

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

This announcement is an advertisement and not a prospectus and is not an offer of securities for sale in any jurisdiction, including in or into the United States, Australia, Canada or Japan. Neither this announcement, nor anything contained herein, shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any shares referred to in this announcement except solely on the basis of the information contained in an offering circular expected to be published by the Company in due course (the "Offering Circular").

## **Taaleem Management Services S.A.E. announces indicative price range for offering of ordinary shares on the Egyptian Exchange**

**13 March 2021 | Cairo, Egypt**

Taaleem Management Services S.A.E. (the "Company", and, together with its consolidated subsidiaries, "Taaleem" or the "Group"), Egypt's first institutionalized multi-brand higher education platform, announces today, the indicative price range for its proposed offering on the Egyptian Exchange ("EGX") (the "Offering").

The indicative price range for the Offering has been set between EGP 5.48 and EGP 6.02 per share implying an offering valuation ranging from EGP 4.0 billion to EGP 4.4 billion. The final offer price per share (the "Offer Price") may be revised from this indicative price range. The Offer Price will be determined in accordance with a book-building process.

The Offering is expected to consist of a secondary sale of shares by Sphinx Obelisk B.V. (the "Selling Shareholder") of up to 357,822,200 ordinary shares on the EGX, representing up to 49.0% of the Company's share capital post completion of the Offering and will include:

- (i) A private placement to qualified investors in several countries including Egypt (the "Private Placement"); and
- (ii) A retail offering to retail investors in Egypt (the "Egyptian Retail Offering")

The shares offered in both the Private Placement and the Egyptian Retail Offering (together, the "Combined Offering") will be offered at the Offer Price.

The Company has received approval for registration with the Egyptian Financial Regulatory Authority ("FRA") on 11 March 2021 as a preliminary step for the admission of its ordinary shares to listing and trading on the Egyptian Exchange and is currently in the process of obtaining the required approvals with regards to the Combined Offering, including approvals from the FRA and the EGX. Completion of the Combined Offering is expected to take place in Q2 2021, subject to market conditions and obtaining the relevant regulatory approvals.

The Group has shown strong financial performance over the years, recording operating revenue CAGR of 28% between FY 2017/18 and FY 2019/20, and an adjusted EBITDA CAGR of 37% over the same period. Average tuition revenue per student has witnessed a growth of 54% from EGP 49.9k in FY 2017/18 to EGP 76.9k in FY 2019/20, boosted by the ongoing introduction of new faculties that carry higher tuition per student. In FY 2019/20, the Company recorded operating revenues of EGP 450 million, up from the EGP 354

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

million recorded in FY 2018/19 and the EGP 274 million in FY 2017/18. In FY 2019/20, the Group's adjusted EBITDA<sup>1</sup> was EGP 240 million compared to EGP 184 million recorded in FY 2018/19 and EGP 128 million in FY 2017/18. Profit for the year for FY 2019/20 stood at EGP 144 million up from the EGP 110 million recorded in FY 2018/19 and EGP 62 million in FY 2017/18.

The Company has engaged CI Capital Investment Banking S.A.E ("CI Capital") to act as Sole Global Coordinator and Joint Bookrunner, and Renaissance Capital Egypt for Promoting and Underwriting of Securities S.A.E ("Renaissance Capital") and First Abu Dhabi Bank PJSC ("FAB") to act as Joint Bookrunners for the Combined Offering. For the avoidance of doubt, Renaissance Capital and FAB have been appointed as Joint Bookrunners in connection with the Private Placement only. Norton Rose Fulbright is international counsel to the Company. Matouk Bassiouny & Hennawy is local counsel to the Company. White & Case is local and international counsel to the Joint Bookrunners.

**For further information, please contact:**

**Taaleem Management Services S.A.E**

Khaled Khater

Chief Financial Officer

Email: [Khaled.khater@taaleem.me](mailto:Khaled.khater@taaleem.me)

Mobile: +(20)1027676857

**CI Capital**

Abdelrazzak Sidky

Email: [Abdelrazzak.sidky@cicapital.com](mailto:Abdelrazzak.sidky@cicapital.com)

Nader Toutounghi

Email: [nader.toutounghi@cicapital.com](mailto:nader.toutounghi@cicapital.com)

**Renaissance Capital**

Simon Aird

Email: [SAird@rencap.com](mailto:SAird@rencap.com)

Omar Gaafar

Email: [OGaafar@rencap.com](mailto:OGaafar@rencap.com)

**FAB**

Hollie Mcguinness

Email: [Hollie.Mcguinness@bankfab.com](mailto:Hollie.Mcguinness@bankfab.com)

<sup>1</sup> Adjusted for legal, advisory, and other expenses incurred in connection with the shareholders' acquisition of the Company in the calendar year 2015, and subsequently paid by the Company on behalf of the shareholders, discontinued operations and one-off gains/expenses, which are not recurring in the ordinary course of the Company's operations, and do not entail further accrual of the same nature or for the same purpose in the future, capital gain or loss resulting from the sale of fixed assets, and any expenses or fees relating to the listing of the Taaleem shares

---

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

## About Taaleem

Taaleem is a leading higher education provider in Egypt, which owns and operates Nahda University in Beni Suef (“NUB”) with two campuses in Beni Suef Governorate, 100 km south of Greater Cairo. The university is the largest private university in Upper Egypt with a total capacity of just over 11,000 students and more than 6,270 enrolled students for the 2020/2021 academic year, serving Egypt’s most populous and one of its most underserved regions. Taaleem’s flagship university, NUB, hosts a wide spectrum of high-quality education, including pharmacy, dentistry, engineering, computer science, media, marketing and business administration, medicine, and physiotherapy. NUB’s faculty of medicine is Egypt’s largest private medical faculty, and one of only five nationwide, with an exclusive partnership with the Medical University of Vienna International (“MUVI”), an internationally ranked university and one of the oldest medical universities in Europe. NUB plans to launch three new faculties over the next three years, subject to obtaining regulatory approvals, which are expected to boost student capacity by 27%.

In addition to NUB, the Company is in the process of launching Badya University in West Cairo, subject to regulatory approvals, with a potential total capacity of 9,160 students.

## Competitive Strengths

### **The First and Largest Private University in Upper Egypt, Offering High Quality Education, Generating Strong Demand Across Faculties**

- NUB is strategically located in Upper Egypt, the most populous and one of the most underserved regions in Egypt with a low university per capita ratio
- NUB is the first and largest private university in Upper Egypt
- NUB has been able to garner strong demand as evidenced by its 80%+ intake utilization on the back of the improved quality of education

### **Focusing on Faculties Generating Industry Leading Margins, Underpinned by Launching Egypt’s Largest Private Faculty of Medicine and One of Only Five Private Universities in Egypt**

- Affordable price point in comparison to peers and flexibility to increase tuition fees
- Taaleem has historically been able to generate above industry average margins as NUB has been consistently increasing its exposure to high margin faculties. For the 2020/2021 academic year, 67% of NUB’s student body is enrolled in high-margin faculties
- Launched Egypt’s largest medical faculty in terms of capacity among private universities with an annual capacity of 400 students as the first private faculty of medicine in Upper Egypt and one of only five private medicine faculties in Egypt with an exclusive partnership with MUVI

### **Spearheaded by a Committed and Highly Competent Management Team with a Strong Track Record in Growth Acceleration and Institutionalization**

---

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

- Led by an experienced team of educators and executives with broad experience in academics and business
- Committed to providing high-quality undergraduate, graduate and specialized degree programs and enhancing the student experience to strengthen outcomes
- Introduced the first institutionalized higher education management platform in Upper Egypt by enhancing infrastructure, improving the university offerings and hiring top tier academic staff over the last five years

**Unique Platform with Strong Financial Performance Supported by an Unlevered Balance Sheet, That is Expected to Accelerate on the Back of its Organic Expansion. A Pure Play on Egypt's underserved Higher Education Industry with a Superior Profitability Profile.**

- FY 2019/20 revenues of EGP 450mn and adjusted EBITDA of EGP 240mn, with a superior adjusted EBITDA margin of 53% as a result of being a pure play higher education player
- Solid track record with 3-year revenue and adjusted EBITDA CAGR of 28% and 37%, respectively
- Unlevered balance sheet with a Net Cash position

**Clear, Well-Articulated and Diversified Expansion Plan, Underpinned by the Introduction of New Faculties and the new Badya University**

- Expecting the introduction of three new faculties at NUB over the next three years offering agricultural engineering, arts, and architecture, which are expected to increase student capacity by 27%
- Taaleem entered into a joint venture with Palm Hills Development S.A.E. to set up a higher education campus with a capacity of 9,160 students in West Cairo controlled and managed by Taaleem
- Exploring opportunity to manage community colleges in Egypt in a number of governorates

**Operating in the Underpenetrated and Resilient Private Higher Education Market with Significant Barriers to Entry**

- Highly attractive supply and demand dynamics with the number of universities per one million capita of only 0.5 in Egypt while the demand continues to grow given supportive demographics
- Stable legal and regulatory framework imposes significant barriers to entry supported by a progressive regulator
- High capital requirements to fund campus real estate infrastructure form an additional barrier to entry in the sector

**Strong Commitment to Achieve Significant Social Impact While Implementing Best Governance Practices**

- Taaleem has been actively pursuing the highest environmental, social and safety standards for its students, employees and all other stakeholders
- Taaleem is an active player in the community promoting equality and social welfare with its campuses located in a governorate that was once listed as underdeveloped
- Adopting global best practices to ensure proper governance

– Ends –

---

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

## Important Notice

The material set forth herein is for informational purposes only and does not constitute an offer of securities for sale or a solicitation of any offer to buy securities in the United States, Australia, Canada or Japan or any other jurisdiction in which such an offer or solicitation is unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state in the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. No public offering of securities has been or will be made in the United States. Subject to certain exceptions, the securities referred to herein may not be offered or sold in Australia, Canada or Japan, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. Copies of this material are not being, and should not be, distributed or sent, directly or indirectly, into the United States, Australia, Canada or Japan.

This communication is an advertisement and not a prospectus and does not constitute an offer of securities to the public in the United Kingdom or elsewhere. Any offer to acquire shares pursuant to the proposed offering will be made, and any investor should make his investment, solely on the basis of information that is contained in the offering circular expected to be published by the Company in due course (the "Offering Circular"). Copies of the Offering Circular will, following publication, be available from the Company's registered office. In the United Kingdom, this communication and, when effected, the offering are and will be only addressed to, and directed at "qualified investors" as defined in Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129), as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, who are also (i) persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order), (ii) high net worth entities falling within Article 49(2)(a)-(d) of the Order or (iii) other persons to whom it may lawfully be communicated (all such persons together being referred to as "relevant persons").

Any person who is not a relevant person should not act or rely on this document or any of its contents. Any investment or investor activity to which this communication relates is only available to and will be engaged in only with, relevant persons.

This announcement and any offer if made subsequently is directed only at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(E) of the Prospectus Regulation EU 2017/1129 as amended (Qualified Investors). This announcement must not be acted on or relied on in any member state of the European Economic Area, by any person who is not a Qualified Investor. Any person in the EEA who acquires the securities in any offer (an investor) or to whom any offer of the securities is made will be deemed to have represented and agreed that it is a Qualified Investor. Any investor will also be deemed to have represented and agreed that any securities acquired by it in the offer have not been acquired on behalf of persons in the EEA other than Qualified Investors or persons in the UK and other member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis, nor have the securities been acquired with a view to their offer or resale in the EEA to persons where this would result in a requirement for publication by the Company or any manager of a prospectus pursuant to Article 3 of the Prospectus Regulation. The Company, CI Capital Investment Banking, Renaissance Capital and First Abu Dhabi Bank and their respective affiliates, and others will rely on the truth and accuracy of the

---

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

foregoing representations and agreements. This announcement does not constitute or form part of any offer or any solicitation to acquire nor shall it or the fact of its distribution, form the basis of, or be relied on in any acquisition. The securities must not be offered, sold or acquired except in circumstances that do not constitute a public offering. This announcement and any subsequent offer of securities may be restricted by law in certain jurisdictions and persons receiving this announcement or any subsequent offer should inform themselves about and observe any restriction. Failure to comply with these restrictions may violate securities laws of certain jurisdictions.

This document does not constitute a public offering or a private placement of securities or any offer which requires a license from the Egyptian Financial Regulatory Authority. Investors in Egypt should only refer to and make any purchases based solely in reliance on the public subscription notice to be reviewed and approved by the Egyptian Financial Regulatory Authority and/or the Egyptian Exchange.

No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The date of Offering (if it proceeds) may be influenced by a variety of factors, which include, among other things, market conditions. The Company may decide not to go ahead with the Offering, and there is, therefore, no guarantee that Offering will occur at all or in accordance with the timing indicated in this announcement. Potential investors should not base their financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorized person specializing in advising on such investments. Neither this announcement, nor the documents referred to herein, constitutes a recommendation concerning a possible offer. The value of Shares can decrease as well as increase, and potential investors must be able to bear the risk of loss, including a total loss, on their investments. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned. None of CI Capital, Renaissance Capital and FAB, or any of their respective affiliates or any of their or their affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

Each of CI Capital, Renaissance Capital and FAB is acting exclusively for the Company and no one else in connection with the possible Offering. They will not regard any other person as their respective clients in relation to the possible Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the possible Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.