

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

**AUDITOR'S REPORT
AND CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2024**

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

Consolidated financial statements - For the Year ended 31 August 2024

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Auditor's report

To the shareholders of Taaleem Management Services Company S.A.E.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Taaleem Management Services Company S.A.E (the "Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as of 31 August 2024 and the consolidated 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 Consolidated financial statements

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws. Management responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of consolidated 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.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies the accounting estimates made by management, as well as the overall presentation of the consolidated financial statements.

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



Auditor's report (continued)
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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Taaleem Management Services Company S.A.E. and its subsidiaries as of 31 August 2024, and their financial performance and their cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.



Ashraf Mamdoh
R.A.A. 26231
F.R.A. 383

3 November 2024
Cairo

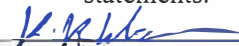
TAALEEM MANAGEMENT SERVICES COMPANY S.A.E AND ITS SUBSIDIARIES

Consolidated statement of financial position – As at 31 August 2024

(All amounts in Egyptian Pounds)	Note	2024	2023
Assets			
Non-current assets			
Fixed assets *	5	4,644,620,569	2,519,965,017
Intangible assets	6	605,773,523	521,703,888
Right of use assets	11	22,598,713	34,192,251
Debtors and other debit balances	8	14,835,726	15,406,391
Total non-current assets		5,287,828,531	3,091,267,547
Current assets			
Inventories	7	8,056,321	8,050,907
Debtors and other debit balances *	8	157,180,154	53,789,775
Cash and cash equivalents *	10	427,999,323	709,585,390
Total current assets		593,235,798	771,426,072
Total assets		5,881,064,329	3,862,693,619
Equity and liabilities			
Equity			
Paid-up capital	12	730,250,000	730,250,000
Put option reserve *	22	(753,158,690)	(611,337,891)
Reserves	13	10,256,045	10,623,911
Retained earnings		1,352,524,303	858,262,295
Total equity attributable to shareholders of the parent company		1,339,871,658	987,798,315
Non-controlling interests *	15	1,001,374,614	710,975,136
Total equity		2,341,246,272	1,698,773,451
Liabilities			
Non-current liabilities			
Deferred tax liabilities	17	87,120,134	96,821,021
Creditors and other credit balances	19 (A)	194,117,418	218,613,654
Lease liabilities	20	19,139,594	31,445,468
Bank borrowings *	16	1,655,234,064	544,529,955
Put option liability *	22	753,158,690	611,337,891
Total non-current liabilities		2,708,769,900	1,502,747,989
Current liabilities			
Provisions *	18	6,274,587	7,730,716
Lease liabilities	20	12,305,873	12,455,217
Bank borrowings *	16	114,760,388	62,337,687
Creditors and other credit balances	19 (A)	373,456,461	265,477,982
Deferred revenues	19 (B)	148,133,526	222,859,166
Current income tax liabilities	21	163,544,630	90,311,411
Employee stock ownership plan	14	12,572,692	-
Total current liabilities		831,048,157	661,172,179
Total liabilities		3,539,818,057	2,163,920,168
Total liabilities and equity		5,881,064,329	3,862,693,619

* Refer to note (32) for changes in comparatives.

- The accompanying notes on pages 8 - 59 form an integral part of these consolidated financial statements.


Mr. Khaled Khater
Chief Financial Officer


Eng. Mohamed El Rashidi
Chief Executive Officer

31 October 2024
 Auditor's report attached.

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

Consolidated statement of profit or loss - For the year ended 31 August 2024

(All amounts are shown in Egyptian Pounds)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenues	23	1,211,364,807	749,858,402
Operating costs	24	(291,918,581)	(227,862,025)
Gross profit		919,446,226	521,996,377
General and administrative expenses	25	(314,846,910)	(166,534,083)
Other income		6,754,059	3,352,951
Operating profit		611,353,375	358,815,245
Finance income - net	27	95,288,341	27,671,129
Profit before tax		706,641,716	386,486,374
Income tax expense	28	(164,532,213)	(90,443,758)
Deferred tax income	28	9,700,887	3,410,214
Profit for the year		551,810,390	299,452,830
Profit attributable to:			
Owners of the parent Company		547,547,664	297,108,871
Non-controlling interests	15	4,262,726	2,343,959
Profit for the year		551,810,390	299,452,830
Earnings per share	29	0.72	0.40

- The accompanying notes on pages 8 - 59 form an integral part of these consolidated financial statements.

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

Consolidated statement of comprehensive income - For the year ended 31 August 2024

(All amounts are shown in Egyptian Pounds)

	<u>2024</u>	<u>2023</u>
Profit for the year	551,810,390	299,452,830
Other comprehensive income	-	-
Total comprehensive income for the year	<u>551,810,390</u>	<u>299,452,830</u>
Total comprehensive income is attributable to:		
Owners of the parent Company	547,547,664	297,108,871
Non-controlling interests	4,262,726	2,343,959
Total comprehensive income for the year	<u>551,810,390</u>	<u>299,452,830</u>

- The accompanying notes on pages 8 - 59 form an integral part of these consolidated financial statements.

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

Consolidated statement of changes in equity - For the year ended 31 August 2024

(All amounts are shown in Egyptian Pounds)

	Note	Paid-up capital	Reserves	Put option reserve	Treasury shares	Retained earnings	Total equity attributable to shareholders of the parent company	Non-controlling interest	Total equity
Balance at 1 September 2022		730,250,000	3,020,225	-	-	591,297,005	1,324,567,230	12,281,916	1,336,849,146
Capital		-	-	-	-	-	-	70,000,000	70,000,000
Acquisition of subsidiary *		-	-	-	-	-	-	625,413,742	625,413,742
Profit share distribution to board members and employees		-	-	-	-	(11,749,591)	(11,749,591)	-	(11,749,591)
Tax on dividends related to expected distributions to shareholders		-	-	-	-	(15,935,306)	(15,935,306)	-	(15,935,306)
Legal reserve	13	-	3,861,964	-	-	(3,861,964)	-	-	-
Employee stock ownership plan		-	3,741,722	-	-	-	3,741,722	-	3,741,722
Put option reserve *	22	-	-	(611,337,891)	-	-	(611,337,891)	-	(611,337,891)
Consolidation of subsidiary		-	-	-	-	1,403,280	1,403,280	935,519	2,338,799
Total comprehensive income for the year		-	-	-	-	297,108,871	297,108,871	2,343,959	299,452,830
Balance at 31 August 2023 *		730,250,000	10,623,911	(611,337,891)	-	858,262,295	987,798,315	710,975,136	1,698,773,451
Balance at 1 September 2023		730,250,000	10,623,911	(611,337,891)	-	858,262,295	987,798,315	710,975,136	1,698,773,451
Capital		-	-	-	-	-	-	286,136,752	286,136,752
Profit share distribution to board members and employees		-	-	-	-	(26,507,775)	(26,507,775)	-	(26,507,775)
Tax on dividends related to expected distributions to shareholders		-	-	-	-	(23,404,025)	(23,404,025)	-	(23,404,025)
Legal reserve	13	-	3,373,856	-	-	(3,373,856)	-	-	-
Employee stock ownership plan		-	(3,741,722)	-	-	-	(3,741,722)	-	(3,741,722)
Put option reserve	22	-	-	(141,820,799)	-	-	(141,820,799)	-	(141,820,799)
Acquisition of treasury shares		-	-	-	19,713,496	-	19,713,496	-	19,713,496
Sale of treasury shares		-	-	-	(19,713,496)	-	(19,713,496)	-	(19,713,496)
Total comprehensive income for the year		-	-	-	-	547,547,664	547,547,664	4,262,726	551,810,390
Balance at 31 August 2024		730,250,000	10,256,045	(753,158,690)	-	1,352,524,303	1,339,871,658	1,001,374,614	2,341,246,272

* Refer to note (32) for changes in comparatives.

- The accompanying notes on pages 8 - 59 form an integral part of these consolidated financial statements.

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

Consolidated statement of cash flows - For the year ended 31 August 2024

(All amounts are shown in Egyptian Pounds)	<u>Note</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Profit before tax		706,641,716	386,486,374
Adjustments For:			
Fixed assets depreciation	5	49,238,295	48,806,289
Right of use assets depreciation	11	11,593,538	11,593,538
Intangible assets amortization	6	207,685	207,685
Debtors and other debit balances amortization		570,665	570,665
Gain from sale of fixed assets		(727,402)	(69,018)
Interest expense - lease	20	4,328,901	5,536,324
Interest expense		-	1,339,229
Interest income	27	(78,826,861)	(34,318,247)
Employee stock ownership expense		30,763,277	3,741,722
Operating profit before changes in operating assets and liabilities		723,789,814	423,894,561
Changes in operating assets and liabilities			
Inventories		(5,414)	(3,015,305)
Debtors and other debit balances		(108,765,986)	19,605,576
Change in restricted cash		(3,715,294)	-
Creditors and other credit balances *		(86,888,140)	271,516,533
Deferred revenues		(74,725,640)	134,105,079
Employee stock ownership plan settlements		(21,932,307)	-
Provisions used		(1,456,129)	(125,141)
Income tax paid	21	(86,817,653)	(70,190,195)
Net cash flows generated from operating activities		339,483,251	775,791,108
Cash flows from investing activities			
Payments for purchase of fixed assets* **	5	(1,924,619,939)	(853,933,990)
Payments for purchase of intangible assets		(84,277,320)	-
Net cash received on acquisition of subsidiary *		-	12,304,217
Proceeds from sales of fixed assets		727,402	120,000
Interest received	27	78,826,861	34,318,247
Net cash flows used in investing activities		(1,929,342,996)	(807,191,526)
Cash flows from financing activities			
Capital increase		272,196,752	70,000,000
Bank borrowings *		1,098,634,348	606,867,642
Payments for purchase of treasury shares		(19,713,496)	-
Proceeds from sale of treasury shares		20,136,699	-
Profit share distribution to board members and employees		(26,507,775)	(11,749,591)
Tax on dividends related to expected distributions to shareholders		(23,404,025)	(15,935,306)
Lease payments		(16,784,119)	(15,205,488)
Net cash flows generated from financing activities		1,304,558,384	633,977,257
Net change in cash and cash equivalents		(285,301,361)	602,576,839
Cash and cash equivalents at the beginning of the year		709,585,390	107,008,551
Cash and cash equivalents at the end of the year	10	424,284,029	709,585,390

* Refer to note (32) for changes in comparatives.

** The total payments for purchase of fixed assets include capitalized interest paid amounted to EGP 110,099,318 (31 August 2023: EGP 44,166,099) and exclude non-cash transactions amounted to EGP 235,333,908 (31 August 2023: 51,326,280) represented in projects under construction, debtors and other debit balances, creditors and other credit balances, and bank borrowings. The total capital expenditures for the purchase of fixed assets for the year amounted to EGP 2,173,893,847 (31 August 2023: 1,547,260,554) (Note 5).

- The accompanying notes on pages 8 - 59 form an integral part of these consolidated financial statements.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

1. Introduction

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

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

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

On 22 September 2019, EgyEdu Invest B.V a shareholding company incorporated in the Netherlands (intermediary parent) acquired 60% of the shares of “Sphinx Obelisk”, the parent of Taaleem Management Services, which is considered the leading management service provider for private higher education institutions in Egypt; operates and controls the “Nahda University” in Bani Suif.

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

Sphinx Obelisk (the former direct parent company) of Taaleem Management Services has sold its entire share to its shareholders, and currently the largest shareholder in Taaleem Management Services is (Thebes CV) owning 21% of the company's capital.

The consolidated financial statements have been approved by the Board of Directors on 31 October 2024, and the general assembly of shareholders has the right to amend these financial statements after their issuance.

2. Accounting policies

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

2.1 New issued and amendments made to the Egyptian Accounting Standards

On 3 March 2024, The Prime Minister issued Resolution No. 636 of 2024, amending some provisions of the Egyptian Accounting Standards, which include some new accounting standards and amendments to some existing standards. Accordingly, these amendments to accounting standards were published in the Official Gazette on 3 March 2024. The most significant amendments are summarized as follows, which are effective for financial periods beginning on or after 1 January 2024.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.1 New issued and amendments made to the Egyptian Accounting Standards (continued)

Standard name	Modification summary	Potential impact on the financial statements	Application date
<p>Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"</p>	<p>"Scope of the standard" The scope of the standard has been amended to include "determining the spot exchange rate when exchangeability between two currencies is lacking." Early application is permitted, and if the entity performed an early application, this shall be disclosed.</p> <p>"Measurement" - A currency that is difficult to exchange with another currency at the measurement date may later become exchangeable with that other currency, and the entity may conclude that the first subsequent exchange rate meets the conditions mentioned in paragraph 19A, and when the price does so, the entity may use this price as the estimated spot exchange rate.</p> <p>When there is difficulty in exchanging a currency for another currency on the measurement date, the entity must estimate the spot exchange rate on that date, and the estimated spot exchange rate must meet the estimated conditions on the measurement date.</p> <p>-When estimating the spot exchange rate as required under paragraph (19A), an entity shall use an observed exchange rate as the estimated spot exchange rate when that observed exchange rate meets the conditions provided in paragraph (19A).</p> <p>"Disclosures" Some new disclosures have been added to the spot exchange rate.</p>	<p>The standard has no impact on the financial statements.</p>	<p>Applies to financial periods beginning on or after September 1, 2024.</p>

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

Standard name	Modification summary	Potential impact on the financial statements	Application date
<p>Egyptian Accounting Standard No. (17) "The Separate financial statements"</p>	<p>"Scope of the standard" The scope of the standard has been amended to include "the use of the equity method in accounting for investments in subsidiaries, associates and joint companies." Early application is permitted, and if the entity performed an early application, this shall be disclosed.</p> <p>"Measurement" When an entity prepares separate financial statements, it must account for investments in subsidiaries, in entities under common control, and in sister companies: 1- At cost 2- According to Egyptian Accounting Standard No. (47) Financial Instruments 3- Using the equity method as described in Egyptian Accounting Standard No. (18) Investments in Associated Companies.</p> <p>The entity must apply the same accounting treatment to each category of investments. If the entity classifies investments recorded at cost or uses ownership rights as assets held for the purpose of sale or distribution (or within a group of assets being disposed of and held for sale) in accordance with Egyptian Accounting Standard No. (32), non-current assets held for the purpose of sale and discontinued operations. The facility must account for that investment from the date of that classification in accordance with Egyptian Accounting Standard No. (32). As for investments that are accounted for in accordance with Egyptian Accounting Standard No. (47), their measurement will not change in such cases.</p> <p>"Disclosures" Some new disclosures have been added.</p>	<p>The standard has no impact on the financial statements.</p>	<p>Applies to financial periods beginning on or after September 1, 2024.</p>

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

Standard name	Modification summary	Potential impact on the financial statements	Application date
<p>Egyptian Accounting Standard No. (34) "Investment in properties"</p>	<p>"Scope of the standard" The scope of the standard has been amended to include: "An entity must choose either the fair value model or the cost model as its accounting policy and must apply that policy to all of its investment in properties. Early application is permitted, and if the entity performed an early application, this shall be disclosed.</p> <p>"Measurement" - "Fair Value Model" After initial recognition, the entity must measure all its investment in properties at fair value - the gain or loss arising from the change in fair value must be included in the profit or loss for the period in which this change arises or through other comprehensive income for one time in the life of the asset. Or investment - in the event that the book value of investment in properties increases as a result of evaluating it at fair value, and the increase is recorded in other comprehensive income and collected within equity under the title of investment in properties evaluation surplus at fair value. However, the increase must be proven from profit and loss to the extent that it reflects a decrease. In evaluating the same investment, it was previously recognized in profit and loss.</p> <p>"Disclosures" Some new disclosures have been added.</p>	<p>The standard has no impact on the financial statements.</p>	<p>Applies to financial periods beginning on or after September 1, 2024.</p>

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.2 Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards, and the relevant laws, and on the basis of the historical cost convention.

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

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

Percentage of ownership in subsidiaries

The Group consists of the below companies unless otherwise stated and the percentage of ownership in subsidiaries are as follows:

	Country of incorporation	Ownership interest held by the Group		Ownership interest of non-controlling interests	
		2024	2023	2024	2023
Nahda Education Company S.A.E.	Egypt	99.99%	99.99%	0.01%	0.01%
Nahda University LP & Nahda University	Egypt	98.9%	98.9%	1.1%	1.1%
Nahda University Company for Education and Management Services Company S.A.E.	Egypt	99.9%	99.9%	0.1%	0.1%
Badya International University Company for Education S.A.E.	Egypt	60%	60%	40%	40%
SB Investment Company S.A.E.	Egypt	32%	32%	68%	68%

Ownership interest held by the Group in Nahda University LP includes Nahda University business. All subsidiaries reporting dates are based on the educational and academic year (September till August each year).

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

Name of subsidiary	Nahda University	
	2024	2023
Summarised balance sheet		
Current assets	568,408,420	629,336,400
Current liabilities	(553,532,589)	(497,530,547)
Current net assets	14,875,831	131,805,853
Non-current assets	1,573,758,849	1,253,092,128
Non-current liabilities	(302,190,417)	(421,935,431)
Non-current net assets	1,271,568,432	831,156,697
Net assets	1,286,444,263	962,962,550
Accumulated non-controlling interests	18,644,630	14,852,500

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.2 Basis of preparation of the consolidated financial statements (continued)

Name of subsidiary	Nahda University	
	2024	2023
Summarized statement of profit or loss		
Revenues	1,210,706,308	749,858,402
Profit for the year	453,764,528	289,180,487
Other comprehensive income	-	-
Total comprehensive income	453,764,528	289,180,487
Profit allocated to non-controlling interests	3,792,130	2,570,784

Name of subsidiary	Nahda University	
	2024	2023
Summarized statement of cash flows		
Cash flows generated from operating activities	152,706,591	96,834,707
Cash flows used in investing activities	(270,088,775)	(257,720,221)
Cash flows (used in) / generated from financing activities	(75,374,477)	405,047,766
Net change in cash and cash equivalents	(192,756,661)	244,162,252

Name of subsidiary	Badya International University Company for Education S.A.E.	
	2024	2023
Summarised balance sheet		
Current assets	87,116,816	85,912,915
Current liabilities	(149,974,167)	(122,304,459)
Current net assets	(62,857,351)	(36,391,544)
Non-current assets	2,200,224,443	574,597,607
Non-current liabilities	(1,562,375,951)	(361,433,832)
Non-current net assets	637,848,492	213,163,775
Net assets	574,991,141	176,772,231
Accumulated non-controlling interests	229,996,458	70,708,894

Name of subsidiary	SB Investment Company S.A.E.	
	2024	2023
Summarised balance sheet		
Current assets	238,849,603	286,265,866
Current liabilities	(23,922,757)	(11,142,986)
Current net assets	214,926,846	275,122,880
Non-current assets	519,414,461	296,283,419
Non-current liabilities	(5,725,531)	(9,525,500)
Non-current net assets	513,688,930	286,757,919
Net assets	728,615,776	561,880,799
Accumulated non-controlling interests	738,793,527	625,413,742

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.2 Basis of preparation of the consolidated financial statements (continued)

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

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

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

On 9 September 2015, the predecessor ultimate controlling party paid 730,263,464 Egyptian Pounds and entered into an investment agreement to acquire 97.72% of Nahda University founder share and 100% of Nahda Education Service S.A.E., which in turn own 98.73% of Nahda LP. On 10 September 2015, Nahda Education Company S.A.E. entered into an assignment agreement with the University's founders whereby they have contractually passed to Nahda Education Company S.A.E. all 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 Company for Education and Management Services S.A.E (the New Founder).

On 10 September 2015, Taaleem Management Services Company S.A.E. entered into a management agreement with Nahda University, which was subsequently revised on 1 June 2016. As per the revised management agreement, Taaleem Management Services Company S.A.E. became entitled to a management fee and can unilaterally direct the relevant activities of the University, drive key decisions, be exposed to variable return 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 S.A.E. ownership in Nahda LP became 98.91%. The carrying amount of the existing non-controlling interests was 250,000 EGP and the consideration paid to non-controlling interests is 2,000,000 EGP. The group recognized a decrease in non-controlling interests of 1,450,439 EGP and a decrease in equity attributable to owners of the parent of 549,561 EGP.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.2 Basis of preparation of the consolidated financial statements (continued)

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

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

On 19 September 2019, the Company entered into a nominee agreement with a shareholder that owns 52% (“the Shareholder”) of the established entity. The agreement concluded that the shareholder is a nominee of the company with the assignment of the title of the shares along with the attached voting, managerial and distribution rights to the Company. Accordingly, the group concluded that it controls the established entity and its results were consolidated in the consolidated financial statements 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 (EIHE), which was registered in the commercial register under No. 161102 (the “Established entity”). At the date of establishment Taaleem Management Services Company S.A.E owned 60%, and Palm Hills for Education S.A.E. owned 40%.

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

SB Investment Company S.A.E.

In 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 S.A.E 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 S.A.E 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.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.2 Basis of preparation of the consolidated financial statements (continued)

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

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

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

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

On 27 June 2024, a presidential decree was issued granting the right to the shareholders to establish Memphis University ("The University").

On 28 August 2024, Taaleem Management Services S.A.E. contributed an additional amount of EGP 48,092,588, representing their 32% shareholding in the Investee's capital increase.

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

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

2.3 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

2. Accounting policies (continued)

2.2 Basis of preparation of the consolidated financial statements (continued)

2.3.1 Acquisition method

The Group applies the acquisition method to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred in a business combination is measured at the fair value of the assets transferred, the liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. In any business combination, the Group recognises any non-controlling interests in the subsidiary at the proportionate share of the recognised amounts of acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquirer is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Inter-Company assets, liabilities, equity, income, expenses, and cash flows related to transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.3.2 Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the parent company.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

2. Accounting policies (continued)

2.3 Basis of consolidation (continued)

2.3.3 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, and contingent liabilities at the date of acquisition. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored inside the group at the operating segments level.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.3.4 Measurement period

The measurement period is the period required for the Group to obtain the information needed for the initial measurement of the items resulting from the acquisition of the subsidiary and does not exceed one year from the date of acquisition. In case the Group obtains new information during the measurement period relative to the acquisition, amendment is made retrospectively for the amounts recognised at the date of acquisition.

2.4 Investments in associates

Investments in associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.4 Investments in associates (continued)

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Where an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence is clearly demonstrated.

A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.5 Foreign currency transaction

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions made in foreign currency during the period are initially recognised in the functional currency of the Group on the basis of translation of foreign currency using the spot prevailing exchange rates between the functional currency and the foreign currency at the date of the transaction, and the monetary items denominated in foreign currency are also translated using the closing rates at the end of each financial period. Foreign exchange gains and losses resulting from the settlement of such monetary items and from the translation of monetary items denominated in foreign currencies are recognised by the Group in the profit 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.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.6 Fixed assets

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

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

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

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

Buildings	40 years
Infrastructure	10 years
Furniture and fixtures	4 - 7 years
Laboratories	7 years
Machinery and equipment	4 - 7 years
Vehicles	4 - 5 years
Books	20 years
Programs & computers	5 - 10 years

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

The carrying amount of the fixed asset is reduced to the recoverable amount, if the recoverable amount of an asset is less than it carrying amount. This reduction is considered as a loss resulting from impairment and is recognized in the consolidated statement of profit or loss.

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

Projects under construction are allocated to the relevant fixed assets category when the relevant assets are ready for use when it meets all the fixed assets recognition conditions. When the projects under construction cost exceeds the value expected to be recoverable it is reduced to the expected recoverable cost and the difference is recognized directly to the consolidated statement of profit or loss.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.7 Financial assets

(i) Classification

The Group classifies financial assets in the following measurement categories:

- Assets measured at fair value (either through other comprehensive income or through profit or loss); or
- Assets measured at amortized cost. Financial assets at amortized cost consists of debtors and other debit balances and treasury bills.

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

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

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

(ii) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

At initial recognition, the group measures a financial asset at its fair value plus, 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.

(iv) Debt instruments

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

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

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.7 Financial assets (continued)

(iv) Debt instruments (continued)

- Fair value through other comprehensive income: Assets held to collect both the contractual cash flows and the cash flows arising from the sale of assets; as these cash flows only represents payments of principal and interest at fair value through other comprehensive income.

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

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

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

2.8 Impairment of financial assets

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

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

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

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

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

Recoveries made are recognized in the consolidated statement of comprehensive income.

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

2. Accounting policies (continued)

2.9 Intangible assets other than goodwill

Licenses

The University licences acquired in a business combination are recognised by reference to fair value at the acquisition date. The University license presidential decree is indefinite, there are provisions for neither a licensing period nor license revoking in the private universities law No. 101 for 1992 which amended by law No. 12 for 2009, or its executive regulations, no governmental periodic renewal process or renewal fees requirements and no similar University license has been historically revoked or suspended in Egypt. The Group does not charge amortisation expenses to licence as it is considered as an infinite lived intangible asset.

For Software license: amortization is made over the license period, which is 10 years. The license is for the sites and educational programs that support the Group in the framework of the transition to interactive education.

2.10 Impairment of non-financial assets

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

2.11 Cash and cash equivalents

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

2.12 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises costs of purchase and other costs, incurred by the Group in bringing the inventories to their present location and condition, and excludes borrowing costs.

2.13 Capital

Ordinary shares

Ordinary shares are classified within equity.

Treasury shares

Where the Company or its subsidiaries purchase the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from the equity attributable to the Company's owners until the equity instruments are reissued, disposed of or cancelled. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.14 Current and deferred income tax

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

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

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

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

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

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

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

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

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

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

2. Accounting policies (continued)

2.15 Employees' benefits

(i) Profit-sharing

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

(ii) Defined contribution plan

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law No. 79 for the year 1975 and its amendments. The subsidiary's liability is confined to the amount of its contribution. Contributions are charged to the statement of profit and loss using the accrual basis of accounting.

(iii) Employee Share Ownership Plan

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

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

Elements of the scheme:

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

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.15 Employees' benefits (continued)

(iii) Employee Share Ownership Plan (continued)

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

During the year, the total employee stock ownership plan expenses incurred through the consolidated statement of profit or loss amounted to EGP 30,763,277 (31 August 2023: EGP 3,741,722).

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.17 Borrowing costs

Specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Group determines the amount of borrowing costs that are capitalised on this asset, which is the actual borrowing costs incurred by the entity during the period because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Group recognises other borrowing costs as expenses in the period the Group incurs such costs.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and amended to show the best present estimate. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the pre-tax rate expenditures expected to be required to settle the obligation.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.19 Creditors and other credit balances

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

2.20 Revenue recognition

According to the Egyptian Accounting Standard No. 48 – "Revenue from contracts with customers", revenue recognition consists of five steps (Identify the contract - Identify performance obligations - Determine the transaction price - Allocate the transaction price - Recognize revenue).

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold or service rendered due to the Group's normal course of business, stated net of value-added taxes, discounts, or deductions. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the Group's activities, as described below. The amount of revenue is not considered accurately measurable unless all cases of uncertainty regarding the possibility of the collection of the amount due are excluded.

(a) Tuition revenues

The Group provides educational services to students through its owned university. Educational revenue is recognised throughout the period of rendering the educational services.

(b) Bus and accommodation revenues

The Group provides transportation and accommodation services to students through its owned busses and dorms. The revenue is recognised throughout the period of rendering the services.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.21 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Group should be able to have access to the principal market or the most advantageous market.

The fair value of the asset or liability is measured using the assumptions that market participants may use when pricing the asset or liability, assuming that market participants behave in their own economic interests.

The measurement of the fair value of a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset at its maximum and bestselling condition or to sell to another market participant who will use the asset in its best use.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

2. Accounting policies (continued)

2.21 Fair value estimation (continued)

The Group uses valuation techniques that are appropriate in the circumstances and where sufficient data are available to measure the fair value, increase the use of relevant observable inputs and minimize the use of inputs that are not observable.

2.22 Segment 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 Group's segments and are represented to the central management committee. The Group has one business segment which provides educational services to the university's students and all its operations are in Egypt.

2.23 Dividends

Dividends are recognised as liabilities in the consolidated financial statements upon the approval of the Group'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.

2.24 Debtors and other debit balances

Trade receivables and other debit balances are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The carrying amount of the asset is reduced through the use of an impairment account, and the amount of the expected loss is recognised in the statement of profit or loss using the ECL, and it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

2.25 Leases

The Group rents buildings as a lessee; which are used in the Group's operations. The contact terms vary from one year to five years, and they don't include any non-lease components.

Until 31 August 2021, lease contracts were all recognized as operating leases. From 1 September 2021, these contracts are recognized in accordance with EAS No. (49) "Lease contracts". As such, the Group has recognized right of use assets and lease obligations related to these contracts.

2.25.1 Initial measurement (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. Lease payments are discounted using the implicit interest rate in the lease if that rate can be determined easily. If it is not possible to determine that rate, the tenant must use the interest rate on the additional borrowing of the tenant. The right of use asset is initially measured at the following:

- (a) Initial measurement amount for lease liabilities,
- (b) any lease payments made on or before the start date of the lease, minus any lease incentives received,
- (c) any initial direct costs incurred by the lessee,

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

2. Accounting policies (continued)

2.25 Leases (continued)

2.25.1 Initial measurement (Right of use assets): (continued)

An estimate of the costs that the tenant will incur in dismantling and removing the underlying asset, and returning the location in which the asset is located to the original state or returning the asset to its required condition in accordance with the terms and conditions of the lease, unless those costs will be incurred to produce the stock. The lessee incurs obligations for those costs, whether on the date of the start of the lease or as a result of using the underlying asset during a specific period.

2.25.2 Subsequent measurement (Right of use assets):

After the date of commencement of the lease, the “Right of use” principle is measured at cost.

- (a) Minus any accumulated depreciation and any accumulated impairment losses,
- (b) Show Modified by any re- measurement of the lease obligation.

2.25.3 Initial measurement (Lease liabilities):

On the date of the start of the lease, the commitment of the lease is measured at the present value of the unpaid rent payments on that date. Lease payments are discounted using the implicit interest rate in the lease if that rate can be determined easily. If that rate cannot be easily determined, the Group must use the incremental borrowing rate.

2.25.4 Subsequent measurement (Lease liabilities):

After the start date of the lease, the following may be done as part of remeasurement:

- (a) Increase the carrying amount of the obligation to reflect interest on the commitment of the lease.
- (b) Decrease the carrying amount of the obligation to reflect the rental payments to re-measure the carrying amount of the obligation to reflect any revaluation or adjustments to the lease or to reflect the fixed lease payments in their modified substance.

3. Financial risk management

3.1 Financial risks factors

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

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

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

3. Financial risk management (continued)

3.1 Financial risks factors (continued)

(a) Market risk

(i) Foreign currency exchange rate risks

Foreign currency exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates. The following analysis shows the calculation of the effect of reasonable and possible shift in foreign currencies against the functional currency of the Group while keeping all other variables constant, on the consolidated statement of profit or loss:

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

	2024		2023
	Assets	Net	Net*
USD	48,649,077	48,649,077	345,499
EUR	-	-	165
GBP	46,322	46,322	27,229
	48,695,399	48,695,399	372,893

* At the end of the year, the group does not have any liabilities in foreign currency.

Note 27 is illustrating the foreign currency gains or losses that have been recognised in the consolidated statement of profit or loss during the year.

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

	2024	2023
USD +/-10%	4,864,908	34,550
EURO +/-10%	-	17
GBP +/-10%	4,632	2,723

(ii) Cash flows and fair value interest rate risks

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

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

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

3. Financial risk management (continued)

3.1 Financial risks factors (continued)

(a) Market risk (continued)

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

The sensitivity on the consolidated financial statements is the effect of the assumed changes in the interest rates on the Group's results for one year based on financial assets and liabilities with variable interest rates at 31 August 2024:

	<u>Increase/ decrease</u>	<u>Effect on consolidated financial statements EGP</u>
31 August 2024	1%	17,699,945
31 August 2023	1%	3,554,928

(b) Credit risk

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

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

Balances exposed to credit risks are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	427,999,323	709,447,312

(c) Liquidity risk

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

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

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

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

3. Financial risk management (continued)

3.1 Financial risks factors (continued)

(c) Liquidity risk (continued)

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

	<u>Less than 6 months</u>	<u>From 6 months to 1 year</u>	<u>From 1 year to 5 years</u>	<u>Total</u>
31 August 2024				
Bank borrowings	58,510,388	56,250,000	1,655,234,064	1,769,994,452
Creditors and other credit balances	324,198,294	74,355,798	197,050,687	595,604,779
Lease liabilities	8,899,703	6,262,012	22,791,396	37,953,111
Put option liability	-	-	1,640,054,348	1,640,054,348
Total	<u>391,608,385</u>	<u>136,867,810</u>	<u>3,515,130,495</u>	<u>4,043,606,690</u>
31 August 2023				
Bank borrowings	-	62,337,687	544,529,955	606,867,642
Creditors and other credit balances	170,569,690	94,908,292	218,613,654	484,091,636
Lease liabilities	8,330,410	8,453,708	37,953,111	54,737,229
Put option liability	-	-	1,640,054,348	1,640,054,348
Total	<u>178,900,100</u>	<u>165,699,687</u>	<u>2,441,151,068</u>	<u>2,785,750,855</u>

3.2 Capital risk management

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

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

Net debt to total capital ratio is as follows:

	<u>2024</u>	<u>2023</u>
Total debt		
Creditors and other credit balances	567,573,879	484,091,636
Lease liabilities	31,445,467	43,900,685
Bank borrowings	1,769,994,452	606,867,642
Less: Cash and cash equivalents	(427,999,323)	(709,585,390)
Net debt	<u>1,941,014,475</u>	<u>425,274,573</u>
Total equity	2,341,246,272	1,698,773,451
Total capital	<u>4,282,260,747</u>	<u>2,124,048,024</u>
Net debt to total capital ratio	<u>45%</u>	<u>20%</u>

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

3. Financial risk management (continued)

3.3 Fair value estimation

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

The fair value of the non-current portion of creditors and other credit balances is not expected to have a material difference from the reported carrying amount.

4. Critical accounting estimates and judgment

(a) Critical accounting estimates and assumptions

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

(b) Impairment of goodwill and license

The Group tests goodwill and license for impairment at least annually. The recoverable amount of the cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates as further detailed in Note 6.

(c) Estimation of useful lives for fixed assets

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

(d) Impairment of financial assets

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

(e) Depreciation of right of use assets

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

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

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5. Fixed assets

	Land	Buildings	Infrastructure	Furniture & fixtures	Laboratories	Machinery & equipment	Vehicles	Books	Programs & computer	Projects under construction	Total
Year ended 31 August 2023											
Opening net book amount	200,541,727	352,917,127	69,486,404	23,499,447	54,638,489	3,790,062	5,272,627	476,706	955,968	309,983,177	1,021,561,734
Additions	-	-	-	2,807,114	1,401,326	837,526	-	-	1,898,400	1,540,316,188	1,547,260,554
Transfer from projects under construction	-	30,442,718	-	637,900	-	-	-	-	-	(31,080,618)	-
Disposals	-	-	-	-	-	-	(110,000)	-	(82,850)	-	(192,850)
Accumulated depreciation for disposals	-	-	-	-	-	-	109,999	-	31,869	-	141,868
Depreciation expense	-	(11,473,195)	(9,994,038)	(6,753,552)	(15,346,391)	(1,695,955)	(2,471,105)	(38,849)	(1,033,204)	-	(48,806,289)
Net book amount	200,541,727	371,886,650	59,492,366	20,190,909	40,693,424	2,931,633	2,801,521	437,857	1,770,183	1,819,218,747	2,519,965,017
At 31 August 2023											
Cost	200,541,727	465,605,707	127,163,049	116,415,657	125,218,423	19,770,213	41,239,161	776,975	7,389,801	1,819,218,747	2,923,339,460
Accumulated depreciation	-	(93,719,057)	(67,670,683)	(96,224,748)	(84,524,999)	(16,838,580)	(38,437,640)	(339,118)	(5,619,618)	-	(403,374,443)
Net book amount	200,541,727	371,886,650	59,492,366	20,190,909	40,693,424	2,931,633	2,801,521	437,857	1,770,183	1,819,218,747	2,519,965,017
Year ended 31 August 2024											
Opening net book amount	200,541,727	371,886,650	59,492,366	20,190,909	40,693,424	2,931,633	2,801,521	437,857	1,770,183	1,819,218,747	2,519,965,017
Additions	-	-	1,215,814	2,773,948	6,979,206	638,931	16,677,060	-	-	2,145,608,888	2,173,893,847
Transfer from projects under construction	-	-	-	3,945,377	4,181,813	-	-	-	1,298,300	(9,425,490)	-
Disposals	-	-	-	-	-	-	(2,080,000)	-	-	-	(2,080,000)
Accumulated depreciation for disposals	-	-	-	-	-	-	2,080,000	-	-	-	2,080,000
Depreciation expense	-	(12,247,267)	(10,151,383)	(6,673,321)	(14,382,565)	(1,208,657)	(2,983,096)	(38,955)	(1,553,051)	-	(49,238,295)
Net book amount	200,541,727	359,639,383	50,556,797	20,236,913	37,471,878	2,361,907	16,495,485	398,902	1,515,432	3,955,402,145	4,644,620,569
At 31 August 2024											
Cost	200,541,727	465,605,707	128,378,863	123,134,982	136,379,442	20,409,144	55,836,221	776,975	8,688,101	3,955,402,145	5,095,153,307
Accumulated depreciation	-	(105,966,324)	(77,822,066)	(102,898,069)	(98,907,564)	(18,047,237)	(39,340,736)	(378,073)	(7,172,669)	-	(450,532,738)
Net book amount	200,541,727	359,639,383	50,556,797	20,236,913	37,471,878	2,361,907	16,495,485	398,902	1,515,432	3,955,402,145	4,644,620,569

Depreciation for the year ended 31, August 2023 includes an amount of EGP 45,675,877 for operating expenses and EGP 3,130,412 for general and administrative expenses.

Depreciation for the year ended 31, August 2024 includes an amount of EGP 45,673,288 for operating expenses and EGP 3,565,007 for general and administrative expenses.

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5. Fixed assets (continued)

During the year, an amount of EGP 112,321,982 (year ended 31 August 2023: EGP 55,486,445) was added to projects under construction, representing borrowing costs on multiple projects in Nahda University Beni Suef. During the year, an amount of EGP 233,111,334 (year ended 31 August 2023: EGP 40,005,934) was added to projects under construction, representing capitalized borrowing costs on Badya University project.

* Projects under construction additions include an amount of EGP 52,344,193 for Badya University land, an amount of EGP 1,471,332,879 for Badya University phase one construction, equipment, and furnishing works, and an amount of EGP 361,553,253 for Nahda University's new projects and an amount of EGP 257,571,042 for Memphis University's construction works, and an amount of EGP 2,807,521 for Taaleem Management Services.

6. Intangible assets

31 August 2023	Movement			Balances
	Goodwill	License	Software	2023
Arising from business combination	222,464,614	298,409,000	1,037,959	521,911,573
Amortisation charge	-	-	(207,685)	(207,685)
Net book amount	222,464,614	298,409,000	830,274	521,703,888
31 August 2024	Movement			Balances
	Goodwill	License	Software	2024
Arising from business combination	222,464,614	298,409,000	830,274	521,703,888
Additions	-	84,277,320	-	84,277,320
Amortisation charge	-	-	(207,685)	(207,685)
Net book amount	222,464,614	382,686,320	622,589	605,773,523

6.1 Goodwill

Nahda University LP and Nahda University are considered as one cash-generating unit as group has only one university that is located in Egypt, for which the goodwill resulting from acquisition was allocated.

The recoverable amount of cash-generating unit is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which cover a period of nine years maximum. The terminal value is calculated using a 5% terminal growth rate (31 August 2023: 5%) which does not exceed the long-term average historical growth rate for the education sector in which the subsidiary operates. The management determines the specific assumptions of cash flow forecasts based on past experience and expectations of the market.

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Notes to the consolidated financial statements - For the year ended 31 August 2024

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

6. Intangible assets (continued)

6.2 Licenses

The fair value of the license is determined by using multi-period excess earnings method. ("MEEM") The fundamental principle underlying the MEEM is to isolate the net earnings attributable to the asset being measured. Cash flows are used as a basis for applying this method. An intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life excluding contributory assets. The net present value of any tax benefits associated with amortising the intangible asset for tax purposes (where relevant) is added, to arrive at the intangible asset's fair value. The contributory asset charges are calculated using the assets' respective fair values, and they are based on an 'earnings hierarchy' or prioritisation of total earnings ascribed to the assets in the group. The earnings hierarchy is the foundation of the MEEM, in which earnings are first attributed to a fair return on contributory assets (such as investment in working capital) and fixed assets. These are considered a prerequisite to developing the ability to deliver goods and services to customers, and thus their values are not included as part of the intangible asset's value.

6.3 Software

The useful lives of the software development assets are assessed to be finite lives. Assets with finite lives are amortized over their useful lives and tested for impairment whenever there are indications that the assets may be impaired.

Amortization is recognized in the consolidated statement of profit or loss on a straight-line basis over the estimated useful life of the Software development asset from the date it is available for use the estimated useful lives are 10 years.

The University has signed a contract with Aptech's Company, which is a 10-year of license for the sites and educational programs for the Group in the framework of the transition to interactive education.

When testing Goodwill for impairment, the recoverable amount of a cash generating unit is determined based on value-in-use calculations. The recoverable amount was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a six-year period, this ascribed to the length of business cycle in the University. Cash flows beyond the six-year period are extrapolated using the estimated growth rates stated below. The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

Cash inflows used for the purpose of calculating the value in use include education revenue and tuition fees.

Cash outflows used for the purpose of calculating value in use include academic and admin staff costs, commissions, educational materials, and operating expenses.

Key assumptions used for value-in-use calculations to test the recoverability of goodwill are as follows:

	<u>2024</u>	<u>2023</u>
Revenue average annual growth rate	23%	23%
Gross profit average annual growth rate	22%	23%
Terminal growth	5%	5%
Discount rate	24%	23%

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

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

6. Intangible assets (continued)

Management determined the budgeted gross margin based on past performance and its market expectations. The weighted average growth rates used are consistent with the forecasts included in industry reports. The determined value in use is higher than the carrying value of intangible assets and hence no impairment losses were recognised in the consolidated financial statements.

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

6.4 Impact of possible changes in key assumptions

To measure the sensitivity of changes in the assumptions used on the value in use of goodwill, assuming that the following changes occur to the main assumptions and analysing their impact as follows:

- Assuming that: Budgeted average gross margin used in the value-in-use calculation for the CGU had been 5% lower than management's estimates, the value-in-use amount will be decreased by EGP 458 million (31 August 2023 EGP 427M) which represent a 9.5% (31 August 2023: 11.5%) decline in the value-in-use amount.
- Assuming that: Budgeted average revenue growth rate used in the value-in-use calculation for the CGU had been 1% lower than management's estimates, the value-in-use amount will be decreased by EGP 260 million (31 August 2023: EGP 72M) which represent a 5.4% (31 August 2023: 1.9%) decline in the value-in-use amount.
- Assuming that: Pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates, the value-in-use amount will be decreased by EGP 229 million (31 August 2023: EGP 245M) which represent a 4.7% (31 August 2023: 6.6%) decline in the value-in-use amount.
- Assuming that: Terminal growth rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates, the value-in-use amount will be increased by EGP 137 million (31 August 2023: EGP 136M) which represent a 2.8% (31 August 2023: 3.7%) incline in the value-in-use amount.

The 5% decline in growth rate or terminal growth rate or 5% increase in the discount rate would still result in significant excess of the value in use over the carrying amounts of intangible assets. Therefore, there are no indications of impairment of the carrying value of intangible assets.

7. Inventories

	<u>2024</u>	<u>2023</u>
Other supplies	5,293,975	4,874,186
Hospital supplies	<u>2,762,346</u>	<u>3,176,721</u>
	<u>8,056,321</u>	<u>8,050,907</u>

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

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

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

8. Debtors and other debit balances

	2024	2023
Advances to suppliers	62,677,818	11,945,910
Due from students	49,426,982	10,352,159
Prepaid expenses	27,855,406	22,133,573
Advances to tax authority	12,122,306	4,481,341
Deposits held with others	6,418,818	5,486,986
Letters of guarantee	5,725,531	5,725,531
Due from employees	1,780,952	1,374,159
Employees dividends paid in advance	-	6,649,000
Other receivables	6,008,067	1,047,507
	172,015,880	69,196,166
<u>Less: non-current portion</u>		
Prepaid expenses – non-current portion	(14,835,726)	(15,406,391)
	157,180,154	53,789,775

9. Related party transactions

The Group did not enter into any transactions with companies and parties 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.

9.1 Key management compensation

	2024	2023
Profit distribution	16,080,362	9,497,945
Salaries	24,816,137	16,915,882
Employee stock ownership plan payments	14,767,863	-
Board meeting attendance	6,600,000	7,440,000
	62,264,362	33,853,827

10. Cash and cash equivalents

	2024	2023
Bank current accounts	421,699,323	451,772,508
Deposits with banks	6,300,000	6,300,000
Cash on hand	-	138,078
Treasury bills – less than 3 months	-	251,374,804
Cash and cash equivalents	427,999,323	709,585,390

Current accounts and time deposits with banks are deposited with local banks under the supervision of the Central Bank of Egypt. The average interest rate on these current accounts during the year is 19% per annum (31 August 2023: 15%) and the interest rate on these time deposits during the year is 16% per annum (31 August 2023: 16%).

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

10. Cash and cash equivalents (continued)

The interest rate for the treasury bills with a maturity of less than three months is 26% (31 August 2023: 23%).

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	427,999,323	709,585,390
Less: restricted cash	(3,715,294)	-
Cash and cash equivalents	<u>424,284,029</u>	<u>709,585,390</u>

11. Right of use assets

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

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	34,192,251	37,216,893
Additions during the year	-	8,568,896
Depreciation during the year	(11,593,538)	(11,593,538)
Balance	<u>22,598,713</u>	<u>34,192,251</u>

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 interest rate range of 10.75% and 17.25% has been used.

12. 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 730,250,000 distributed to 730,250,000 shares with a par value of EGP 1 for each share.

The paid-up capital of the nominal value as at 31 August 2024 and 31 August 2023 is allocated as follows:

<u>Name</u>	<u>Nationality</u>	<u>No. of Shares</u>	<u>Value of shares</u>	<u>Paid-up capital</u>
31 August 2024 and 31 August 2023				
Thebes CV	Netherlands	152,045,115	152,045,115	152,045,115
EGY EDU BV	Netherlands	96,151,414	96,151,414	96,151,414
Other shareholders	Egyptian & foreign	482,053,471	482,053,471	482,053,471
		<u>730,250,000</u>	<u>730,250,000</u>	<u>730,250,000</u>

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

12. Paid-up capital (continued)

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

The extraordinary general meeting was held on 14 January 2020 and unanimously approved to increase the Company's authorized capital to EGP 1,000,000,000 (one billion Egyptian Pounds) and increase the Company's issued capital to EGP 730,250,000 (seven hundred thirty million two hundred fifty-thousand Egyptian Pounds).

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

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

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

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

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, and currently the largest shareholder in Taaleem Management Services is Thebes CV, owning 20.821% of the company's capital.

13. Reserves

	<u>2024</u>	<u>2023</u>
Legal reserve	10,256,045	6,882,189
Employee stock ownership plan reserve	-	3,741,722
	<u>10,256,045</u>	<u>10,623,911</u>

Legal reserve

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

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

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

14. Employee stock ownership plan

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	-	-
Expenses during the year	34,504,999	-
Settlements during the year	<u>(21,932,307)</u>	-
Balance at the end of the year	<u>12,572,692</u>	-

The employee stock ownership plan's reward is calculated on the basis of the difference between the share price at the beginning of the year (the first trading of the company's shares on the Egyptian Stock Exchange, which was 5.75 Egyptian Pounds for the first allocation) and the share price upon the exercise of the right by the end of the year. Then, the difference is multiplied by the number of units allocated to each participant to calculate the grant. The monetary allocation shall be then divided into three equal values and exercised over three consecutive years through the transfer of a number of shares calculated by dividing the annual value over the share price by the time of each exercise, resulting in the final shares for each beneficiary.

The estimated value of the incentive and reward scheme for two years is EGP 33,591,500, subject to change with the change in the share performance.

Treasury shares

To implement and fund the employee stock ownership plan and fulfilling the Groups's commitment towards the beneficiaries, on 17 April 2024 the Groups's Supervisory Committee has approved the conversion of 16,795,750 monetary units to EGP 61,079,055 divided over three years according to the plan, with 2,902,503 shares to be purchased for the purpose of funding the plan account and providing the shares to the beneficiaries for April 2024. The EGP 1 par value per share to be paid by the beneficiaries. The number of shares for April 2025 and April 2026 to be calculated by dividing the annual financial value by the share price (VWAP) preceding to each grant.

In accordance with the provisions of the Group's employee stock ownership plan under the Group's supervisory committee's supervision, and in accordance with the rules for listing and delisting of securities under the Egyptian stock exchange, and the Company's law no. 159 of 1981 and its executive regulations, the Board of Directors met on 23 April 2024 to approve the purchase of 2,902,503 of the Company's shares against an EGP 19,713,496 consideration. The group held the treasury shares to implement the employee stock ownership plan approved by the Financial Regulatory Authority on 1 June 2021. During the financial year ended 31 August 2024, the group sold these treasury shares to generate the cash used in settlement of the employee stock ownership plan liability.

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

15. Non-controlling interests

	<u>Capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total</u>
31 August 2023				
Balance at 1 September 2022	1,512,500	3,677,604	7,091,812	12,281,916
Minority share in subsidiary	-	-	935,519	935,519
Capital	695,413,742	-	-	695,413,742
Total comprehensive income for the year	-	-	2,343,959	2,343,959
Balance at 31 August 2023	696,926,242	3,677,604	10,371,290	710,975,136
31 August 2024				
Balance at 1 September 2023	696,926,242	3,677,604	10,371,290	710,975,136
Capital	286,136,752	-	-	286,136,752
Total comprehensive income for the year	-	-	4,262,726	4,262,726
Balance at 31 August 2024	983,062,994	3,677,604	14,634,016	1,001,374,614

16. Bank borrowings

	<u>2024</u>	<u>2023</u>
Medium-term loans – current portion	114,760,388	62,337,687
Medium-term loans – non-current portion	1,655,234,064	544,529,955
Total*	1,769,994,452	606,867,642

Bank Borrowings represent the value of a loan granted to the Group by Ahly United Bank. The total loan amount available is EGP 1.95 billion. The bank medium-term loans amounted to EGP 1,769,994,452 as of 31 August 2024 (31 August 2023: 589,235,236), the interest rate for the loan is 1.25% per annum plus lending corridor rate. The terms of these contracts are five years for Nahda University and nine years for Badya University, starting from the date of the first withdrawal of the "funding period", with a grace period granted to the Group of one year for Nahda University and five years for Badya University from the date of the first withdrawal.

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

* The medium-term loans outstanding at Nahda University amounted to EGP 393,750,000, and EGP 1,368,258,533 Badya International University company for Education S.A.E, previously Egyptian International for Higher Education S.A.E. Company.

Loan guarantees:

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

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16. Bank borrowings (continued)

Other pledges:

- Badya International University company for Education S.A.E, previously Egyptian International for Higher Education S.A.E. Company should provide the bank with an uncancellable power of attorney, which gives the bank the right to arrange a mortgage on the Company's own assets financed by the bank, for the power of attorney to include the right for the bank to register, sell to oneself or others, these assets.
- The Company should open an exclusive operating account with the bank in which the company deposits 100% of the tuition fees in this account.
- Transferring the surplus in cash flows to the Company's account at the bank, the surplus in cash flows is represented by the tuition fees for Badya University and any other income except for the operating expenditures.
- In case the shareholders decide to increase any management fees, the company pledges to grant the bank the priority of paying all the bank's due amounts related to the principle, interest and administrative expenses of the Company over the increase in the management fees.
- The company's shareholders pledge to cover any increase in cost or deficit in the debt service ratio from the shareholder's own resources or through capital increase.
- The company shall not distribute any dividends in any financial year until it settles all the due loan principle or any related interest or administration fees for the same year.
- All the above-mentioned conditions shall apply when Badya University starts operations.

Debt covenants:

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

17. Deferred tax liabilities

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

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

	Balance at 1 September 2023	Movement during the year charged to the statement of profit or loss	Balance at 31 August 2024
Deferred tax liabilities			
Fixed assets	16,550,178	894,761	17,444,939
Fixed assets - arising from business combination	15,326,012	(709,552)	14,616,460
Intangible assets - arising from business combination	67,129,228	-	67,129,228
Deferred tax assets			
Lease liabilities	(2,184,397)	193,878	(1,990,519)
Tax losses	-	(8,093,006)	(8,093,006)
Employee stock ownership plan	-	(1,986,968)	(1,986,968)
Net deferred tax liabilities	96,821,021	(9,700,887)	87,120,134

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17. Deferred tax liabilities (continued)

	Balance at 1 September 2022	Movement during the year charged to the statement of profit or loss	Balance at 31 August 2023
Deferred tax liabilities			
Fixed assets	17,066,443	(516,265)	16,550,178
Fixed assets - arising from business combination	16,035,564	(709,552)	15,326,012
Intangible assets - arising from business combination	67,129,228	-	67,129,228
Deferred tax assets			
Lease liabilities	-	(2,184,397)	(2,184,397)
Net deferred tax liabilities	100,231,235	(3,410,214)	96,821,021

18. Provisions

	Lawsuits provisions	Tax provisions	Total
Balances at 1 September 2022	1,262,182	3,593,675	4,855,857
Provisions formed during the year	-	3,000,000	3,000,000
Provisions used during the year	-	(125,141)	(125,141)
Balances at 31 August 2023	1,262,182	6,468,534	7,730,716
Provisions used during the year	-	(1,456,129)	(1,456,129)
Balances at 31 August 2024	1,262,182	5,012,405	6,274,587

19.A Creditors and other credit balances

	2024	2023
Amounts payable in relation to acquiring two plots of land	209,849,819	349,423,733
Interest payable	171,930,046	44,793,232
Accrued expenses	84,982,094	33,427,244
Retentions	30,198,921	13,004,832
Trade payables	28,592,245	27,420,953
Tax authority	20,608,928	6,802,105
Social insurance authority	698,265	361,623
Other payables	20,713,561	8,857,914
	567,573,879	484,091,636
<u>Less: non-current portion</u>		
Interest payable	(122,694,889)	(10,044,003)
Amounts payable in relation to acquiring a plot of land – non-current portion*	(71,422,529)	(208,569,651)
	373,456,461	265,477,982

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19.A Creditors and other credit balances (continued)

In April 2020, the group acquired a 26.5 acres plot of land in the new Beni Suef city as part of Nahda University expansion plan. The purchase price amounted to 90 million Egyptian pounds in addition to 1.5% one-time administrative expenses added to the price. The payment terms was a 25% in advance with the remaining balance payable in 5 annual instalments, bearing interest at the corridor rate announced by the Central Bank of Egypt plus 2%. The group paid the first instalment amounting to EGP 13.5 million on November 4, 2020, and the second instalment amounting to EGP 13.5 in November 2021 and the third instalment amounting to EGP 13.5 million in November 2022, and the fourth instalment amounting to EGP 13.5 million in November 2023. Borrowing costs capitalized in the projects under construction (Note 5) amounted to EGP 26.3 million. The Group will pay the remaining amount of the land purchase price with a total of EGP 13.5 million over one remaining annual instalment in addition to accrued interest amounted to EGP 1.3 million.

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

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

The land and its related liability are both recorded at the present value of the future payments discounted at the Company's incremental borrowing rate for the discounted amount to be EGP 346,889,848 and the interest amount to be of EGP 110,081,352. The total land liability as of 31 August 2024 is EGP 195,036,493.

19.B Deferred revenues

Deferred revenues represents, the revenues collected from the university students for the academic year 2024-2025 amounting to EGP 148,133,526 for which education services have not yet been provided as of 31 August 2024. These amounts will be amortized throughout the educational process from the date of commencement of the academic year 2024-2025.

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

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	222,859,166	88,754,087
Collected during the year	1,074,654,616	887,792,015
Revenue recognised during the year	<u>(1,149,380,256)</u>	<u>(753,686,936)</u>
Balance at the end of the year	<u>148,133,526</u>	<u>222,859,166</u>

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20. Lease liabilities

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

	2024	2023
Current value		
Less than one year	12,305,873	12,455,217
More than one year	19,139,594	31,445,468
	31,445,467	43,900,685

The lease movements are presented as follows:

	2024	2023
Balance at the beginning of the year	43,900,685	45,000,953
Additions during the year	-	8,568,896
Current value	43,900,685	53,569,849
Add: interest charged during the year	4,328,901	5,536,324
Less: lease payments during the year	(16,784,119)	(15,205,488)
Lease liabilities at the end of the year	31,445,467	43,900,685

The lease commitments undiscounted are as follows:

	2024	2023
Less than six months	8,899,703	8,330,410
From six months to one year	6,262,012	8,453,708
From one year to five years	22,791,396	37,953,111
	37,953,111	54,737,229

21. Current income tax liabilities

	2024	2023
Balance at the beginning of the year	90,311,411	70,057,848
Current income tax for the year	164,532,213	90,443,758
Paid during the year	(86,817,653)	(65,709,226)
Settled during the year	(4,481,341)	(4,480,969)
	163,544,630	90,311,411

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22. Put option liability/reserve

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	611,337,891	-
Additions during the year	-	611,337,891
Change in fair value during the year	141,820,799	-
	<u>753,158,690</u>	<u>611,337,891</u>

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

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

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

In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

23. Revenues

	<u>2024</u>	<u>2023</u>
Tuition fees	1,160,952,521	714,122,094
Student housing subscription	9,503,154	6,754,167
Bus subscription	412,287	214,491
Other educational fees	40,496,845	28,767,650
	<u>1,211,364,807</u>	<u>749,858,402</u>

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24. Operating costs

	<u>2024</u>	<u>2023</u>
Salaries and wages	118,633,662	87,936,856
Educational activities expenses	65,193,208	45,129,238
Depreciation expense	45,673,288	45,675,877
Governmental fees	21,098,946	13,379,479
Utilities expenses	12,066,114	9,482,741
Right of use assets depreciation	11,593,538	11,593,538
Amortization expenses	778,350	778,350
Other expenses	16,881,475	13,885,946
	<u>291,918,581</u>	<u>227,862,025</u>

25. General and administrative expenses

	<u>2024</u>	<u>2023</u>
Salaries and wages	88,076,097	58,560,134
Value added tax on management fees	40,404,996	14,936,549
Advertising expenses	39,869,107	8,184,037
Employee stock ownership plan expenses	30,763,277	3,741,722
Professional fees	29,495,634	21,681,199
Security and cleaning expenses	14,644,571	10,818,606
Maintenance fees	9,991,843	7,605,053
Social insurance	9,760,110	8,240,502
Board meeting attendance	6,600,000	7,440,000
Telephone and fax expenses	4,594,221	3,027,205
Rent expenses *	3,926,163	2,314,728
Depreciation expenses	3,565,007	3,130,412
Other expenses	32,773,058	16,853,936
	<u>314,846,910</u>	<u>166,534,083</u>

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

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

26. Expenses by nature

	<u>2024</u>	<u>2023</u>
Salaries and wages	206,709,759	146,496,990
Educational activities expenses	53,742,379	38,523,824
Depreciation expense	49,238,295	48,806,289
Value added tax on management fees	40,404,996	14,936,549
Advertising expenses	39,869,107	8,184,037
Employee stock ownership plan expense	30,763,277	3,741,722
Professional fees	29,495,634	21,681,199
Governmental fees	21,098,946	13,379,479
Transportation and travel expenses	15,179,486	8,065,493
Utilities expenses	12,066,114	9,482,741
Right of use assets depreciation	11,593,538	11,593,538
Maintenance fees	9,991,843	7,605,053
Social insurance	9,760,110	8,240,502
Cleaning expenses	8,012,818	5,749,723
Security	6,631,753	5,068,882
Board meeting attendance	6,600,000	7,440,000
Educational governmental fund subscription	6,361,000	3,415,645
Laboratory expenses	5,089,829	3,189,769
Telephone and fax expenses	4,594,221	3,027,205
Comprehensive medical insurance plan	4,425,238	2,339,337
Rent expenses	3,926,163	2,314,728
Conference and camps expenses	3,548,828	4,221,564
Community service expenses	754,448	135,230
Real estate tax	657,312	656,812
Amortization of prepaid expenses	570,665	570,665
Amortization of intangible assets	207,685	207,685
Other expenses	25,472,047	15,321,447
	<u>606,765,491</u>	<u>394,396,108</u>

27. Finance income - net

	<u>2024</u>	<u>2023</u>
Interest income	78,826,861	34,318,247
Foreign currency exchange gain	20,790,381	228,435
Interest expenses	(4,328,901)	(6,875,553)
	<u>95,288,341</u>	<u>27,671,129</u>

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

28. Income tax expense

	2024	2023
Income tax expense for the year	164,532,213	90,443,758
Deferred income tax for the year (Note 17)	(9,700,887)	(3,410,214)
	154,831,326	87,033,544

Effective tax rate

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

	2024	2023
Profit before tax	706,641,716	386,486,374
Income tax based on tax rate of 22.5%	158,994,386	86,959,434
Non-deductible expenses and income not subject to tax	(4,163,060)	74,110
Income tax expense	154,831,326	87,033,544
Effective tax rate	21.9%	22.5%

29. Earnings per share

(a) Basic:

Basic earnings per share is calculated by dividing:

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

	2024	2023
Net profit for the year attributable to owners of the parent company	547,547,664	297,108,871
Expected distribution to the employees	(21,776,870)	(6,747,712)
	525,770,794	290,361,159
Weighted average number of shares	730,250,000	730,250,000
Earnings per share	0.72	0.40

(b) Diluted

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

During the year ended 31 August 2024 the Group 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.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

30. Tax position

30.1 Taaleem Management Services Company

30.1.1 Income tax

- (a) Financial years from the date of inception till 31 August 2021:
- Tax returns are regularly submitted on the legal due dates and the above mentioned years are currently under inspection according to the income tax law no. 91 for the year 2005 and its amendments.
- (b) The period from 1 September 2021 till 31 August 2023:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (c) The period from 1 September 2023 till 31 August 2024:
- Tax return for this period is currently under preparation and will be submitted before 31 December 2024, i.e. within the legal deadline.

30.1.2 Payroll tax

- (a) The period from the beginning of the activity till year 2021:
- Documentary examination was carried out with no outstanding claims or disputes related to the period.
- (b) The period from year 2022 till 31 August 2024:
- The payroll tax is deducted monthly from the employees and regularly submitted to the Egyptian Tax Authority. The quarterly returns are submitted on the legal due dates and annual settlements are made in January of each year for the year ended 31 December according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.

30.1.2 Stamp tax

- (a) The period from inception till 31 August 2021:
- Documentary examination was carried out with no outstanding claims or disputes related to the period.
- (b) The period from 1 September 2021 till 31 August 2024:
- No activities subject to stamp tax were carried during the period. The Company has not been notified with any examination request for stamp tax for the period mentioned above till the date of the consolidated financial statements.

30.1.2 Withholding tax

- (a) The period from the beginning of the activity till 31 August 2024:
- 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 consolidated financial statements.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

30. Tax position (continued)

30.1 Taaleem Management Services Company (continued)

30.1.2 Value added tax (VAT)

- (a) The period 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 period mentioned above has been inspected with no outstanding claims or disputes related to the period.
- (b) The period from 1 September 2022 till 31 August 2024:
- The company regularly submits the monthly tax returns on the legal due dates.

There are no disputes with tax authorities and no uncertain tax issues until the reporting date.

30.2 Nahda University

30.2.1 Income tax

- (a) The period from the beginning of the activity till 31 August 2020:
- The university has been inspected by the Egyptian Tax Authority and all taxes have been paid.
- (b) The Period from 1 September 2020 till 31 August 2023:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (c) The Period from 1 September 2023 till 31 August 2024:
- Tax return for this period is currently under preparation and will be submitted before 31 December 2024, i.e. within the legal deadline.

30.2.2 Salaries tax

- (a) The period from the beginning of the activity till year 2022:
- Documentary examination was carried out with no outstanding claims or disputes related to the period.
- (b) The period from year 2023 till 31 August 2024:
- The payroll tax is deducted monthly from the employees and regularly submitted to the Egyptian Tax Authority. The quarterly returns are submitted on the legal due dates and annual settlements are made in January of each year for the year ended 31 December.

30.2.3 Withholding tax

- (a) The period from the beginning of the activity till 31 August 2024:
- The university 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 consolidated financial statements.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

30. Tax position (continued)

30.2 Nahda University (continued)

30.2.4 Stamp tax

- (a) The period from the beginning of the activity till 31 August 2020:
- Documentary examination was carried out with no outstanding claims or disputes related to the period.
- (b) The period from 1 September 2020 till 31 August 2024:
- Tax dues have been paid in accordance with Law No. 111 of 1980, amended by Law No. 143 of 2006, and the University is currently preparing for examination for this period.

30.2.5 Profit distribution tax

- (a) The period from year 2014 till 31 August 2018:
- Taxes have been paid in full, the tax examination was conducted, and form 9 was issued after all dues on the university were settled.
- (b) The period from 1 September 2018 till 31 August 2023:
- The University has paid the total tax due and is under preparation for inspection.
- (c) The period from 1 September 2023 till 31 August 2024:
- The University will pay the tax due with the submission of the annual tax return before 31 December 2024.

30.2.6 Value added tax (VAT)

- (a) Financial years from 2016 till 30 November 2020:
- The university has been registered for the VAT since the beginning of the law no. 67 for the year 2016 and the university has regularly submitted the monthly tax returns on the legal due dates. The period mentioned above has been inspected with no outstanding claims or disputes related to the period.
- (b) The period from 1 December 2020 till 31 August 2024:
- The company regularly submits the monthly tax returns on the legal due dates.

There are no disputes with tax authorities and no uncertain tax issues until the date of consolidated financial statements.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

30. Tax position (continued)

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

30.3.1 Income tax

- (a) The period from the beginning of the activity till 31 Aug 2023:
- The company regularly submits the tax returns on the legal due dates and the company has not been notified with any examination request for income tax for the period mentioned above till the date of the consolidated financial statements.
- (b) The period from 1 September 2023 till 31 Aug 2024:
- Tax return for this period is currently under preparation and will be submitted before 31 December 2024, i.e. within the legal deadline.

30.3.2 Salaries tax

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

30.3.4 Stamp tax

- (a) The period from the beginning of the activity till 31 August 2021:
- Documentary examination was carried out with no outstanding claims or disputes related to the period.
- (b) The period from 1 September 2021 till 31 August 2024:
- No activities subject to stamp tax were carried during the period. The Company has not been notified with any examination request for stamp tax for the period mentioned above till the date of the consolidated financial statements.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

30. Tax position (continued)

30.4 Nahda Education Company S.A.E.

30.4.1 Income tax

- (a) The period from the beginning of the activity till 31 August 2023:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (b) The period from 1 September 2023 till 31 August 2024:
- Tax return for this period is currently under preparation and will be submitted before 31 December 2024, i.e. within the legal deadline.

30.4.2 Payroll tax

- (a) The period from the beginning of the activity till 31 December 2023:
- No wages or salaries have been disbursed, and no tax examination has been conducted yet.
- (b) The period from 1 January 2024 till 31 August 2024:
- Tax returns for the period are submitted within the legal deadline, and as of July 2024, the company has joined the new salaries and wages system, and monthly settlements have been submitted on a regular basis. However, the company has no employees until the date of the consolidated financial statements.

30.4.2 Stamp tax

- (a) The period from the beginning of the activity till 31 August 2021:
- The period mentioned above has been inspected and all tax inspection differences have been paid.
- (b) The period from 1 September 2021 till 31 August 2024:
- No activities subject to stamp tax were carried during the period. The Company has not been notified with any examination request for stamp tax for the period mentioned above till the date of the consolidated financial statements.

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

30.5.1 Income tax

- (a) The period from the beginning of the activity till 31 August 2023:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.
- (b) The period from 1 September 2023 till 31 August 2024:
- The Company is currently undergoing tax inspection for the above mentioned period.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

30. Tax position (continued)

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

30.5.2 Payroll tax

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

30.5.2 Stamp tax

- (a) The period from the beginning of the activity till 31 August 2024:
- No activities subject to stamp tax were carried during the period. The Company has not been notified with any examination request for stamp tax for the period mentioned above till the date of the consolidated financial statements.

30.6 SB Investment Company S.A.E

30.6.1 Income Tax

- (a) The period from inception till 31 December 2023:
- Tax returns are regularly submitted on the legal due dates according to the income tax law no. 91 for the year 2005 and its amendments and the unified tax procedures law no. 206 for the year 2020.

30.6.2 Payroll Tax

- (a) The period from inception till 31 December 2023
- No salary payments were made for this period and no tax inspections took place.
- (b) From 1 January 2024 till 31 August 2024:
- The company submits monthly tax reconciliations and submit form 4 quarterly in the legal due dates.

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

30. Tax position (continued)

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

30.6.3 Stamp tax

(a) The period from inception till 31 August 2024

- No activities subject to stamp tax were carried during the period. The Company has not been notified with any examination request for stamp tax for the period mentioned above till the date of the consolidated financial statements.

30.6.4 Withholding tax

(a) The period from inception till the third period of 2024

- 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 consolidated financial statements.

31. Capital commitments

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

	<u>2024</u>	<u>2023</u>
Capital commitments*	402,056,639	494,800,000

- * The capital commitments on 31 August 2024 represent the contract to establish NUB University hospital, Fine arts & Architecture building, as well as Badya University's phase one, and Memphis University's civil works for phase one.

32. Changes in comparative figures

The group has amended comparative figures to reflect the consolidation of a subsidiary, SB Investment Company S.A.E. during the year ended 31 August 2023 due to management's assessment of having full control over SB Investment Company S.A.E. from the effective date of the shareholders agreement between Taaleem Management Services S.A.E. and the existing shareholders of SB Investment Company S.A.E. during the year ended 31 August 2023 as disclosed in Note (2). Previously the group had assessed that it only had significant influence but having reassessed the position in the current year the group identified contractual clauses that granted the group control despite holding only a 32% interest. Associated with this, the group also recognised a gross written put liability with respect to a potential obligation to acquire additional shares in this entity from the non-controlling interests. These changes in comparative figures also impact the previously issued quarterly financial statements during the financial year 2024.

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

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

32. Changes in comparative figures (continued)

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

	Balance at 31 August 2023 as issued	Adjustments	Balance at 31 August 2023 adjusted
Consolidated statement of financial position			
Non-current assets			
Fixed assets	1,865,701,653	654,263,364	2,519,965,017
Investments in associates	294,312,258	(294,312,258)	-
Current assets			
Debtors and other debit balances	48,099,768	5,690,007	53,789,775
Cash and cash equivalents	429,180,355	280,405,035	709,585,390
Equity			
Put option reserve	(481,548,501)	(129,789,390)	(611,337,891)
Non-controlling interests	85,561,394	625,413,742	710,975,136
Non-current liabilities			
Bank borrowings	535,004,455	9,525,500	544,529,955
Put option liability	481,548,501	129,789,390	611,337,891
Current liabilities			
Provisions	4,730,716	3,000,000	7,730,716
Bank borrowings	54,230,781	8,106,906	62,337,687
Consolidated statement of cash flows			
	Balance at 31 August 2023 as issued	Adjustments	Balance at 31 August 2023 adjusted
Cash flows from operating activities			
Creditors and other credit balances	297,371,121	(25,854,588)	271,516,533
Cash flows from investing activities			
Payments for purchase of fixed assets	(841,670,910)	(12,263,080)	(853,933,990)
Net cash received on acquisition of subsidiary	-	12,304,217	12,304,217
Investments in associates	(294,312,258)	294,312,258	-
Cash flows from financing activities			
Bank borrowings	589,235,236	17,632,406	606,867,642

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

Notes to the consolidated financial statements - For the year ended 31 August 2024

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

33. Significant events

Movements in exchange rates for the Egyptian pound

During the financial year ended on 31 August 2024, the exchange rate of the Egyptian pound against the U.S. dollar reached an average of 47.50 pounds. The overnight deposit rate, the overnight lending rate, and the discount rate increased by 600 basis points reaching 27.25%, 28.25%, and 27.25% respectively.

Nahda University receives the presidential decree to establish new faculties

On 28 August 2024, Nahda University in Beni Suef (NUB) has received the presidential decree to add two new faculties, namely Nursing and Medical Sciences.

Issuance of Memphis University's presidential decree

On 27 June 2024, the presidential decree for Memphis University was approved and issued, marking the conclusion of the licensing process. Memphis University is scheduled to commence its operations in September 2025, which will encompass the faculties of medicine, business administration, and engineering.