vehicles insurance and licensing expense	1,220,049	-
Social insurance	793,230	663,828
Advertising	552,950	140,220
Transportation	214,599	271,413
Bank charges	110,086	142,707
Conference expense	2,000,000	5,700,000
Others	3,604,780	6,948,599
	11,886,482	**15,299,815**

19.A Finance income

	2026	2025
Interest income – current accounts	1,480,107	1,756,101
Foreign currency exchange gain	4,898	-
	1,485,005	**1,756,101**

19.B Finance cost

	2026	2025
Interest expense – lease contracts	1,374,357	1,680,744
Foreign currency exchange losses	-	310
	1,374,357	**1,681,054**

20. Income tax expense

	2026	2025
Current income tax for the year	94,494,401	67,911,648
Deferred income tax for the year	6,460,422	(7,258,890)
	100,954,823	**60,652,758**

Effective tax rate

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

	2026	2025
Profit before tax	438,942,498	253,771,777
Income tax based on a tax rate	22.5%	22.5%
Tax calculated based on net accounting profit	**98,762,062**	**57,098,650**
Non-deductible expenses	2,192,761	3,554,108
Income tax expense	**100,954,823**	**60,652,758**
Effective tax rate	**23%**	**23.9%**

21. Earnings per share

21/1 Basic

Basic earnings per share is calculated by dividing:

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

	2026	2025
Net profit for the year	337,987,675	193,119,019
Expected dividends distribution to board members and employees	(33,798,768)	(19,311,902)
	304,188,907	**173,807,117**
Weighted average number of shares	733,601,405	730,250,000
Earnings per share	**0.415**	**0.238**

21/2 Diluted

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

During the financial year ended 31 August 2026, the Company did not issue any potential ordinary shares that results in a dilution. Hence, the diluted earnings per share is the same as the basic earnings per share.

22. Tax position

22.1 Income tax

(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 with no outstanding claims or disputes related to the year.

(b) **The year from 1 September 2021 till 31 August 2025:**

- 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 2025 till 31 August 2026:**

- Tax return for this year is being prepared and will be submitted on 31 December 2026, i.e. within the legal deadline.

22.2 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 31 August 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, dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.

22.3 Stamp tax

(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 31 August 2026:**

- No activities subject to stamp tax were carried out during the year. The company has not received any notification of a stamp duty audit for the above-mentioned period up to the date of the separate financial statements in accordance with Law No. 111 of 1980, as amended by Law No. 143 of 2006 and Law No. 3 of 2022.

22.4 Withholding tax

(a) **The year from the beginning of the activity till 31 August 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 separate financial statements.

22. Tax position (continued)

22.5 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 andwith no outstanding claims or disputes related to the year.

(b) **The year from 1 September 2022 till 31 August 2026:**

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

23. Subsequent and significant events

On 10 June 2026, the Company acquired additional shares through a capital increase in Future Minds for Education and Management Services (S.A.E.) amounting to EGP 220,750,000. Accordingly, the Company's ownership increased from 0.04% to 99.89% of the subsidiary's capital issued after the increase.

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

During the year ended 31 August 2026 and thereafter, the Egyptian market experienced economic volatility, most notably fluctuations in the exchange rate of the US dollar against the Egyptian pound. Exchange rate volatility continued during the period subsequent to the financial statement date, with the US dollar exchange rate reaching approximately EGP 56.25 per USD in October 2026, compared to the prevailing exchange rates at the end of the financial year.