

Date: 15th November 2021

M/S . / Boursa Kuwait Company

التاريخ: 15 نوفمبر 2021

المحترمين

السادة/ شركة بورصة الكويت

Greetings,

تحية طيبة وبعد،،

**Subject: Analysts/Investors Conference minutes
for the third Quarter of 2021**

**الموضوع: محضر مؤتمر المحللين/المستثمرين للربع الثالث من العام
2021**

With reference to the aforementioned subject, and to our letter sent to you on 11/11/2021, kindly find attached the minutes of the analysts / investors conference for the third quarter of 2021.

بالإشارة إلى الموضوع أعلاه، وإلى كتابنا المرسل لكم بتاريخ 2021/11/11، نرفق لكم محضر مؤتمر المحللين/المستثمرين عن الربع الثالث لعام 2021.

Yours Sincerely,

وتفضلوا بقبول فائق الإحترام،،،

دلال حسن السبتي

رئيس مجلس الإدارة

**Dalal Hasan Al Sabti
Chairperson of the Board of Directors**

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Company: Humansoft Holding Company

Conference Title: Humansoft Q3 2021 results conference call (Edited Transcript)

Date: Thursday, 11th November 2021

Time: 3 pm (Kuwait time)

Hatem Alaa Hello, everyone. This is Hatem Alaa from EFG Hermes, and welcome to Humansoft's third quarter 2021 results conference call. I'm pleased to have on the call today Anup Dhand, the company's CFO. We'll start by some comments from Anup, and then we'll open the floor for Q&A. Just as a reminder, to ask a question, you can either click on the raised hand button on the right-hand side of your screens, and unmute your lines, or you can type your question in the chat. Anup, please go ahead.

Anup Dhand Good afternoon everyone, we are glad to have you today with us and welcome you to the Humansoft Q3 2021 results conference call. I hope you and your loved ones are keeping safe.

Thank you team at EFG for facilitating the call.

I am Anup Dhand, CFO of Humansoft, and I would like to run through the Q3 2021 highlights in brief and then leave the floor open for Q&A.

At the outset, I would like to mention that any forward looking statements or views discussed during this call are subject to risks and uncertainties that may cause the actual results to differ. Humansoft does not assume any obligation to update such views or statements nor make any announcements regarding any revised circumstances.

Some of the key highlights for Humansoft during Q3 2021 were:

- Three thousand one hundred and eighty three new students were admitted in Fall 2021. Thirteen thousand seven hundred and fifty three students were enrolled in total at the start of Fall 2021 semester.
- Fall 2021 semester is offered in a hybrid format and is scheduled from October 2021 to January 2022.
- The college of Business administration at AUM and HEC Montreal have established a strategic partnership in graduate studies.
- Fall 2021 semester is offered in a hybrid format where students will be rotating between on campus and online teaching.
- Preparations for fall 2021 campus resumption were aligned with national and international requirements.
- Campus life has returned to a new normal at AUM and ACM starting from Fall 2021.

Now coming to the Financial Performance for the Q3 2021

To begin with, we would like to inform that due to changes in the academic calendar in 2020 and 2021, the previous year numbers may not be comparable.

In normal circumstances, Q3 would have comprised of 100% of summer revenue and 20% of Fall revenue. However, during Q3 2021, only 100% of Summer revenue has been recognised.

Its due to the fact that, Fall semester started in the last week of September, and therefore no revenue from Fall 2021, has been recognised in Q3 financials. Entire fall revenue of KD 37.6 million is shown as deferred income in Q3 financials. The revenue for fall semester is expected to be recognised over four months from October 2021 to January 2022, in line with the schedule of fall semester.

You can also refer to the revenue recognition slide on page 13 in our Investor Presentation.

9M 2021 revenue of KD 67.7 million was higher by 36% in comparison with 9M 2020 revenue of KD 49.9 million, mainly as a result of higher student enrolment and changes to the academic calendar due to COVID-19.

9M 2021 EBITDA of KD 47.7 million was higher by 66% in comparison with 9M 2020 EBITDA of KD 28.7 million.

9M 2021 Net profit of KD 42.7 million was higher by 77% compared with KD 24.1 million for 9M 2020.

Net Profit Margin for 9M 2021 was 63% and EBITDA margin for 9M 2021 was 70%.

The Earning per share was 351 fils during 9M 2021 as compared to 198 fils during 9M 2020.

Humansoft had a net cash position of KD 58 million as at 30 September 2021.

Total equity was KD 112 million as at 30th September 2021 and the annualised return on average equity for the nine months of 2021 amounted to 49.6%.

Total Assets was KD 167 million as at 30th September 2021.

Humansoft's fortress balance sheet provides protection, resilience, and enables Humansoft to withstand stress events like Covid-19.

At Humansoft, we continue to strive hard to work towards our key strategies of academic excellence, operating efficiencies and shareholder value.

With this, I now open the floor for questions and answers. I request that you please introduce yourself with name and the institution you represent when you have any questions.

Thank you. Over to you, Hatem.

Hatem Alaa Thank you very much, Anup. To ask a question, you can either click on the raised hand button on the right-hand side of your screens and unmute your lines, or you can type in the Q&A chat. Again, you can either type in the Q&A chat or click on the raised hand button. We have already several questions in the queue. We'll take the first question from Ankur Agarwal from HSBC. Your line is open.

Ankur Agarwal Hello, am I audible?

Anup Dhand Yes, you are audible. Thank you.

Ankur Agarwal I am Ankur Agarwal from HSBC. A couple of questions. Firstly, in terms of the outgoing students, can you give us an indication? Obviously, we have the enrolment details with us now. Your eventual enrolment ended up higher than the preliminary list. But still, I think there was a decline in market share, can you give us an indication of the number of outgoing students as well?

And secondly, in terms of the current total enrolment, so this obviously excludes the outgoing students, but how should we think of your utilisation rates currently and the capex requirements in the short term, in 2022 and beyond? Would you need to invest in new buildings to accommodate new students?

And also, in the context of the introduction of Master's programmes, new majors, how has been the response, and what do you expect next year as we return back to the normal academic calendar, normal university education? Those are the questions, thank you.

Anup Dhand Thank you, Ankur, our new enrolments of almost 3,200 students, which we posted on our website and which I mentioned in my brief as well. When the initial PUC announcement had come, that time also we had posted that on our website and we had conveyed that these numbers are initial numbers, and these numbers will undergo a change due to withdrawals and new additions, as well as due to the enrolment of new self-paid students and ACM graduates who would continue their UG education at AUM.

About the total enrolments at the start of Fall semester, these are after the graduates of previous academic year.

And during the year, as you asked about outgoing students, during the year we expect around 3,000 students would be graduating from both AUM and ACM put together.

Coming back to the capex requirements. Our current capacity is good enough to cater to the current enrolment of 13,753 students that we have on board now. We constantly keep reviewing our capacity based on our academic requirements, and the decision to add new capacity will be made only after we find that there is a pressing reason for the same.

Coming back to your last question about Master's and new majors. Yes, the academic team both at AUM and ACM keep analysing, reviewing and working on plans to add new majors. Now, as we have mentioned in the past calls and in the presentation as well, three new majors were added in ACM at the start of the fall semester. About the Master's and the new majors getting introduced in the coming academic year, yes, it's being reviewed and studied by the academic teams at both the institutions and the decision will be taken at an appropriate time, once we feel that we are absolutely ready and we have a demand for these new majors and Master's courses. Thank you.

Ankur Agarwal All right. Thank you. I think just one follow-up on the capital allocation, given that we are returning back to normal. You have a fortress balance sheet, and there is very limited capex requirement. How should we think of dividends?

Anup Dhand About the dividend, we will go back to ways how we decided about the dividend in the past. After the year ends and the board reviews the financial performance and the availability of cash, as well as the cash requirements for the future, and based on that, they take a decision about the dividend and then they recommend the dividend to the AGM.

So I don't see any change in that process which have followed in the past, and I guess the same will be followed at the end of the current financial year, when the board meets to recommend the dividend.

Ankur Agarwal All right. Many thanks, Anup. Thank you.

Anup Dhand Thank you.

Hatem Alaa We'll take the next question from Waruna Kumarage from SICO. Your line is open.

Waruna Kumarage Hi. This is Waruna Kumarage from SICO Asset Management. I have a couple of questions. The first one is on the fall semester. Did the fall semester start, and this one out of curiosity, did start on the beginning of October, like 1st October? Just to get an idea of revenue recognition. Or did it happen later in the month?

Anup Dhand Fall semester for the current year, it started in the very end of September. Since it started at the end of September, that's why the revenue was not recognised for September.

Waruna Kumarage Okay, thank you. And secondly, it's related to the previous question on the dividends. Seeing your balance sheet and the cash position, if you can reassure in terms of dividends, as at the end of the day investors are actually interested in optimising the returns.

So, I hope that the management will come up with a plan by the end of this year as to how they're going to move forward. Is that something they are really considering, because otherwise, I hope... This is one of the concerns that we have as investors. So, just more as a comment, I hope they consider this seriously at the upcoming board meeting.

Anup Dhand Yes. As I mentioned, the process will remain exactly the same as it was in the previous years. After the financial year results are out, and the board meets and then they review the cash position and the future cash requirements, and based on that, the recommendation about the dividend will be made.

Waruna Kumarage And going forward, is M&A a route that the management thinks is a possible avenue, or is that not something still considered?

Anup Dhand We are not closed to the whole idea of M&A, but as of now, we don't have anything to share on the M&A front.

Waruna Kumarage Okay. Anup, I just have one more question. On a separate note, in terms of the new students, in terms of number of scholarships and the share of scholarships

that you got last time around. I think there were some new universities which also came into the picture. So, going forward, do you see competition emanating from that, new universities in Kuwait, and how are you going to tackle this going forward in terms of keeping your intake intact?

Anup Dhand Speaking about the competition, competition was always there and will always be there. Now, what we do at our end is we work on our strengths. During 2021 we were ranked as the number one university in Kuwait by not one but two very reputed institutions. Both QS World and Times Higher Education ranked us as number one university in Kuwait.

So we keep working on our strengths, and we keep projecting to the prospective students that we are the first choice university for them. And that's how we keep reaching out to the prospective students and keep our market share and our numbers intact.

And having said about the numbers, new student enrolment numbers that we had this year, we are absolutely pleased, both at AUM and ACM, to have the quality of students and the number of students that we have enrolled, because, as in the past, we will continue to focus on both quality and quantity aspects of the enrolment. We have done that in the past, and we'll continue doing that in the coming years as well.

Waruna Kumarage Okay, thank you. Thank you, Anup.

Hatem Alaa We have a question from Zohaib from Alrayan Investments. Your line is open.

Zohaib Thank you, Anup, for the presentation and the call. I just wanted to understand this revenue recognition a bit more. So, the deferred income on your balance sheet of about 37 million, if I'm not wrong, this will be recorded in the fourth quarter, and one month of the first quarter? Is my understanding correct?

Anup Dhand You are right.

Zohaib Okay. And last year, in the fourth quarter of 2020, 50% of the fall revenue was recognised. In this year, looking at how the fall semester is going, 80% of the fall revenue would be recognised in this quarter?

Anup Dhand This quarter it will be 75% because three months would come in Q4, and one month in the next year.

Zohaib So 75, and then first quarter next year is going to be 25% fall and 40% spring, just like 2019?

Anup Dhand Hopefully we will be coming back to the normal schedule. So, that's still what we expect to be. If we start the spring semester by February, then the recognition of the spring semester will start from February, as per the schedule of the spring semester.

Zohaib Okay. Sounds good. Thank you.

Anup Dhand Thank you.

Hatem Alaa We have a question from Fatima Dossieri from SICO. Your line is open.

Fatima Thanks. Regarding the new enrolments, what percentage of the students are on the scholarship programme? That's my first question. And just regarding the competition, the fact that International University of Science enrolled 400 students shows that there is a loss in market share.

Is this the government's strategy of ensuring that students are divided across all universities, instead of being allocated to a single player in the market, because if I can recall, I think in the latest application for scholarships, students had to put I think four university choices instead of three. So, is this a way, again, of the government dividing the allocation of students across universities? Thanks.

Anup Dhand Current year 3,183 students that we have in new enrolment, around 8% are self-paid students, and that's in line with the previous years. And coming back to the competition part, as I mentioned in my answer to the previous question, what we can do is we project to the students and to our target audience, the prospective students, that we are the number one university in Kuwait, which is emphasised by rankings from two institutions.

We have accredited majors, and we have alumni of AUM and ACM who are well placed in the society, so they are our brand ambassadors. So we have all these things to reach out to the prospective new students, and convey them about AUM and ACM which are world class institutes, and then they decide where to join.

Now, as I mentioned, we are absolutely pleased with the quality of students that we have got. So we are not just focusing on the quantity here. We have done that in the past also. We have said that we want to strike the right balance between the quality and quantity so that we are able to enrol the quality students who meet the academic requirements of both AUM and ACM. And we will continue to do so.

Fatima Thanks. Just a follow-up on the scholarship and the way the process works. Do students get their first choice always, or is it up to the government to allocate based on the four choices that they provide?

Anup Dhand Scholarship application and which university he eventually gets, that's more of a dynamics between the student and the PUC. We at our end as an institute, what we do is we project our strengths to the students and then they decide to fill our name as a first choice university, which we assume we are, considering the fact that we are the top ranked university in Kuwait now by two institutions. Thank you.

Fatima Thank you.

Hatem Alaa We have a question from the line of Ahmad ElNaggar from FIM. Your line is open.

Ahmad Thanks a lot for the call. I just have one question. It's about the calendar which has been changing, and there is no exact date when you will return to normal. So my question, I just would like to understand your collection plan. For instance, the figure you have right now in balance sheet under deferred revenue, is it all related to the new fall semester, or you do provide self-pay students with discounts if they pay, or for instance if they pay the full year fees in advance?

And I know you answered the question that I will ask now. What percentage of the students self-pay? Thank you.

Anup Dhand Coming back to deferred income, deferred income on our balance sheet is related to the revenue. And this is the total revenue for the fall semester, which includes both scholarship students and self-paid students. And as I mentioned, it will be recognised as per the schedule of fall semester, which as of now is October to January. So we will recognise it over the four months period.

Coming back to the self-paid students, yes. Currently, of our total enrolment, around 6% are the self-paid students. Thank you.

Hatem Alaa A question from the line of Abdullah Hamada. Your line is open.

Abdullah Hamada Hello? Can you hear me?

Anup Dhand Yes, we can hear you.

Abdullah Hamada Yes, okay. I have two questions actually. The first one is related to the net debt. I can see that net debt is growing in a positive way. However, this shows that company is too much under-leveraged, probably not putting something for future growth, and how to utilise the excess cash from that perspective. This is the first question.

The second one is about the revenue segmentation. I can see almost 100%, or 98.5% for higher education. The rest goes on a smaller percentage on training, career, and English and learning.

Recently in October it was advertised in the newspaper about liquidation of five or six companies, and you are the liquidator for them.

What is the status of the liquidation process? After most companies are closed, will it be 100% revenue from the higher education, or will there be something else? So those are two questions from my end. Thank you.

Anup Dhand About the net debt position, net debt is cash minus the loans that we have on our balance sheet and the same has been reflected in the past quarters as well. For cash on our balance sheet, in the beginning of 2021, after the financial year of 2020 ended, the board took a decision and recommended a dividend of 400 fils to the AGM, and that dividend was distributed during the current year.

So on the same lines as I mentioned, after the financial year for 2021 ends, the board will be taking stock of the situation, available cash and depending on the cash requirements for the

future, they will recommend dividend in accordance with the availability of cash. So that's how we have been using our excess cash in the past, and we hope the same would be continuing after the current financial year ends.

On the revenue segmentation, yes, you rightly said last year, during the COVID situation, the board decided to close down the training businesses which were not doing very good, which were making losses. And due to COVID, the centres were closed. Decision was made to liquidate all the training centres across UAE, Kuwait, and our associate companies, which are in Qatar.

Liquidation is a long drawn process. It has been going on since almost a year now, and now we are almost at the end of liquidating all these companies. And the advertisement that you saw in the newspapers a few weeks back is related to the same, thank you.

Abdullah Hamada So, sorry, but how would this translate on the revenue segmentation? This would be a mono revenue, on only higher education. This is my perspective?

Anup Dhand Yes. as of now, we are focusing purely on the higher education segment, on AUM and ACM. So our revenue would be segmented only under higher education.

Abdullah Hamada Okay, thank you.

Anup Dhand Thank you.

Hatem Alaa We have a question from the line of Hessa Al Ameeri. Your line is open.

Hessa Al Ameeri Hi. This is Hessa Al Ameeri from Osoul Investment Company. My fellow attendees did a great job asking most of the questions that I have. I just have one more question. In terms of comparison between summer 20 and summer 21, was there any growth in terms of tuition? Or was it the same tuition over the years? Thank you.

Anup Dhand Summer 2020 and summer 2021, both had similar enrolment. In online format during summer, more number of students opted to take up summer as against the previous years.

And if you refer to our slide in the presentation, summer 2020 was offered two times, whereas summer 2021 was very much a one-go semester. Thank you.

Hatem Alaa Thank you. We have a question from the line of Ali Al-Salim. Ali, your line is open.

Ali Al-Salim Good afternoon, everyone. Thank you. Just a short question. I guess part of being a public company involves having a forward-looking story for shareholders to understand, buy into and, I guess, against which to hold management accountable to. One thing I've come to realise from this call and previous calls, and perhaps I'm not the only

investor who has this question, but really, what is the Humansoft story for shareholders on a multi-year time horizon?

I think the company has been fantastic in talking about results that have been delivered, but seems to fail to give any sort of forward-looking vision as to the direction in which it wants to go. I know the management are not very comfortable in giving forward-looking remarks or forward-looking statements, but I think investors increasingly want to know and need to know what is the forward-looking strategy for growth.

We understand that the board makes decisions at the end of every year with regards to capex, with regards to dividend policy, etc. But on a three to five-year time horizon, which honestly isn't that long, investors I think increasingly need to understand, is this just a dividend play or are we as shareholders expecting a long-term strategy that we can measure you against and discuss on a more regular basis?

Anup Dhand Coming back to the forward-looking statements and what we as a management on these calls, avoid doing is, putting in some numbers just to avoid any kind of speculation. But it's not that we don't disclose or we don't discuss the strategies and we don't discuss how we see going forward, on a two- to three-year horizon.

Now, as I mentioned in my previous remarks as well, how we plan to tackle the competition, how we plan to grow, the whole idea is that the business and engineering colleges that we operate in, now that's our strength. And we have grown with the business and engineering colleges. And we have that strategy to continue to focus on introducing new majors in business and engineering and grow in those fields rather than spread ourselves into other areas which are not our strength. So that is one thing.

We have grown in the past... If you see, we have grown by offering new majors. In last few years in AUM, we have introduced many new majors... Architectural engineering was introduced last year. Prior to that, civil engineering was introduced. In ACM, in the current fall semester itself, three new engineering majors are introduced. Of course, a lot of effort has also been put in getting the accreditation and rankings and we are pleased with the results.

So these are the things that we feel will put us in a stronghold in the future years, to sustain all the growth that we have achieved, as well as to bring in new growth. Because this will help us to reach out to more and more students, the target audience, and we provide them quality institutions to carry on their higher education.

So the growth story, or the story of the strategy that we see ourselves going forward with is very much made available or discussed on the calls, as well as with the investing community. But yes, as you rightly said, we avoid giving forward-looking statements. We avoid giving, or discussing or disclosing numbers here on these calls, just to avoid speculation. As management of Humansoft, that's how we have been taking up these calls and that's been our stand from a long time now.

Ali Al-Salim I think just to follow up on that, it would be helpful to understand how the company plans to position itself in light of a very fast-changing, I'd say, higher

education landscape in Kuwait today. So you have the new campuses for Kuwait University. You also have the coming of the Sabah Al Salem University as well potentially, and also potential for more opening up of other private operators in the country. So I guess you can only add new majors up until a certain point. You can't keep adding them till infinity.

And so I guess just understanding, is it a strategy of doubling down on the core competencies? Is it a market share or is it more specialisation? Is this a three-year idea that will take several quarters for things to get into place? Or again, are we operating on a quarter-on-quarter, year-on-year basis without a longer-term objective or direction in which we're heading?

Anup Dhand Well, the long-term objective and direction is very much there. And that's the direction and that's the strategy which has brought us this far, wherein after close to 13 years of operations, we are now ranked as number one university in Kuwait by two institutions. So that remains our core strength and we will keep continuing working on our strengths.

And now, when we say business and engineering, now in engineering, we are offering eight to ten majors now, but I'm sure there are many new majors which we can add to our existing portfolio. but yes, we feel that there is still a lot of scope left in growing business and engineering majors.

Other than that, we will be open to exploring other avenues of revenue enhancements such as continuous education or maybe, going forward, online learning in the changing environment.

We will be open to other things. And the management is keen to discuss and review other options. But yes, they will be made public at the right time, once we have more to disclose to the investing and the public at large.

Ali Al-Salim Thank you. Thank you.

Anup Dhand Thank you.

Hatem Alaa Next question from the line of Hamad Al-Sabah. Hamad, your line is open.

Hamad Al-Sabah As-salaam-alaikum. Good afternoon, everyone, and thank you for the opportunity. My name is Hamad Al-Sabah. I am a shareholder. So Mr Anup, I have a couple of questions regarding the financials, and some other questions in general, regarding the company in general.

The first question is regarding the depreciation and amortising expense during Q3. We have noticed a significant increase of around 40% in Q3 compared to Q2 and Q1. And there were no additions to property and equipment during the period. And as a company policy, you are using the straight line method. Could you explain the reason of the increase in Q3?

Anup Dhand During Q3 this year, the campus resumed after almost 18 months, because the campus had been renovated and a lot of new facilities were laid out, the old facilities, as per the IFRS guidelines their depreciation has to be expedited.

So that's why you see a higher depreciation cost in Q3 as compared to the previous quarters.

Hamad Al-Sabah Okay. But actually, what happened during the past quarters? You were still calculating the depreciation on the same straight line method. There was no change in the policy.

Anup Dhand There's no change in the policy. But as per the IFRS guideline, when the useful life of an asset is reduced, then we have to expedite depreciation on the same. So that's exactly what has been done during Q3.

Hamad Al-Sabah But I'm sorry, Mr Anup, there is no change in the life of the building. Nothing changed.

Anup Dhand This depreciation is just not on the buildings. It's on all the assets and facilities as well.

Hamad Al-Sabah Okay. And what do we expect for Q4?

Anup Dhand Sorry, can you repeat that?

Hamad Al-Sabah What do we expect the depreciation for Q4, the fourth quarter?

Anup Dhand For Q4, it's going to be back to normal. It would be in line with the IFRS guidelines.

Hamad Al-Sabah Okay. That was my first question. Yes. The second question is about the gross profit margin. It went down from 86% to 79% during Q3. So if you could explain this, please.

Anup Dhand Yes. If you see the revenue for Q3, as I mentioned in the beginning, in Q3, usually we'll have 100% of summer and 20% of fall revenue. Now, in the last quarter of September, we had revenue recognised only for summer, and fall revenue was not recognised, whereas the other costs remained the same. So that's why the gross profit margins saw a decline.

Hamad Al-Sabah Okay. And regarding the facilities expense, to my understanding, this is the operating cost of the campus and the other buildings. Is this right?

Anup Dhand Yes. This includes the campus and the buildings and the other maintenance expenses.

Hamad Al-Sabah Good. Because there is a confusion now. In the Arabic version of the financials, it is translated to finance costs, something like that.

Anup Dhand I'll surely ask the concerned person in my team to have a look at that and we will address that.

Hamad Al-Sabah Yes.

Anup Dhand Thank you for identifying.

Hamad Al-Sabah Thank you. And I have some more questions, please.

Hatem Alaa Hamad, unfortunately we have a long queue and we have to wrap up the call in ten minutes.

Hammed Al-Sabah Okay, the last question, please. Just one question, one final question.

Hatem Alaa Go ahead, please.

Hammed Al-Sabah Okay. Mr Anup, now, the AUM building is built on the government leased property, right?

Anup Dhand Yes.

Hammed Al-Sabah Yes. And we've heard in the news that the government is reviewing all the rental prices and the value. And was there any contact with Humansoft regarding those properties?

Anup Dhand We haven't come across any such communications.

Hammed Al-Sabah Okay. Thank you very much.

Hatem Alaa Thank you. I'll take a few questions from the chat. A question from Aziz AlSughiyr from VCP. He's asking about summer 2019 revenues. He's saying that when he calculates it based on the schedule, summer 2019 revenue was around 10 million versus 13 million Dinars this year. And what's the reason for the increase? Basically, he's saying that summer 19 revenue was less almost by 30% versus 2021. Is that correct? And if so, what's the reason for it?

Anup Dhand At the time of Summer 2019, we had lower number of enrolled students as compared to summer 2021, this was one reason.

And the other reason that I just mentioned, that in the on campus summer semester, we used to have less percentage of summer registrations as compared to what we saw during the online semester. So these two reasons, I'm sure, are the reasons for the increase in the revenue.

Hatem Alaa A question from Christine from Arqaam. I think you answered a portion of that question. She's asking about the breakdown of new enrolments and total students for fall 2021 between government scholarships and cash.

Anup Dhand Yes. It's between 6% to 8%.

Hatem Alaa For both new enrolments and total students, right?

Anup Dhand Yes.

Hatem Alaa And there is a question from Jamal Alqaryuti. He's asking, is there a plan to support the share price using Treasury share purchases, especially given the strong cash position of the company? And also, he's asking if there is a plan to do a stock split or stock dividend to make the share price lower and more tradeable by retail investors.

Anup Dhand Support the market by buying Treasury share from the market, in that case retained earnings are not available for dividend to an extent of treasury shares, so this will affect our ability to distribute dividends in future. This will also have an affect on the cash available for distributing dividends.

About the share split, as far as my understanding goes, the share split is not allowed, as per the CMA guidelines. Thank you.

Hatem Alaa Thank you. We have a question from Nishit Lakhotia. Your line is open.

Nishit Yes, thank you for the call. A couple of question, first on the salary costs. Your third quarter salary costs are generally lower every year. I wanted to understand, how does the salary for the staff costs work? Do you have any temporary staff that is not paid during this quarter? Or why do you have the delta every third quarter? Your staff costs and salary costs, which is a major portion of your costs, goes down. So that's my first question.

Second on the upcoming cost implications in the fourth quarter, with more hirings that you've done during the year. What kind of jump are you expecting in salary costs? Would it be higher than what it was in 2019 levels? How do we look at it, given that you are also following a hybrid model? Does that affect the number of staff that you have on your roll to now continue with the hybrid model?

And finally in terms of student preferences. Now, if a student does not get Humansoft as a preference Or ACM/AUM, they're not allocated to, what measures do they have? Do they have to just take the college that they have been offered by the government for scholarship or can they go back and push the government to move them to AUM and not to the new university that they might have been given? So how does it work? Thank you.

Anup Dhand Third quarter salaries, they are less as compared with other quarters, it's mainly because, third quarter consists of summer semester and during summers, most of the faculty take their annual leave. When they go on annual leave, their salary cost is not accounted for, whereas the payment is made from the leave accruals

Now, under the hybrid format and going forward, salary costs and the overall costs, gradually, we would be moving to 2019 levels, but not in one go. Because from online now, we are

moving to hybrid, and from hybrid, hopefully the spring semester would be on campus So the cost structure, as we have mentioned in the past as well, would be gradually moving towards 2019 levels.

Now, coming to your third question about the student preference and getting allocated to a certain university, now that's the dynamics between student and the PUC. If he wants to study with AUM or ACM and not with the allotted university, then he can always join us as a self-paid student. Thank you.

Nishit Okay. Sorry. And then the last question, only a follow-up on that. So are you confident to maintain, say, the 3,000-plus run rate going forward, given that there is many students who will be graduating, if you don't have any control on where the students are allocated by the government? And what level of confidence do you have that you can maintain this run rate going forward?

Anup Dhand Considering the fact that we have accredited courses, we are the number one-ranked university in Kuwait by two institutions, and considering the fact that we have an alumni base of past graduates who are doing very well in their respective professional life and they're our brand ambassadors, we absolutely hope that we'll be able to recruit the best and the brightest students of Kuwait.

Now, having said that, we have always maintained that we will not only focus on the numbers, we will focus also on the quality so that these students who stay with us, they are able to go through the academic requirements of AUM and ACM.

Nishit Okay, understood. Thank you.

Anup Dhand Thank you. You're welcome.

Hatem Alaa Thank you. Thank you, everyone, for participating in today's call. And thank you very much, Anup, for your time.

Anup Dhand Thank you, everyone.

Hatem Alaa Have a good day, everyone. Bye.