

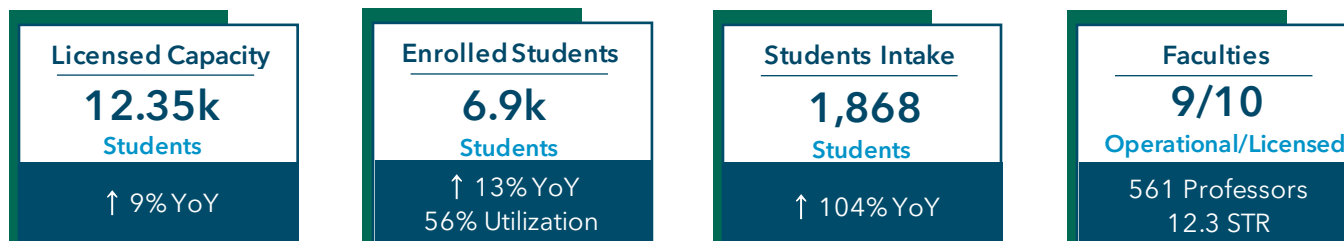
Taaleem Reports FY 21/22 Results

Cairo, 27 October 2022, Taaleem Management Services announces its results for the FY 21/22 period ending 31 August 2022.

FY 21/22 Financial Highlights



AY 22/23 Operational Highlights (NUB)



FY 21/22 Key Financial Highlights

- **Total revenue** came in at EGP 618mn, achieving a 3% YoY increase.
- **Gross profit** came in at EGP 416mn, a slight 2% YoY decline, with a gross profit margin of 67%, down by 327 bps YoY.
- **EBITDA** recorded EGP 355mn, growing 29% YoY with a strong 57% margin. Normalizing for the listing fees and other non-recurring expenses in FY 20/21, FY 21/22 EBITDA grew by approximately 4% YoY on the back of continued cost controls.
- **Net income** reached EGP 230mn, up by 24% YoY, yielding a healthy margin of 37%.
- **Cash & cash equivalents** landed at EGP 107mn, a 16% YoY increase.
- **CAPEX/revenue** reached 48%, compared to 29% last year, in line with the CAPEX plan to establish the university hospital and the Faculties of Arts and Architecture at NUB's new extension.

¹FY 21/22 EBITDA is compared to the adjusted EBITDA of FY 20/21, which excludes listing and other non-recurring expenses.

AY 22/23 Enrollment Update

Enrollment for AY 22/23 at Nahda University in Beni Suef (NUB) has progressed strongly, landing at 1,868 students, nearly 2x the number of newly enrolled students registered in AY 21/22. The strong enrollment momentum is owed to the university's leading academic offerings, excellent reputation in the market, and the record number of high school graduates eligible to enroll in universities, in addition to the SCPU's correction of sector-related disruptions during AY 21/22.

NUB's student body now stands at 6,913 students up by 13% compared to the previous year. Its total MoHE-mandated student capacity now stands at 12,350 for AY 22/23 hosting 9 faculties following the newly launched Faculty of Arts, compared to a capacity of 11,350 in AY 21/22 with 8 faculties.

NUB employed a total of 50 new professors, bringing its total to 561, to best serve its growing student base, including students enrolled in the newly launched Faculty of Arts. Student-teacher ratio reached 12.3x, up from the preceding year's 12.0x, in line with the university's expectation to reach a student-teacher ratio of 14x-15x with the continued ramp ups of its newly launched faculties. NUB's student-teacher ratio is well below the national private university average of 17.9x and the public university average of 23.9x, ensuring that its students are receiving excellent quality academic instruction.

Badya University Update

During FY 21/22, we were able to make important strides to ensure that Badya University is positioned at the forefront of higher education institutions in Egypt. We successfully signed an MoU with Maastricht University, one of the top universities worldwide, to establish a full academic partnership between Badya University and Maastricht University, encompassing all Badya University's programs.

In addition, Badya University is on a healthy path of development now that the SCPU has approved the university's file, with the licensing process pending only the Cabinet's approval and the issuance of the presidential decree. Given this progress, we have concluded the construction tendering process and completed our first construction milestone, which included levelling the land on which Badya University will be built.

Latest developments

- **June 8, 2022:** The SCPU terminated the centralized enrollment system that students were required to use to apply to private universities during AY 21/22, allowing them to directly apply to universities through their websites. It has also restructured the minimum acceptance grading system after the high school students' grades were announced, allowing for a careful analysis of test scores and determination of fair minimum acceptance grades that enabled private universities to admit the number of students required to utilize their capacities.
- **July 25, 2022:** Taaleem collaborated with Siemens Healthineers to equip its university hospitals with the latest solutions in the field of medical technology, including installing imaging and laboratory equipment from Siemens Healthineers in NUB's university hospital. In addition, both parties agreed on an educational partnership, allowing medical students to enroll in the Siemens Healthineers Academy. Taaleem and Siemens Healthineers also signed a Memorandum of Understanding to extend their collaboration to Badya University, Taaleem's second asset that is currently under development.
- **July 31, 2022:** Taaleem and Maastricht University, one of the top universities worldwide and the 6th among young universities in the world based on the Times Higher Education ranking, signed an MoU to establish an academic partnership between Badya University and Maastricht University. Under the MoU, Badya University students will receive a supplementary certificate from Maastricht University in addition to Badya University's degree upon graduation, as all the programs will be based on Maastricht University's programs. The agreement also includes the possibility of implementing a student exchange program.

Mohamed El Rashidi, Taaleem's Managing Director & Chief Executive Officer commented:

"I am very proud to report that our full year results are a clear reflection of Taaleem's resilient business model and operational sustainability, as they are a testament to our ability to navigate through various macroeconomic and sector-related challenges. I am also very excited about our growth prospects going forward and believe that we are well-prepared for a great year ahead, as we have already enrolled 1,868 new students for the AY of 22/23, over 2x more than the students we enrolled at the start of the AY of 21/22.

Our financial results for FY 21/22 point to strong operational efficiencies, as we booked a total revenue of EGP 618mn, reporting a 3% YoY increase, and recorded a healthy EBITDA margin of 57%, despite the lower intake numbers witnessed at the beginning of the year. Our net profit for the year came in at EGP 230mn, with a strong 37% margin.

During the past three months, we were able to seal a number of strategic deals that will further enhance our service offerings and secure our positive growth outlook. I am particularly pleased with the signing of an MoU with a distinguished institution like Maastricht University over an academic partnership with Badya University. The MoU will allow us to realize our vision of providing high quality educational services that rival global top-tier institutions, producing graduates who are able to compete in an increasingly challenging and dynamic global job market. We were also able to collaborate with Siemens Healthineers, forming a strategic partnership to the benefit of both NUB and Badya University, with the latter being an under-development institution, encompassing the provision of advanced medical equipment for our university hospitals and allowing our students to enroll in the Siemens Healthineers Academy.

We have also opened admissions for the newly launched Faculty of Arts at the beginning of the AY of 22/23, landing at a total of nine operating faculties and a capacity of 12,350. In addition, we recently announced that the Faculty of Architecture will follow in the academic year of 23/24, bringing NUB's total number of faculties to ten and its total licensed student capacity to 13,350. Going forward, I believe that our targeted expansion milestones at NUB, the upcoming launch of Badya University pending regulatory approvals, and our intention to expand our footprint in other attractive catchment areas both through asset ownership and management agreements, will secure Taaleem's growth plans and strategic positioning in the market."

Financial Performance Discussion

FY 21/22 - Income Statement Highlights

EGP mn	FY 2022	FY 2021	Δ % YoY
Revenue	618	602	3%
Operating Costs	(201)	(177)	14%
Gross Profit	416	426	-2%
Gross Profit Margin	67%	71%	(327bps)
G&A Expenses	(127)	(212)	-40%
EBITDA	355	274	29%
EBITDA Margin	57%	45%	1,190 bps
Net Finance Income/(Cost)	7	17	-61%
Net Profit	230	185	24%
Net Profit Margin	37%	31%	648 bps

- **Total revenue** came in at EGP 618mn, up by 3% YoY, despite the 48% YoY decline in new student intake. This is mainly attributable to the collective tuition increase of 5% YoY, which was partially offset by the 2% YoY decline in the total number of enrolled students in AY 21/22 resulting from low student intake against graduation.
- **Operating cost** rose 14% YoY, coming in at EGP 201mn. Excluding depreciation & amortization expenses, which include 14x the amortization expense of the comparable period due to the implementation of EAS 49 (leasing contracts), operating cost grew only 10% YoY mainly on a 13% YoY increase in salaries and wages, increasing salaries/revenue ratio by only 1% YoY to land at 12%.
- **G&A** came in at EGP 127mn, declining 40% YoY. Normalizing for the listing expense of EGP 74mn and other non-recurring expenses of EGP 1mn in FY 20/21, FY 21/22 G&A declined by 7% YoY on the back of efficient cost controls and a decrease related to the new accounting treatment.
- **EBITDA** landed at EGP 355mn, growing 29% YoY with a strong 57% margin. Normalizing for listing and other non-recurring expenses in FY 20/21, EBITDA grew approximately 4% YoY owed to continued cost containment efforts.
- **Net income** recorded EGP 230mn, a 24% YoY growth at a healthy 37% margin. Normalizing for listing expenses and one-off items in FY 20/21, FY 21/22 net income would have decreased slightly by 3% YoY, reflecting Taaleem's agility and ability to maintain its profitability despite challenging economic and sector conditions.
- **CAPEX** reached EGP 298mn, increasing 74% YoY and recording a CAPEX/revenue ratio of 48%. 94% of Taaleem's CAPEX for the year was disbursed on growth initiatives, including the new university hospital and the new faculties of Arts and Architecture.

FY 21/22 - Balance Sheet Highlights

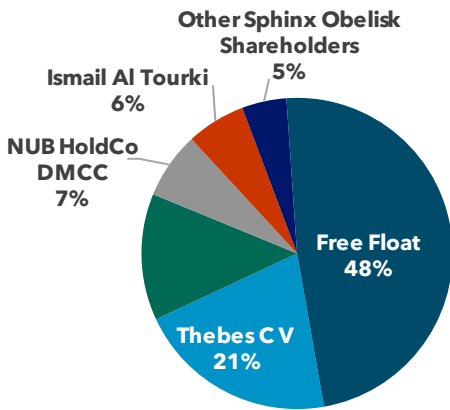
EGP mn	FY 2022	FY 2021	Δ % YoY
Total Assets	1,781	1,485	20%
Current Assets	184	172	8%
Non-current Assets	1,597	1,313	22%
Total Liabilities	444	345	29%
Current Liabilities	282	181	55%
Non-current Liabilities	163	164	-1%
Total Equity	1,337	1,139	17%
Total Liabilities & Equity	1,781	1,485	20%

FY 21/22 - Cash Flow Highlights

EGP mn	FY 2022	FY 2021	Δ % YoY
Cash Flow from Operations	335	52	543%
Cash Flow from Investing Activities	(283)	(152)	87%
Cash Flow from Financing Activities	(37)	(137)	-73%
Net Changes in Cash & Cash Equivalents During the Period	15	(237)	-106%
Cash & Cash Equivalents at the Beginning of the Period	92	329	-72%
Cash & Cash Equivalents at the End of the Period	107	92	16%

-End-

Shareholder Structure
As of August 31, 2022



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 document has been prepared by Taaleem Management Services and contains certain forward-looking statements that reflect the current views of the Company's management, which have not been independently verified. They 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 in this document.

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