

Taaleem Reports FY-2020/21 Results

Taaleem ends year with rapid top-line growth and double-digit margin increases as NUB operations go from strength to strength.

FY-2020/21 Financial Highlights

Revenue	Gross Profit	Adj. EBITDA ¹	Net Profit
EGP 602 mn	EGP 426 mn	EGP 341 mn	EGP 185 mn
↑ 34% y-o-y	↑ 45% y-o-y 71% Margin	↑ 42% y-o-y 57% Margin	↑ 29% y-o-y 31% Margin

Operational Highlights

Licensed Capacity	Enrolled Students	Students Intake	Faculties
11k Students	6k Students	1.8k Students	8 Faculties
↑ 44% y-o-y	↑ 12% y-o-y 57% Utilization	↑ 36% y-o-y 80% Utilization	2019/20: 7 Faculties

Cairo, 31 October 2021

Taaleem Management Services (“Taaleem” or the “Company”, TALM on the Egyptian Exchange), one of Egypt’s leading providers of higher education services, announced today its financial results for the full year ending 31 August 2021 (FY-2020/21). The Company reported revenues of EGP 602.1 million in FY-20/21, up by 33.7% year-on-year (y-o-y). Taaleem booked a net income of EGP 185.3 million for the year, up by 28.7% y-o-y and yielding a net profit margin of 30.8% against 32.0% in FY-2019/20.

Financial Highlights

- Taaleem booked **total operating revenues** of EGP 602.1 million in FY-20/21, up by 33.7% y-o-y on the back of growth in student enrollment, upward adjustment of tuition price points, and the introduction of an additional faculty during the period.
- NUB had 6,273 **students** in FY-20/21, up by 12.5% y-o-y. **Intake** recorded 1,760 students (696 net intake) against 1,292 (179 net intake) in FY-19/20, reflecting the launch of the **physiotherapy faculty** during FY-20/21 and NUB’s success at attracting students and accommodating strong demand during the period, particularly at the faculty of medicine, where intake quotas were up by 60% y-o-y. **Total available student capacity** rose to 11,035 from 7,685 in 2019/20, with the increase stemming mainly from quota increases at the engineering and computer science faculties and the launch of physiotherapy faculty during the period.
- Gross profit** reached EGP 425.6 million for FY-20/21, an increase of 44.7% y-o-y reflecting the ramp-up of capacity utilization at higher-margin faculties. Taaleem’s **gross profit margin** booked 70.7% for FY-20/21 against 65.3% in FY-19/20.

¹ Adjusted EBITDA normalizes the one-offs, EGP 74.4 million of listing expenses, EGP 0.9 million discontinued operations, EGP 1.0 million fixed asset disposal gain, and EGP 6.9 million gain from write-off of liability.

- **General & administrative (G&A) expenses** registered EGP 211.7 million for FY-20/21, up by 98.9% y-o-y. Excluding the impact from **listing expenses** of EGP 74.4 million incurred during the year, G&A expenses book EGP 137.3 million for FY-20/21, an increase of 29.0% y-o-y driven by increased rent and VAT expenses, and the introduction of a Board of Directors sitting scheme.
- Taaleem recorded an **adjusted EBITDA** of EGP 340.8 million for FY-2020/21, up by 42.3% y-o-y. Taaleem's **adjusted EBITDA margin** booked 56.6% for FY-20/21 against the 53.2% recorded for FY-2019/20.
- The Company booked a **net profit** of EGP 185.3 million for FY-20/21, an increase of 28.7% y-o-y, yielding a **net profit margin** of 30.8% against the 32.0% booked for FY-19/20. Adjusting the bottom line for nonrecurring listing expenses, **normalized net profit**² records EGP 243.0 million, up by 68.7% from one year previously to yield a margin of 40.4%.
- Taaleem recorded **total assets** of EGP 1,484.7 million as of 31 August 2021, down from EGP 1,550.2 million at the close of FY-19/20. **Working capital**³ registered negative EGP 41.2 million as of 31 August 2021, up from negative EGP 226.3 million on 31 August 2020. Taaleem held **cash and cash equivalents** of EGP 92.4 million as of 31 August 2021, down from the EGP 329.1 million booked on 31 August 2020. Taaleem had no debt at the close of FY-20/21.

Operational Highlights

- Continued progress is being made toward establishing Taaleem's second institution, **Badya University** in West Cairo. The Company has received initial approval from the Supreme Council of Private Universities (SCPU) on the project, the university's design has been finalized, and Taaleem has submitted a comprehensive licensing file. Taaleem has capitalized Badya University's founding company, which has signed a land purchase agreement with Palm Hills.
- Taaleem continues to make progress on **NUB's expansion plan** and is in the process of finalizing designs and acquiring the licenses necessary to begin construction. The Company has received approval from the SCPU to establish a **faculty of arts** and a **faculty of architecture**. Tendering has begun for the construction of buildings to house the two new faculties. NUB had launched its new **faculty of physiotherapy** earlier in FY-20/21, with an inaugural headcount of 294 students.
- The SCPU has approved **student quota increases** at several NUB faculties. Quotas increased from 280 to 400 students at the **physiotherapy faculty**, from 50 to 200 students at the **computer science faculty**, and from 225 to 375 students at the **engineering faculty**. Meanwhile, NUB has acquired a license to offer **post-graduate degree programs in the faculty of dental science**.
- The first phase of construction at NUB's new **teaching hospital** has commenced. This facility will be appended to NUB's faculty of medicine and will increase the quality and range of medical services available to residents of Beni Suef and Upper Egypt. Taaleem is currently finalizing tenders for all remaining packages at the project.
- In August 2021, Taaleem finalized an **academic partnership agreement with Northern Kentucky University (NKU)**. The partnership will see NKU offer 2+2 and 3+1 programs at NUB, whereby eligible NUB students will be able to transfer to NKU for their third or fourth years of study and to receive qualification from both NKU and NUB. The first phase of the agreement covers the faculty of business administration, with plans to expand the programs to encompass the faculties of engineering and computer science.

² Normalized net income adjusts for one-off listing expenses incurred during FY-2020/21 and amounting to EGP 57.7 million (EGP 74.4 million of expenses adjusted with 22.5% tax savings).

³ Working capital is calculated as (Inventories + Trade and Other Receivables) – (Trade and Other Payables + Deferred Revenue).

Management Comment

As FY-2020/21 comes to a close, Taaleem can look back on a year of major achievements and milestones. In April 2021, we completed our initial public offering on the Egyptian Exchange, an offering which was 29 times oversubscribed and drew heavy interest from a wide and diverse range of investors. Besides being a resounding vote of confidence in our platform-based business model and our unique value proposition, the IPO has widened Taaleem's access to capital, expanded the Company's shareholder base, and shaped our efforts to develop and refine Taaleem's corporate governance frameworks in line with global best practice.

Meanwhile, the Company's performance during the year exceeded expectations across key financial and operational indicators, with several record-breaking figures booked for FY-20/21. Revenues ended the year up by 33.7% y-o-y, reaching EGP 602.1 million as we recorded strong growth in student enrollment at Nahda University in Beni Suef (NUB), rolled out calibrated increases to tuition prices, and inaugurated NUB's faculty of physiotherapy. Factoring out one-time listing expenses, our adjusted EBITDA climbed 42.3% y-o-y to book EGP 340.8 million and yield a margin of 56.6% for FY-20/21, while the normalized bottom line expanded by 68.7% to reach EGP 243.0 million and book a margin of 40.4%.

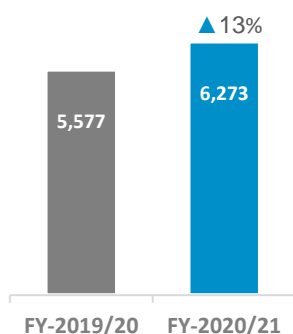
We have made impressive progress on our plans for expanding the offering at NUB. Construction has begun on the university's second campus and will soon commence on its new faculties of arts and architecture, and we have received approval to increase student quotas at the faculties of physiotherapy, computer science, and engineering. Taaleem is as committed as ever to providing students with the finest academic and extracurricular experiences. To this end, we have signed a new academic partnership agreement with Northern Kentucky University (NKU) which will allow eligible NUB students to transfer to NKU for their third or fourth years of study and receive degrees from both institutions. The agreement currently encompasses students at NUB's business administration faculty, with plans to eventually include engineering and computer science. Concurrently, we have finalized design work for our new institution, Badya University (BU), and have submitted a comprehensive licensing file. Taaleem has now capitalized Badya University's founding company, which has concluded a land purchase agreement with Palm Hills, our partners at BU.

Looking ahead, we are as confident as ever in Taaleem's ability to leverage its robust, scalable business model and synergistic platform to serve communities with high-quality, fit-for-purpose, skills-based, and sustainable higher education that optimizes benefits for students and employers. Underscoring our belief in Taaleem's potential to become Egypt's leading higher education group and the value we see in the Company's stock at this point in time, the Board of Directors has approved a share repurchase program. The share repurchases may be made from time to time through open market transactions and are subject to market and business conditions, levels of available liquidity, cash requirements for other purposes, regulations, and other relevant factors. Moving forward, we will continue to explore new opportunities for investment in a variety of geographies across Egypt, searching for propositions which will profitably and sustainably expand the Company's asset base.

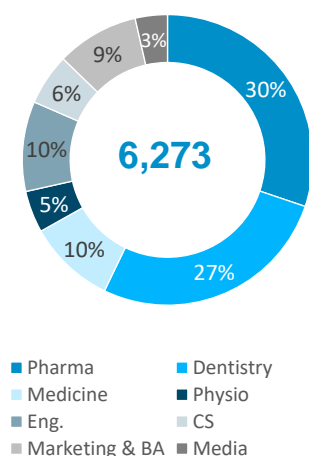
Mohamed El Rashidi, Managing Director

Operational Developments

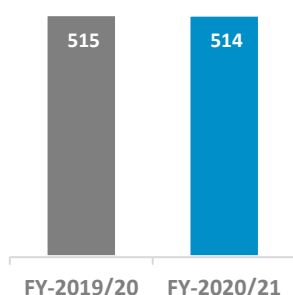
Enrolled Students



Students by Faculty (FY-2020/21)



Teaching Staff



Taaleem's portfolio includes one operational institution of higher education, **Nahda University in Beni Suef (NUB)**, and one institution under development: **Badya University**, located in West Cairo. Taaleem has operated Nahda University in Beni Suef (NUB) since 2015. Strategically located in Egypt's most populous region, NUB is Upper Egypt's first and largest private university. The university caters to a highly underserved region, with only three operating private universities. The first and second semesters of NUB's academic year coincide with the first three quarters of Taaleem's financial year, with only the summer semester recognized in the fourth quarter.

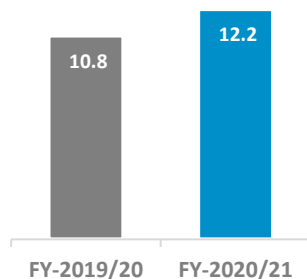
NUB had 6,273 enrolled students at the end of FY-20/21, up by 12.5% y-o-y from the 5,577 registered one year previously. The intake of students at private universities is subject to quotas imposed by Egypt's Ministry of Higher Education (MoHE), with distinct, faculty-specific limits set on the number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

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

NUB added a net of 696 students in FY-20/21, up by 289% y-o-y from the net increase of 179 students during FY-19/20. Growth was driven mainly by the launch of the physiotherapy faculty during the year, as well as an increase in the computer science faculty's student quota from 50 to 200 and in the medical faculty's student quota from 250 to 400. Enrollment in the engineering faculty was limited during FY-20/21 to facilitate the relocation of the faculty to premises at the Beni Suef Smart Village and the repurposing of its existing buildings for use by the newly launched physiotherapy faculty. The overall expansion in intake during FY-20/21 displays NUB's ability to successfully attract new students and accommodate strong demand. Demand was particularly strong at NUB's medical school, reflecting the high quality of education on offer at the faculty, which is Egypt's largest private faculty of medicine and benefits from an exclusive partnership with the Medical University of Vienna (MUVI), ranked among the top 60 universities globally in clinical medicine. NUB's intake quota utilization registered 80% in FY-20/21 against 87% one year previously, declining y-o-y despite growth in student intake during the year and reflecting the expansion in NUB's overall capacity as a result of heightened intake quotas at NUB's faculties of engineering and computer science.

NUB's pharmacy and dentistry faculties represented the university's two largest sources of enrolment during the year, pending the ramp-up of capacity utilization at remaining and newly introduced faculties. Approximately 30% of NUB students were enrolled at the faculty of pharmacy in FY-20/21, down from 35% in FY-19/20. The faculty of dentistry held 27% of enrolled students during FY-20/21, down from 32% one year previously. The year-on-year declines in these faculties' student shares reflect the abovementioned revision of MoHE-mandated capacity quotas, the introduction of the physiotherapy faculty, and the enrollment of the second cohort of medical students in FY-20/21. NUB's faculty of medicine held 10% of students in FY-20/21, doubling its FY-19/20 share of 5%, while the faculty of engineering accounted for a further 10% of students (2019/20: 12%). Meanwhile, NUB's physiotherapy faculty held 5% of students in its first year of operation, with the remainder of students accounted for by the

NUB Student-Teacher Ratio



computer science, marketing & BA, and media faculties.

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

NUB employed a total of 514 teaching staff by the close of FY-20/21, stable against the level of 515 registered for FY-19/20 and up from 429 in FY-18/19. The long-term increase in staff levels reflects the launch of NUB's faculties of medicine and physiotherapy, as well as efforts to accommodate double-digit student intake growth during the period. **NUB recorded a student-teacher ratio of 12.2x in FY-20/21, an increase from 10.8x in FY-19/20.** NUB's student-teacher ratio remains well below the national private university average of 18.6x and the Upper Egypt average of 20.3x, facilitating the delivery of high-quality, skills-based education, particularly in life science faculties. As newly launched faculties approach full utilization, NUB's low student-teacher ratio facilitates the extraction of cost efficiencies at the teaching-staff level.

FY-2021/22 Enrollment Update

Egypt's private higher education sector has experienced challenges with regards to enrolment of new students for the 2021/2022 academic years. These difficulties stem primarily from two developments. Firstly, the Egyptian Ministry of Education (MoE) has introduced a new secondary school examination system which has resulted in a 20-point decrease in schools' grade structure. For instance, the number of students who achieved grades of 80% or higher in 2021 fell to 91 thousand from 363 thousand in 2020. The Ministry of Higher Education (MoHE) has not accommodated this adjustment through a proportionate decrease in the minimum acceptance grade for universities, causing a significant reduction in the pool of students eligible for enrolment at public, private, and national universities. The decrease has been especially pronounced among applicants to highly competitive programs in the medical and STEM areas, despite the cohort of high school graduates in 2021 outnumbering the previous year's total by 70 thousand students.

Secondly, enrolment for 2021/22 has been impacted by the launch of a centralized enrolment system to replace the traditional system of direct enrolment. The new system has impeded universities' visibility on the dynamics of supply and demand in the higher education market, with institutions simply receiving a final allocation of students without being directly involved in the enrolment process.

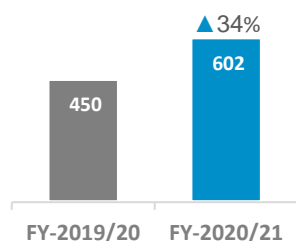
It is worth noting that Taaleem is fully capable of mitigating the impact from reduced student intake for 2021/22, particularly through the introduction of cost optimization measures. The Company continues to expect healthy year-on-year growth for FY-2021/22. Meanwhile, Taaleem has held several fruitful discussions with the MoHE, which has acknowledged the shortcomings of this year's enrolment process. The Company is confident that MoHE will introduce the required corrective measures to prevent such situation from occurring in subsequent enrolment windows. Taaleem will calibrate its approach in line with the MoHE's final decisions, guaranteeing the Company's ability to adapt rapidly to changing market dynamics and to maintain its strong growth momentum.

Financial Performance

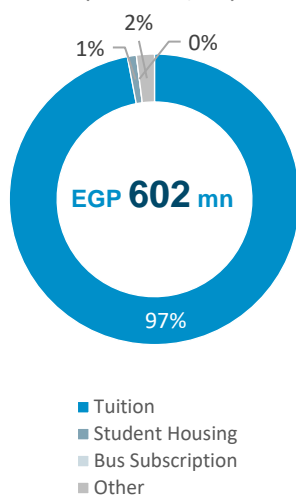
Summary Income Statement

EGP mn	FY-20/21	FY-19/20	Change
Revenue	602.1	450.2	33.7%
Gross Profit	425.6	294.1	44.7%
Gross Profit Margin	70.7%	65.3%	5.4 pts
Adjusted EBITDA	340.8	239.5	42.3%
Adjusted EBITDA Margin	56.6%	53.2%	3.4 pts
Net Profit	185.3	144.0	28.7%
Net Profit Margin	30.8%	32.0%	-1.2 pts
Normalized Net Profit	243.0	144.0	68.7%
Normalized Net Profit Margin	40.4%	32.0%	8.4 pts

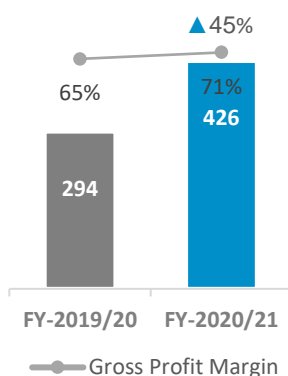
Revenue
(EGP mn)



Revenue Breakdown
(FY-2020/21)



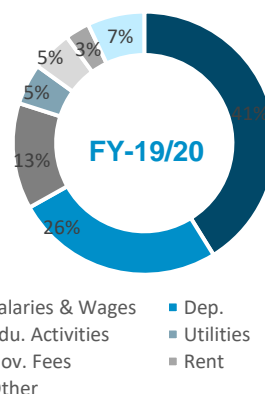
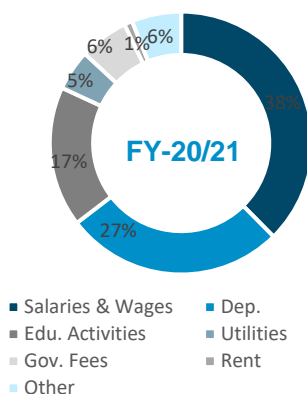
Gross Profit
(EGP mn)



Taaleem recorded total operating revenues of EGP 602.1 million for FY-20/21, up by 33.7% y-o-y from the EGP 450.2 million booked for FY-19/20. Double-digit top-line growth was propelled by an increase of 20.5% in tuition revenue per student and an increase of 12.5% in the number of enrolled students at NUB, reflecting the utilization of student quota increases and the ramp-up of recently launched faculties commanding higher price points.

Tuition fee revenue climbed by 35.6% y-o-y to book EGP 581.5 million for FY-20/21, constituting 96.6% of the Company's top line for the year. It should be noted that Taaleem collects tuition fees prior to the beginning of each NUB semester and recognizes the resulting revenue as educational services are provided over the course of the semester. **Tuition revenue growth for the year was driven by a broad-based expansion at all of NUB's faculties.** Leading contributors to growth in FY-20/21 included the faculties of medicine, physiotherapy, and pharmacy. Meanwhile, revenue from student housing rose by 2.5% y-o-y to book EGP 5.9 million in FY-20/21, reflecting an increase in housing fees. Revenue from bus subscriptions decreased by 59.2% during FY-20/21 following the impact of the COVID-19 pandemic and the digitalization of a considerable part of NUB's learning process for the period. Other educational fees generated revenues of EGP 14.5 million in FY-20/21, down by 3.5% y-o-y.

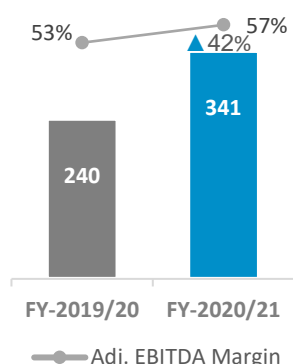
Operating Costs Breakdown



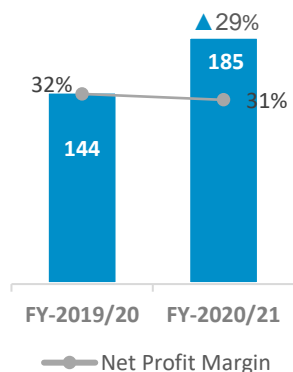
Operating costs booked EGP 176.6 million for FY-20/21, an increase of 13.1% y-o-y from the EGP 156.1 million reported at year-end FY-19/20.

Salaries and wages were the largest single component of Taaleem's operating cost base

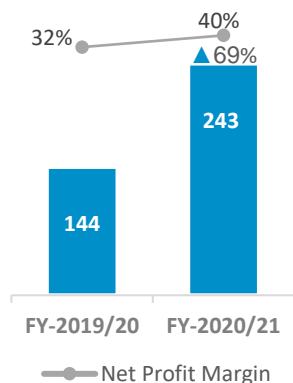
Adjusted EBITDA
(EGP mn)



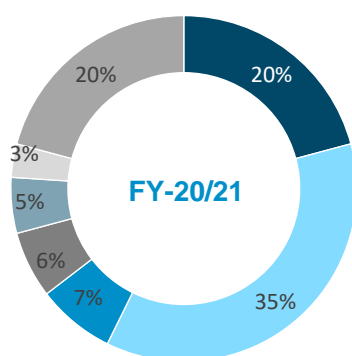
Net Profit
(EGP mn)



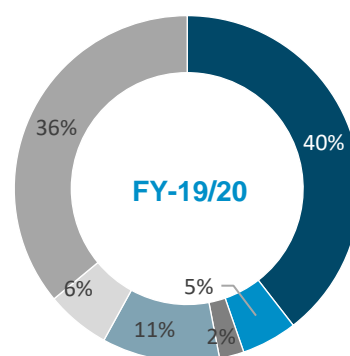
Normalized Net Profit
(EGP mn)



G&A Expenses Breakdown



- Salaries & Wages
- Listing Expenses
- VAT on Mgmt Fees
- Rent
- Professional Fees
- Advertising
- Other



- Salaries & Wages
- VAT on Mgmt Fees
- Rent
- Professional Fees
- Advertising
- Other

in FY-20/21, representing 37.5% of total operating costs and 11.0% of revenues. **Taaleem's operating costs recorded 29.3% as a percentage of revenues in FY-20/21, down from 34.7% in FY-2019/20**, reflecting the year's rapid y-o-y top-line growth.

Outlays on salaries and wages increased by 4.9% y-o-y, reflecting the optimization of NUB's teaching staff costs and the university's student-teacher ratio. Restrained growth in salaries and wages further reflects Taaleem's decision not to implement an annual salary increase during FY-20/21, combined with the efficiency of the hybrid pedagogical system introduced during the period.

Depreciation expenses were the second largest component of Taaleem's operating costs in FY-20/21, climbing by 16.1% y-o-y to represent 27.0% of total operating costs. The increase in depreciation outlays stems from the addition of buildings attached to the newly launched physiotherapy faculty and a newly developed learning resources center.

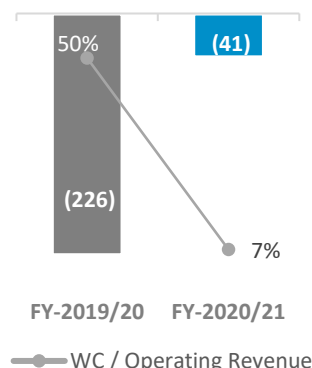
Expenses on educational activities represented 17.1% of operating costs in FY-2020/21. Such outlays increased by 48.9% y-o-y, driven by an expansion in the scope of NUB's academic partnership with MUVI to include certificate attestation, quality assurance, access to MUVI material, and broader operational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

Excluding depreciation expenses and international partnership fees, the y-o-y increase in operating costs declines to c.4.2% for FY-20/21, with the Company effectively able to engender reductions and savings on those variable costs which typically increase in line with revenues.

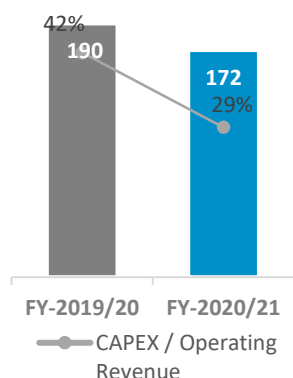
Taaleem recorded a gross profit of EGP 425.6 million for FY-20/21, up by 44.7% y-o-y from the EGP 294.1 million booked in FY-2019/20. This rapid increase reflects the ramp-up of intake utilization at higher-margin faculties during the period. Taaleem enjoys significant operating leverage, with the Company's operating costs being mostly fixed in nature. **The Company registered a gross profit margin of 70.7% for FY-20/21, up by 5.4 percentage points from the 65.3% recorded in FY-19/20.**

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

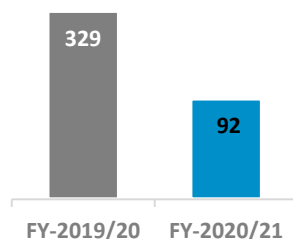
Working Capital
(EGP mn)



CAPEX
(EGP mn)



Net Cash
(EGP mn)



to FY-19/20. Normalizing for nonrecurring listing expenses, G&A expenses book EGP 137.3 million for FY-20/21, an increase of 29.0% y-o-y driven by increased rent and value-added tax (VAT) outlays, and the implementation of a Board of Directors sitting scheme. As a percentage of revenues, G&A expenses booked 35.2% in FY-20/21, up from 23.6% one year previously. On a normalized basis, G&A expenses as a percentage of revenues recorded 22.8% for FY-20/21, down by 0.8 percentage points y-o-y.

Non-academic salaries and wages represented 20.4% of Taaleem's G&A outlays in FY-20/21, booking 7.2% as a percentage of revenues (FY-19/20: 9.4%). Such costs grew by 2.7% y-o-y, an efficient rate of increase given the ongoing operational expansion at NUB, an efficiency which was reinforced by Taaleem's decision to refrain from an annual salary increase during FY-20/21. Nonrecurring listing expenses represented the bulk of Taaleem's GLA outlay during the period, at 35.2%. Meanwhile, VAT on management fees formed 7.1% of total G&A outlays in FY-20/21. Such VAT expenses nearly tripled y-o-y, reflecting the widened scope of services provided to NUB by Taaleem and a resulting increase in fees charged by Taaleem to the university. Rent expenses represented 6.3% of G&A outlays in FY-20/21, up from 2.2% one year previously as Taaleem leased a facility at the Beni Suef Smart Village business district for the relocation of the faculty of engineering, enabling the Company to implement an asset-light expansion plan in launching the physiotherapy faculty. The relocation has also facilitated increased student intake quotas at the computer science and engineering faculties.

Factoring out nonrecurring and one-time outlays, Taaleem's adjusted EBITDA records EGP 340.8 million for FY-20/21, up by 42.3% y-o-y from an adjusted EBITDA of EGP 239.5 million for FY-19/20. Taaleem booked an adjusted EBITDA margin of 56.6% for the year, up from the 53.2% booked for FY-2019/20. This climb in adjusted EBITDA reflects the Company's strong top-line performance during the year and comes despite y-o-y increases in operating costs and G&A expenses, indicating Taaleem's ability to generate strong expansions in profitability from given increases in revenue.

Taaleem booked a net profit of EGP 185.3 million for FY-20/21, up by 28.7% y-o-y from the EGP 144.0 million registered for FY-19/20. The net profit margin recorded 30.8% for FY-20/21, down slightly from the 32.0% booked one year previously. Strong bottom-line performance came despite the recognition of EGP 74.4 million in nonrecurring listing expenses and indicates Taaleem's ability to effectively translate revenue growth into increased profitability. Normalized net profit, which adjusts for listing expenses incurred during the year, recorded EGP 243.0 million for FY-20/21, marking an increase of 68.7% y-o-y and yielding a net profit margin of 40.4%.

The Company recorded total assets of EGP 1,484.7 million as at 31 August 2021, down by 4.2% from the position of EGP 1,550.2 million reported at the close of FY-19/20. CAPEX outlays came in at EGP 171.7 million for FY-20/21, recording 28.5% as a percentage of revenues for the period. CAPEX was down by 9.5% y-o-y from the EGP 189.8 million committed during FY-19/20. Approximately 63% of CAPEX outlays for FY-20/21 were allocated to the purchase and capitalization of NUB's existing campus. A further 20% of outlays were allocated to the purchase of state-of-the-art equipment for NUB's newly launched physiotherapy faculty and its learning resource center. The remainder of CAPEX outlays for FY-20/21 were allocated to vehicles and maintenance works.

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

The Company held EGP 92.4 million in cash and cash equivalents as of 31 August 2021,

down from the EGP 329.1 million reported on 31 August 2020. The decrease in cash balances reflects the distribution of EGP 110 million in dividends during FY-20/21, the payment of EGP 74.4 million in one-time listing expenses, and the acquisition of land in Beni Suef following the disbursement of an EGP 65 million down payment on the purchase.

Recent Corporate Developments

Badya University land purchase agreement complete

Continued progress is being made toward establishing Taaleem's second institution, Badya University in West Cairo. The Company has received initial approval from the Supreme Council of Private Universities (SCPU) on the project, the university's design has been finalized, and Taaleem has submitted a comprehensive licensing file. Taaleem has capitalized Badya University's founding company, which has signed a land purchase agreement with Palm Hills.

NUB educational hospital and new faculties under development

Construction of NUB's new teaching hospital attached to NUB's faculty of medicine has commenced. This facility will increase the quality and range of medical services available to residents of Beni Suef and Upper Egypt. The Company has also received approval from the SCPU to establish a faculty of arts and a faculty of architecture. Tendering has begun for the construction of buildings to house the two new faculties.

Student quota increased at three NUB faculties

The SCPU has approved a student quota increase at the physiotherapy faculty from 280 to 400 students. NUB has also received approval to increase quotas at the computer science faculty from 50 to 200 students and at the engineering faculty from 225 to 375.

NUB to offer post-graduate dental degree

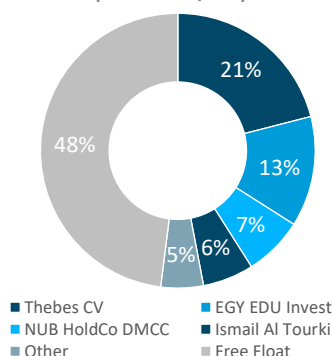
NUB has acquired the license required to offer post-graduate degree programs in the faculty of dental science, marking a significant enhancement of the range and quality of the academic options on offer at Taaleem's existing institution.

Taaleem signs academic partnership agreement with North Kentucky University

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

Shareholder Structure

(FY-2020/21)



Share Information

EGX	TALM.CA
Shares Outstanding	730,250,000
Paid-In Capital (EGP)	730,250,000

About Taaleem Management Services

Established in 2015, Taaleem is one of Egypt's leading providers of higher education services and is the tertiary education sector's only pure play firm. The company operates a platform-based model designed to be sustainably scalable across multiple assets. Taaleem's platform enables it to centralize supporting functions, generate synergies, and exploit economies of scale, allowing its academic institutions to focus on providing accessible, high-quality education that equips students with the skills needed to secure thriving professional careers. Taaleem's platform-based model has demonstrated its ability to create sustainable value with its success at Nahda University in Beni Suef (NUB), the company's first asset. Strategically located in Egypt's most populous region, NUB is Upper Egypt's first and largest private university, catering to highly underpenetrated regional market and providing students with access to high-quality education and skill-based learning at competitive price points. Taaleem's second institution, Badya University, is located in West Cairo and is currently under development. Badya University is being developed in partnership with Palm Hills, one of Egypt's leading real estate developers. Taaleem is constantly exploring new opportunities for sustainable growth, whether through mergers and acquisitions or greenfield projects, with an eye to extending its long record of successes. Learn more at:

www.taaleem.me

INVESTOR RELATIONS

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Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Income Statement

EGP	FY-20/21	FY-19/20	Change
Operating Revenues:			
<i>Tuition Fees</i>	581,505,393	428,903,370	35.6%
<i>Student Housing Subscription</i>	5,903,801	5,758,672	2.5%
<i>Bus Subscription</i>	227,828	558,442	-59.2%
<i>Other Educational Fees</i>	14,496,667	15,014,959	-3.5%
Total	602,133,689	450,235,443	33.7%
Operating Costs	(176,578,432)	(156,127,033)	13.1%
Gross Profit	425,555,257	294,108,410	44.7%
<i>Gross Profit Margin</i>	<i>70.7%</i>	<i>65.3%</i>	<i>5.4%</i>
G&A Expenses	(211,740,856)	(106,437,997)	98.9%
Provision	(204,000)	(1,000,000)	-79.6%
Other Income	10,844,442	2,269,814	
Operating Profit	224,454,843	188,940,226	18.8%
<i>Operating Profit Margin</i>	<i>37.3%</i>	<i>42.0%</i>	<i>-4.7%</i>
Net Finance Income:			
Interest Income	19,147,638	16,383,734	16.9%
Interest Expense	(2,463,909)	-	
FX Gain (Loss)	56,618	(644,140)	-108.8%
Total	16,740,347	15,739,593	6.4%
Profit Before Tax	241,195,189	204,679,820	17.8%
Current Tax Expense	(55,003,113)	(60,435,257)	-9.0%
Deferred Tax (Expense)/Income	(876,796)	(200,616)	
Net Profit	185,315,280	144,043,947	28.7%
<i>Net Profit Margin</i>	<i>30.8%</i>	<i>32.0%</i>	<i>-1.2%</i>
EPS	0.25	3.96	

Balance Sheet

EGP	FY-20/21	FY-19/20	Change
Cash and Cash Equivalents	92,406,660	172,411,849	-46.4%
Inventories	5,234,301	5,058,857	3.5%
Trade and Other Receivables	73,953,472	21,742,954	240.1%
Due from Related	600	3,498,963	
Treasury Bills	-	156,667,952	
Total Current Assets	171,595,033	359,380,575	-52.3%
Property and Equipment	774,399,373	651,326,133	18.9%
Intangible Assets	522,119,025	522,326,711	0.0%
Trade and Other Receivables	16,547,720	17,118,386	-3.3%
Total Non-Current Assets	1,313,066,118	1,190,771,230	10.3%
Total Assets	1,484,661,151	1,550,151,805	-4.2%
Provisions	5,752,805	5,623,614	2.3%
Trade and Other Payables	89,126,927	74,150,746	20.2%
Deferred Revenue	31,226,158	178,999,459	-82.6%
Due to Related Parties	-	32,880	-
Current Income Tax Liability	55,124,894	46,048,374	19.7%
Total Current Liabilities	181,230,784	304,855,073	-40.6%
Deferred Tax Liabilities	101,027,950	100,151,148	0.9%
Trade and Other Payables	63,237,869	54,132,219	16.8%
Total Non-Current Liabilities	164,265,814	154,283,367	6.5%
Paid-In Capital	730,250,000	730,250,000	-
Legal Reserves	1,495,196	125,000	-
Retained Earnings	396,834,241	351,770,583	12.8%
Capital and Reserves	1,128,579,437	1,082,145,583	4.3%
Non-Controlling Interests	10,585,111	8,867,782	19.4%
Total Equity	1,139,164,548	1,091,013,365	4.4%
Total Liabilities and Equity	1,484,661,151	1,550,151,805	-4.2%

Cash Flow Statement

EGP '000	FY-20/ 21	FY-19/20
Cash Flows from Operating Activities:		
Net Profit Before Tax	241,195,189	204,679,821
Adjustments For:		
Depreciation of Fixed Assets	48,628,108	41,886,852
Amortization of Intangible Assets	207,686	280,109
Provision Formed	204,000	1,000,000
Impairment of Debtors	-	22,270
Impairment of Due from Related	926,525	4,588,129
Gain From Sale of PP&E	(989,652)	-
Used Provisions	(74,809)	(3,915,849)
Profits Before Changes in Working Capital	290,097,047	248,541,332
Changes in Working Capital		
Inventories	(175,444)	1,426,446
Prepayments and Other Debit Balances	(51,639,852)	10,934,090
Due from Related	2,571,838	(4,427,508)
Trade Payables and Other Credit Payables	24,081,831	80,400,348
Deferred Revenue	(147,773,301)	(31,953,008)
Due to Related	(32,880)	-
Net Cash Flows Generated from Operating Activities	117,129,239	304,921,700
Interest Income	(19,147,638)	(16,383,734)
Taxes Paid During the Period	(45,926,587)	(43,349,615)
Net Cash Generated From Operating Activities	52,055,014	245,188,351
Cash Flows from Investing Activities		
Payments for Purchase of PP&E	(171,711,696)	(189,759,025)
Intangible Assets	-	-
Investments	-	-
Proceeds from Sale of PP&E	1,000,000	-
Interest Income	19,147,638	16,434,576
Net Cash Flows Used in Financing Activities	(151,564,058)	(173,324,449)
Cash Flows from Financing Activities		
Capital Increase	-	730,000,000
Settlement of Deferred Consideration for the Acquired Subsidiary	-	(730,263,468)
Profit Share Distribution to Employees	(7,756,088)	(7,336,554)
Dividends Distribution	(110,267,750)	-
Majority Acquisition of Minority Share	-	(2,032,500)
Tax on Dividends Related to Expected Distribution	(19,140,259)	(8,270,991)
Net Cash Flows Generated From Financing Activities	(137,164,097)	(17,903,513)
Net Change in Cash and Cash Equivalents for the Period	(236,673,141)	53,960,389
Cash and Cash Equivalents at the Beginning of the Period	329,079,801	275,119,412
Cash and Cash Equivalents at the End of the Period	92,406,660	329,079,801