Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
And Independent Auditor's Review Report
For the Three and Six-Month Periods Ended June 30, 2026

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
And Independent Auditor's Review Report
For the Three and Six-Month Periods Ended June 30, 2026

Index	**Page**

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Independent Auditor's Review Report on the
Interim Condensed Consolidated Financial Statements

To the Shareholders,
Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Khaleej Training and Education Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at June 30, 2026 and the related interim condensed consolidated statements of profit or loss, and comprehensive income for the three and six-month periods then ended, the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards (IAS 34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (2410), 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

Baker Tilly Professional Services

Bader Hatem Al Tamimi
(Certified Public Accountant - License No. 489)
Riyadh on Rabi Al-Awwal, 1448H
Corresponding to August 16, 2026G

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C.R: 1010428101 :س.ت
BAKER TILLY
Professional Services

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
And Independent Auditor's Review Report
For the Three and Six-Month Periods Ended June 30, 2026

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
And Independent Auditor's Review Report
For the Three and Six-Month Periods Ended June 30, 2026

Independent Auditor's Review Report on the
Interim Condensed Consolidated Financial Statements

To the Shareholders,
Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

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Baker Tilly Professional Services

Bader Hatem Al Tamimi
(Certified Public Accountant - License No. 489)
Riyadh on Safar 28, 1448H
Corresponding to August 11, 2026G

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Financial Position
As At June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Restated, note 16)
ASSETS			
Non-current assets			
Property and equipment		**602,623,707**	608,213,414
Right-of-use assets		**485,654,787**	444,380,515
Intangible assets		**122,090,118**	122,992,563
Financial assets at FVTOCI		**132,400,900**	127,389,388
Non-current portion of net investment in leases	7	**255,907,154**	257,794,265
Financial derivative instrument carried at FVTPL		**2,884,943**	2,902,135
Recoverable amount from employees' defined benefits obligation		**23,601,597**	23,391,733
		1,625,163,206	1,587,064,013
Current assets			
Inventories		**4,703,155**	2,571,831
Contract assets	8	**77,834,922**	89,413,871
Trade receivables, net	9	**392,849,931**	338,526,167
Current portion of net investment in leases	7	**50,464,676**	49,422,989
Due from related parties	11	**5,473,828**	6,063,783
Prepayments and other receivables		**71,246,975**	82,323,343
Cash and cash equivalents		**42,538,897**	42,511,440
		645,112,384	610,833,424
Total assets		**2,270,275,590**	2,197,897,437
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**650,000,000**	650,000,000
Actuarial reserve		**(72,408,061)**	(72,408,061)
Accumulated losses		**(9,574,168)**	(21,035,275)
Foreign currency translation reserve		**(10,029,156)**	(8,180,301)
Fair value reserve		**(33,120,405)**	(38,131,917)
Total equity attributable to the shareholders of the Company		**524,868,210**	510,244,446
Non-controlling interests		**58,559,907**	58,349,299
Total equity		**583,428,117**	568,593,745

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Financial Position (Continued)
As At June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Restated, note 16)
LIABILITIES			
Non-current liabilities			
Non-current portion of lease liabilities		**684,862,756**	664,083,550
Non-current portion of long-term borrowings	10	**294,077,413**	308,266,368
Employees' defined benefits obligation		**127,535,182**	130,913,694
Non-current portion of deferred gain on sale and leaseback transactions		**6,296,030**	6,831,862
		1,112,771,381	1,110,095,474
Current liabilities			
Short-term borrowings and bank overdrafts		**231,423,500**	197,965,206
Current portion of long-term borrowings	10	**63,559,436**	64,659,436
Current portion of deferred gain on sale and leaseback transactions		**803,748**	803,748
Current portion of lease liabilities		**106,384,174**	69,038,091
Trade payables		**69,277,584**	61,570,771
Contract liabilities	9	**16,798,722**	36,832,594
Due to related parties	11	**3,006,336**	1,838,737
Accrued expenses and other liabilities		**76,186,531**	79,507,206
Zakat and income tax payable		**6,636,061**	6,992,429
		574,076,092	519,208,218
Total liabilities		**1,686,847,473**	1,629,303,692
Total equity and liabilities		**2,270,275,590**	2,197,897,437

Chief Financial Officer
Mos'ab Abdulmajeed Alwaheeb

Chief Executive Officer
Hatem Aldarayan

Chairman of Board of Directors
Abdulaziz Alrashed

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)
For the Three and Six-month Periods ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended		For the six-month period ended	
		June 30, 2026	June 30, 2025 (Restated, note 16)	**June 30, 2026**	June 30, 2025 (Restated, note 16)
Revenue	14	**269,062,705**	299,836,713	**538,580,974**	594,574,470
Cost of revenue		**(205,602,857)**	(239,061,210)	**(421,735,219)**	(472,566,275)
Gross profit		**63,459,848**	60,775,503	**116,845,755**	122,008,195
Selling and marketing expenses		**(3,017,655)**	(3,445,928)	**(6,281,154)**	(6,923,869)
General and administrative expenses		**(31,663,498)**	(33,841,807)	**(59,768,845)**	(62,946,510)
Expected credit losses	7,8	**(4,331,575)**	(15,027)	**(7,846,263)**	(2,450,166)
Other income, net	12	**5,083,817**	4,123,020	**10,054,997**	7,789,157
Operating profit		**29,530,937**	27,595,761	**53,004,490**	57,476,807
Finance costs		**(21,050,323)**	(19,929,133)	**(43,251,697)**	(39,701,848)
Finance income		**5,214,670**	3,782,766	**10,293,525**	7,455,149
Revaluation of financial derivative instruments carried at FVTPL		**479,117**	(360,144)	**(17,192)**	(1,626,575)
Profit before zakat and income tax		**14,174,401**	11,089,250	**20,029,126**	23,603,533
Zakat and income tax		**6,297**	3,754,946	**(2,010,105)**	1,905,653
Profit for the period		**14,180,698**	14,844,196	**18,019,021**	25,509,186
Net profit for the period attributable to:					
Shareholders of the Company		**9,492,728**	11,507,164	**11,461,107**	18,668,825
Non-controlling interest		**4,687,970**	3,337,032	**6,557,914**	6,840,361
		14,180,698	14,844,196	**18,019,021**	25,509,186
Basic and diluted earnings per share attributable to the shareholders of the Company	13	**0.15**	0.18	**0.18**	0.29

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Mos'ab Abdulmajeed Alwaheeb	**Hatem Aldarayan**	**Abdulaziz Alrashed**

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the Three and Six-month Periods ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	For the three-month period ended		For the six-month period ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		(Restated, note 16)		(Restated, note 16)
Profit for the period	**14,180,698**	14,844,196	**18,019,021**	25,509,186
Other Comprehensive Income				
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**(1,282,488)**	1,042,316	**(2,286,793)**	1,700,502
Items that will not be reclassified subsequently to profit or loss:				
Change in the fair value of investments in equity instruments carried at FVTOCI	**1,454,955**	484,899	**5,011,512**	(646,731)
Other comprehensive income for the period	**172,467**	1,527,215	**2,724,719**	1,053,771
Total comprehensive income for the period	**14,353,165**	16,371,411	**20,743,740**	26,562,957
Total comprehensive income for the period attributable to:				
Shareholders of the Company	**9,665,195**	13,034,379	**14,623,764**	19,722,682
Non-controlling interest	**4,687,970**	3,337,032	**6,119,976**	6,840,275
	14,353,165	16,371,411	**20,743,740**	26,562,957

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Mos'ab Abdulmajeed Alwaheeb	**Hatem Aldarayan**	**Abdulaziz Alrashed**

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the Six-Month Period ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Actuarial reserve	Accumulated losses	Foreign currency translation reserve	Fair value reserve	Total	Non-controlling interests	Total equity
As at January 1, 2026	**650,000,000**	**(72,408,061)**	**(20,915,508)**	**(8,180,301)**	**(38,131,917)**	**510,364,213**	**56,912,843**	**567,277,056**
Adjustments for prior years	**-**	**-**	**(119,767)**	**-**	**-**	**(119,767)**	**1,436,456**	**1,316,689**
As at January 1, 2026 (restated, note 16)	**650,000,000**	**(72,408,061)**	**(21,035,275)**	**(8,180,301)**	**(38,131,917)**	**510,244,446**	**58,349,299**	**568,593,745**
Profit for the period	**-**	**-**	**11,461,107**	**-**	**-**	**11,461,107**	**6,557,914**	**18,019,021**
Other comprehensive income (loss) for the period	**-**	**-**	**-**	**(1,848,855)**	**5,011,512**	**3,162,657**	**(437,938)**	**2,724,719**
Total comprehensive income for the period	**-**	**-**	**11,461,107**	**(1,848,855)**	**5,011,512**	**14,623,764**	**6,119,976**	**20,743,740**
Dividends for non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**(5,909,368)**	**(5,909,368)**
As at June 30, 2026	**650,000,000**	**(72,408,061)**	**(9,574,168)**	**(10,029,156)**	**(33,120,405)**	**524,868,210**	**58,559,907**	**583,428,117**
As at January 1, 2025	650,000,000	(61,210,064)	(36,246,352)	(8,655,963)	(30,372,159)	513,515,462	48,480,852	561,996,314
Profit for the period	-	-	18,668,825	-	-	18,668,825	6,840,361	25,509,186
Other comprehensive income (loss) for the period	-	-	-	1,700,502	(646,645)	1,053,857	(86)	1,053,771
Total comprehensive income for the period (restated, note 16)	-	-	18,668,825	1,700,502	(646,645)	19,722,682	6,840,275	26,562,957
Acquisition of an additional share in a subsidiary (note 2)	-	-	148,835	-	-	148,835	(159,023)	(10,188)
Acquisition of a subsidiary (restated, note 16)	-	-	-	-	-	-	6,978,572	6,978,572
Dividends for non-controlling interest	-	-	-	-	-	-	(1,995,147)	(1,995,147)
As at June 30, 2025	650,000,000	(61,210,064)	(17,428,692)	(6,955,461)	(31,018,804)	533,386,979	60,145,529	593,532,508

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
Mos'ab Abdulmajeed Alwaheeb	**Hatem Aldarayan**	**Abdulaziz Alrashed**

The accompanying notes form an integral part of these interim condensed consolidated financial statements

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the Six-month Period ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	2026	2025
		(Restated, note 16)
Cash flows from operating activities		
Profit before zakat and income tax	**20,029,126**	23,603,533
Adjustments for non-cash items:		
Depreciation of property and equipment	**16,054,531**	16,056,138
Depreciation of right-of-use assets	**23,886,950**	22,697,522
Amortisation of intangible assets	**4,688,049**	4,130,718
Deferred gain on sale and leaseback transactions	**(535,832)**	(401,874)
Employees' defined benefits obligation incurred	**12,483,987**	12,565,419
Expected credit losses	**7,846,263**	2,450,166
Revaluation of financial derivative instruments carried at FVTPL	**17,192**	1,626,575
Finance costs	**43,251,697**	39,701,848
Finance income	**(10,293,525)**	(7,455,149)
	117,428,438	114,974,896
Changes in working capital items:		
Inventories	**(2,043,933)**	(345,639)
Trade receivables	**(60,714,663)**	(28,129,972)
Contract assets	**11,578,949**	(25,917,984)
Due from related parties	**589,955**	5,253,642
Prepayments and other receivables	**11,076,368**	13,850,739
Trade payables	**7,706,813**	(17,276,540)
Contract liabilities	**(20,033,872)**	(37,067,899)
Due to related parties	**297,604**	(7,158,830)
Accrued expenses and other liabilities	**(3,320,675)**	16,201,735
Cash generated from operations	**62,564,984**	34,384,148
Employees' defined benefits obligation paid	**(16,008,704)**	(5,958,186)
Zakat and income tax paid	**(2,366,473)**	(7,258,910)
Net cash generated from operating activities	**44,189,807**	21,167,052
Cash flows from investing activities		
Purchase of property and equipment	**(8,590,874)**	(12,651,536)
Purchase of intangible assets	**(4,939,825)**	(1,429,640)
Proceeds from net investment in leases	**9,945,655**	3,913,716
Acquisition of subsidiary, net of acquired cash	**-**	(3,875,409)
Net cash used in investing activities	**(3,585,044)**	(14,042,869)

Al Khaleej Training and Education Company
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)
For The Six-month Period ended June 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	2026	2025
		(Restated, note 16)
Cash flows from financing activities		
Proceeds from long-term borrowings	**30,384,272**	22,962,176
Repayment of long-term borrowings	**(45,673,277)**	(23,713,559)
Net change in short-term borrowings	**33,458,355**	734,268
Finance costs paid	**(21,259,298)**	(20,846,487)
Lease liabilities paid	**(30,908,611)**	(25,406,120)
Dividends for non-controlling interests paid	**(5,909,368)**	(1,995,147)
Acquisition of an additional share in a subsidiary (note 2)	**-**	(10,188)
Net cash used in financing activities	**(39,907,877)**	(48,275,057)
Net change in cash and cash equivalents during the period	**696,886**	(41,150,874)
Cash and cash equivalents at the beginning of the period	**42,511,440**	69,270,402
Effects of foreign currency translation on cash and cash equivalents	**(669,429)**	259,892
Cash and cash equivalents at the end of the period	**42,538,897**	28,379,420
Non-cash transactions:		
Finance cost related to lease liabilities capitalised to property and equipment	**1,924,739**	246,480
Deferred consideration for a subsidiary's acquisition	**-**	10,389,724
Finance costs related to borrowings capitalised to property and equipment	**-**	1,884,576

Chief Financial Officer	**Chief Executive Officer**	**Chairman of Board of Directors**
Mos'ab Abdulmajeed Alwaheeb	**Hatem Aldarayan**	**Abdulaziz Alrashed**

(All amounts in Saudi Riyals unless otherwise stated)

1. COMPANY INFORMATION

Al Khaleej Training and Education Company ("the Company") is A Saudi Listed Joint Stock Company registered under commercial register number 1010103367, and the unified national number is 7001363006, dated Jamada Al Awal 30, 1413 H (corresponding to November 25, 1992 G).

The registered address of the Head Office is building number 8480, unit number 5, Wadi Al-Thumamah, Olaya, Riyadh 12213, Kingdom of Saudi Arabia.

The Company and its subsidiaries (collectively, "the Group") are engaged in operating schools for primary and secondary education with an international curriculum, IT & Computer training institutes, teaching languages and communication skills institutes, providing top management consulting services and integrated management services activities, establishing and operating call centres.

2. PRINCIPAL SUBSIDIARIES

The Group's principal subsidiaries as at the period-end are set out below. The share capital of the subsidiaries consists solely of ordinary shares that are held directly and indirectly by the Company. The country of incorporation mentioned in the table below is also the principal place of business of each respective subsidiary, unless otherwise stated.

Name of subsidiary	Country of incorporation	Activities	Ownership percentage	
			June 30, 2026	June 30, 2025
Advanced Communication Systems and Solutions Company	KSA	Information, communications and administrative activities and support services	**100%**	100%
Linguaphone Group Limited	UK	A world-leading provider of self-study and classroom-based language courses	**100%**	100%
Fast Lane Computer Consultancy (Civil Business Corporation)	UAE	Computer skills training	**100%**	100%
Stage 2 Learning Solutions (Civil Business Corporation)	UAE	Computer systems consultancies	**100%**	100%
Al-Faisaliyah National Schools Company – LTD	KSA	Education	**87%**	87%
Franklin Covey Middle East and its subsidiaries	UAE	Training in human resource behavior	**61%**	61%
Al – Roqi National Schools Company – LTD	KSA	Education	**60%**	60%
Jobzella for Information Technology FZ – LLC	UAE, operating in Egypt	Online Professional network for job seekers and employers to connect	**60%**	60%
Al Khaleej Training and Information Technology Company	Egypt	English language and IT Training courses	**57%**	57%
Al-Riyadah Model Education Company	KSA	Education	**51%**	51%

(All amounts in Saudi Riyals unless otherwise stated)

2. PRINCIPAL SUBSIDIARIES (continued)

Acquisition of Mazaya Integrated Computer Solutions Company

Advanced Communication Systems and Solutions Company (subsidiary) has signed an agreement on April 7, 2025, to acquire 51% ownership in Mazaya Integrated Computer Solutions Company and its subsidiaries, which is based in Kuwait and specialised in providing technology solutions.

During the period, management has completed the purchase price allocation for that acquisition. This acquisition resulted in an amendment to the fair value of the intangible assets with an increase of SR 3.1 million; consequently, the recognised goodwill decreased as of June 30, 2026, by SR 1.6 million, and non-controlling interests increased by SR 1.5 million.

Assets and liabilities recognised due to this acquisition are as follows:

	Fair value
Property and equipment	211,375
Intangible assets	8,798,901
Due from related parties	7,055,554
Trade and other receivables	339,126
Cash and cash equivalents	14,867
Employees' defined benefits obligation	(714,549)
Trade and other payables	(454,920)
Due to related parties	(251,313)
Net identifiable assets acquired	14,999,041
Less: non-controlling interests	(7,349,530)
Group's share in acquired identifiable assets	7,649,511
Purchase consideration	12,921,543
Less: Group's share in acquired identifiable assets	(7,649,511)
Goodwill arising from acquisition	5,272,032

Acquisitions of non-controlling interests of Fast Lane Computer Consultancy and Stage 2 Learning Solutions

On May 27, 2025, the Company signed an acquisition agreement for the remaining 20% of Fast Lane Computer Consultancy (Civil Business Corporation) and Stage 2 Learning Solutions (Civil Business Corporation) against an amount of SR 10,188. The legal formalities have been completed in this regard.

3. BASIS OF PREPARATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), which is endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The interim condensed consolidated financial statements do not include all the information and disclosures required in a full set of consolidated financial statements prepared in accordance with International Financial Reporting Standards. Accordingly, these interim condensed consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

The interim period is considered as an integral part of the full fiscal year; however, the results of operations for the interim periods may not be a fair indication of the results for the full-year operations.

3. BASIS OF PREPARATION (continued)

Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the investments measured at fair value.

4. FUNCTIONAL AND PRESENTATION CURRENCY

The interim condensed consolidated financial statements are presented in Saudi Riyal, which is the Company's functional currency.

5. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Group makes certain estimates and assumptions regarding the future. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be appropriate under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The significant estimates made by the Group for applying the Group's accounting policies and the primary sources of estimating the reliability were the same as those that were applied in the consolidated financial statements for the year ended December 31, 2025.

6. CHANGES IN THE MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new amendments which became effective on January 1, 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. New amendments which became effective on January 1, 2026 have had no effects on the Group's financial statements.

6.1 New Standards

New standards and amendments to the standards disclosed in the Group's consolidated financial statements remain unchanged.

The expected impact of applying International Financial Reporting Standard 18

IFRS 18 "Presentation and Disclosure in the financial statements" will supersede IAS 1 "Financial Statements Presentation" and will be applied to annual reporting periods starting on or after January 1, 2027. The Group has not early adopted the new accounting standard when the interim condensed consolidated financial statements were prepared; however, early adoption is permitted.

The Group currently evaluates the expected impact of IFRS 18 adoption on its interim condensed consolidated financial statements.

Statement of profit or loss structure

The Group will present the required new sub-aggregations, "operating profit or loss and profit or loss before finance and income tax", within the statements of profit or loss.

6. CHANGES IN THE MATERIAL ACCOUNTING POLICIES (continued)

6.1 New Standards (continued)

Statement of profit or loss structure (continued)

The Group will also segregate item "other income, net" between the two categories of the operating and investment activities. Dividend income related to the investment and profit or loss resulting from net investment will be reclassified in leases, and lease income from the operating activities category will be reclassified to the investment activities category. At the same time, the other items will remain included within other income in the operating activities in accordance with the requirements of IFRS 18.

The Group will classify the profit or loss resulting from investment revaluation at FVTOCI and finance income within the investment activities category.

The Group will classify interest cost related to lease liabilities, interest cost on bank borrowings, net finance cost related to employees' benefits, and gain and loss on exchange differences related to finance activities within the finance activities category.

The Group will monitor its exposure to foreign currency exchange risks and will present the related gains and losses on foreign currency exchange rates within the same category in which the income or expense resulting from the item that caused the exchange rate differences is classified.

Performance measures identified by management

Statement of financial position structure

Currently, goodwill is included within the intangible assets. In accordance with IFRS 18, goodwill shall be presented as a separate item of other intangible assets, and this will not result in any change in the non-current assets total or assets' total.

The Group currently identifies the general disclosures that shall be taken into account when performance measures are identified by management.

Performance measures set by management are consistent with the same financial period covered by the financial statements. Accordingly, the performance measures that management will disclose will be identified following the application of IFRS 18, based on the general disclosures issued by management, related to the interim financial period for the year 2027. The Group will provide the relevant disclosures within the accompanying notes to the financial statements in respect of the performance measures identified by the management, in accordance with the requirements of IFRS 18.

Aggregation and disaggregation principles

It is expected that the aggregation and disaggregation principles introduced by IFRS 18 will change the presentation and aggregation of financial statement items. These requirements aim to reinforce transparency by ensuring material information is presented separately, rather than allowing dissimilar items to be obscured through aggregation.

The Group expects to enhance the descriptions of certain items currently used in the financial statements to reinforce clarity and to be consistent with the objectives of IFRS 18.

(All amounts in Saudi Riyals unless otherwise stated)

6. CHANGES IN THE MATERIAL ACCOUNTING POLICIES (continued)

6.1 New Standards (continued)

Performance measures identified by management (continued)

Statement of financial position structure (continued)

The Group is currently assessing whether items currently classified under "Other" within the disclosures relating to cost of revenue, general and administrative expenses, and other income, net, should be presented under more appropriate and more informative captions, in accordance with the requirements of International Financial Reporting Standard (18). The Group will also disclose additional information within the notes, if required.

Consequent amendments

IFRS 18 makes consequent amendments to IAS 7 "Statement of cash flows", which requires entities to use the updated sub-aggregation "operating profit or loss" as a commencement point to settle the cash flows from the operating activities upon using the indirect method.

The Group currently uses profit before zakat and income tax as the commencement point for this settlement. Accordingly, settlement of cash flows from operating activities will be amended to reflect the new sub-aggregation "operating profit or loss" upon the application of IFRS 18.

The Group currently evaluates the requirements related to comparative information and application retrospectively upon the application of IFRS 18.

7. NET INVESTMENT IN LEASES

	For the six-month period ended June 30, 2026	For the year ended December 31, 2025
As at the end of the period/year	**308,687,504**	186,968,739
Additions	**-**	111,278,761
Interest income	**10,293,525**	17,441,060
Proceeds	**(9,945,655)**	(7,001,056)
	309,035,374	308,687,504
Less: Provision for expected credit loss	**(2,663,544)**	(1,470,250)
As at the end of the period/year	**306,371,830**	307,217,254
Current portion	**50,464,676**	49,422,989
Non-current portion	**255,907,154**	257,794,265

Movement of provision for expected credit loss for the period/year ended is as follows:

	For the six-month period ended June 30, 2026	For the year ended December 31, 2025
As at January 1	**1,470,250**	-
Charged for the period/year	**1,193,294**	1,470,250
As at the end of the period/year	**2,663,544**	1,470,250

(All amounts in Saudi Riyals unless otherwise stated)

8. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to its contracts with customers:

	June 30, 2026	December 31, 2025
Contract assets		
- Call centre services	**54,555,987**	56,786,804
- Universities	**19,734,720**	32,148,777
- Others	**3,544,215**	478,290
	77,834,922	89,413,871
Contract liabilities		
- Schools	**14,390,106**	35,808,188
- Management projects and others	**1,775,135**	879,406
- Call centre services	**633,481**	145,000
	16,798,722	36,832,594

9. TRADE RECEIVABLES

	June 30, 2026	December 31, 2025
Receivable from governmental customers	**287,305,877**	288,813,539
Receivable from non-governmental customers	**282,927,141**	220,704,815
	570,233,018	509,518,354
Less: Provision for expected credit losses	**(177,383,087)**	(170,992,187)
	392,849,931	338,526,167

Movement of provision for expected credit loss for the period/year ended is as follows:

	For the six-month period ended June 30, 2026	For the year ended December 31, 2025
As at January 1	**170,992,187**	143,627,815
Charged for the period/year	**6,652,969**	31,365,977
Write off	**-**	(4,373,018)
Foreign currency translation difference	**(262,069)**	371,413
As at the end of the period/year	**177,383,087**	170,992,187

10. LONG-TERM BORROWINGS

Movement of long-term borrowings for the period/year is as follows:

	For the six-month period ended June 30, 2026	For the year ended December 31, 2025
As at January 1	**372,925,804**	338,682,766
Proceeds from long-term borrowings	**30,384,272**	136,738,056
Repayment of long-term borrowings	**(45,673,227)**	(102,495,018)
As at period/year end	**357,636,849**	372,925,804

(All amounts in Saudi Riyals unless otherwise stated)

11. RELATED PARTIES' TRANSACTIONS AND BALANCES

The related parties represent the Group's shareholders, key management personnel and the entities owned or managed by these parties, as well as the entities that have control or joint control or have significant influence over these parties.

11-1 Following is a list of the principal related parties with whom the Group transacted and the nature of their relationship:

Name of the related party	Nature of relationship
Saleem Abdul Ghani Mhana Al-Baladi	Partner in a subsidiary
Al-Falak For Electronic Equipment and Supplies Company	Company owned by a Board of Directors member
Mohammad Al Ghamdi	Partner in a subsidiary
Abdulaziz Rashid Abdulrehman Al-Rashid	Chairman of the Board of Directors
Alwaleed Ibn Abdull Razzaq Ibn Saleh Al Dereyaan	Board of Directors member
Grey Fox Limited Company	Company owned by a Board of Directors member
Um Al Qura Schools	Partner in a subsidiary
Abdulaziz Fahad Al Kiridis	Partner in a subsidiary
Mohammad Mansour Alshawaf	Partner in a subsidiary
Jousef Mesco Leng	Partner in a subsidiary
Tawuniya Insurance Company	Operated by a Board of Directors member
Spectrum Wellness Establishment	Company owned by two Board of Directors members

11-2 The following are significant transactions made with the related parties:

Name of the related party	Nature of transaction	June 30, 2026	June 30, 2025
Abdulaziz Rashid Abdulrehman Al-Rashid	Letting of School building	**4,600,000**	-
	Tuition fees Collection	**-**	8,033,719
	Payments on behalf	**-**	7,180,497
	Operating income	**-**	731,070
	Collections on behalf	**-**	600,000
Um Al Qura Schools	Dividend payments	**3,920,000**	-
Abdulaziz Fahad Al Kiridis	Dividend payments	**1,867,599**	750,905
Al-Falak Electronic Equipment and Supplies Co.	Letting of Building	**450,000**	450,000
Jousef Mesco Leng	Acquisition consideration	**-**	10,188
Tawuniya Insurance Company	Insurance payment	**17,588,098**	15,386,118
Spectrum Wellness Establishment	Tenanting of Building	**861,428**	-
Relative if key management	Salaries and benefits	**968,219**	822,284

(All amounts in Saudi Riyals unless otherwise stated)

11. RELATED PARTIES' TRANSACTIONS AND BALANCES (continued)

11-3 Due from related parties

	June 30, 2026	December 31, 2025
Um Al Qura Schools	**2,924,591**	4,976,380
Spectrum Wellness Establishment	**1,461,835**	600,407
Saleem Abdul Ghani Mhana Al-Baladi	**1,087,402**	486,996
	5,473,828	6,063,783

11-4 Due to related parties

	June 30, 2026	December 31, 2025
Abdulaziz Fahad Al Kiridis	**3,006,336**	1,138,737
Abdullah Bin Ibrahim Al Imran	**-**	200,000
Khaled Abdullah Al Shaea	**-**	200,000
Muhammad Al-Khudairi	**-**	300,000
	3,006,336	1,838,737

11-5 The following table illustrates details of the remuneration and compensation of directors and key management personnel for the period ended June 30:

	June 30, 2026	June 30, 2025
Short-term benefits	**3,065,000**	2,310,000
Remuneration of Board of Directors Members	**1,351,000**	1,352,000
End of Services benefits	**2,326,557**	165,383
	6,742,557	3,827,383

12. OTHER INCOME, NET

	For the three-month period ended		**For the six-month period ended**	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
Dividends income	**2,101,602**	2,101,602	**4,364,865**	4,364,865
Rental income	**1,044,887**	1,055,941	**2,808,899**	1,619,836
Amortisation of deferred gain on sales and leaseback	**200,937**	200,937	**401,874**	401,874
Others	**1,736,391**	764,540	**2,479,359**	1,402,582
	5,083,817	4,123,020	**10,054,997**	7,789,157

(All amounts in Saudi Riyals unless otherwise stated)

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares during the period. The Company has no financial instruments or probable diluted shares that may affect earnings per share during the presented periods; therefore, diluted earnings per share equals basic earnings per share.

The following table reflects the profit and shares' data used in the basic and diluted earnings per share computations for the period ended June 30:

	For the three-month period ended		**For the six-month period ended**	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
Profit attributable to the Group's shareholders	**9,492,728**	11,507,164	**11,461,107**	18,668,825
Weighted average number of outstanding shares during the period	**65,000,000**	65,000,000	**65,000,000**	65,000,000
Basic and diluted earnings per share (SR/share)	**0.15**	0.18	**0.18**	0.29

14. SEGMENT INFORMATION

14-1 Operating segments

During the period, the Group reclassified the operations of Al Khaleej Training and Information Technology Company from other administrative projects to the training sector; the impact of this classification has been amended in the comparative figures.

The financial information of the Group's operating segments as at June 30, 2026 and for the six-month period then ended is as follows:

June 30, 2026:	**Head Office**	**Training**	**Call Centres**	**Universities**	**Schools**	**Total**
Revenue	**-**	**69,830,853**	**242,374,721**	**55,898,066**	**172,237,988**	**540,341,628**
Third-party revenue	**-**	**68,070,199**	**242,374,721**	**55,898,066**	**172,237,988**	**538,580,974**
Depreciation and amortisation	**1,629,622**	**5,038,823**	**8,403,524**	**515,336**	**29,042,225**	**44,629,530**
Profit (loss) before zakat and income tax	**(20,921,891)**	**3,414,788**	**9,020,592**	**4,869,857**	**23,645,780**	**20,029,126**
June 30, 2026:						
Total assets	**139,255,046**	**214,414,363**	**389,812,363**	**64,108,054**	**1,462,685,764**	**2,270,275,590**
Total liabilities	**575,169,206**	**138,601,440**	**184,129,904**	**21,501,391**	**767,445,532**	**1,686,847,473**

(All amounts in Saudi Riyals unless otherwise stated)

14. SEGMENT INFORMATION (continued)

14-1 Operating segments (continued)

The financial information of the Group's operating segments as at June 30, 2025 and December 31, 2025 is as follows:

June 30, 2025	Head Office	Training	Call Centres	Universities	Schools	Total
Revenue	-	78,955,147	299,734,998	59,658,813	158,278,079	596,627,037
Third-party revenue	-	76,902,580	299,734,998	59,658,813	158,278,079	594,574,470
Depreciation and amortisation	1,602,730	4,864,368	8,269,315	514,882	27,633,083	42,884,378
Profit (loss) before zakat and income tax	(23,253,735)	7,187,641	8,685,999	7,623,253	23,360,375	23,603,533
December 31, 2025:						
Total assets	169,114,355	197,604,982	364,241,672	61,304,159	1,405,632,269	2,197,897,437
Total liabilities	456,411,774	211,336,335	162,910,897	70,972,969	727,671,717	1,629,303,692

14-2 Geographical segments

The revenue earned from third parties from different business segments categorised by geographical region, for the six-month periods ended June 30, is as follows:

	Training	**Call Centres**	**Universities**	**Schools**	**Total**
June 30, 2026:					
KSA	**45,463,921**	**225,920,687**	**55,898,066**	**172,237,988**	**499,520,662**
Other GCC countries	**16,789,227**	**-**	**-**	**-**	**16,789,227**
Other countries	**5,817,051**	**16,454,034**	**-**	**-**	**22,271,085**
	68,070,199	**242,374,721**	**55,898,066**	**172,237,988**	**538,580,974**
June 30, 2025:					
KSA	47,643,909	299,734,998	59,658,813	158,278,079	565,315,799
Other GCC countries	22,497,019	-	-	-	22,497,019
Other countries	6,761,652	-	-	-	6,761,652
	76,902,580	299,734,998	59,658,813	158,278,079	594,574,470

15. FINANCIAL INSTRUMENTS

15.1 Financial instruments risk management

There were no material changes in the Group's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from prior periods.

15.2 Fair value measurement of financial instruments

There were no material changes in the judgments and estimates made by the Group in determining the fair value of the financial instruments since the last annual consolidated financial statements. Furthermore, the levels of input used in the determination of the fair values are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025.

(All amounts in Saudi Riyals unless otherwise stated)

16. PRIOR PERIODS ADJUSTMENTS

A) The Group reassessed the revenue recognition method for educational service revenues in the financial statements for the year ended December 31, 2025, so that revenues are now recognised over the duration of the academic year rather than the financial year. This change has been made in accordance with the guidance issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

This change reflects the Group's application of a method that more faithfully represents the pattern of satisfaction of its contractual performance obligation under IFRS 15. As a result of the change in the method of recognising educational service revenues, the comparative figures have been restated.

Impact of this change in revenue recognition on the comparative figures as at December 31, 2024, January 1, 2024, and for the year ended December 31, 2024 has been disclosed in the financial statements for the year ended December 31, 2025. Only the impact of this change on the comparative figures as at June 30, 2025 and for the six-month period then ended is disclosed here.

B) During the period, management completed the purchase price allocation for the acquisition of Mazaya Integrated Computer Solutions Co. ; this process resulted in an increase to the fair value of intangible assets. As a result, the fair value amendment resulted in a reduction of the preliminary goodwill previously recognised, an increase in non-controlling interests, and an amendment to the recognition of depreciation expense for intangible assets.

Impact of adjustments and reclassifications to the interim condensed consolidated statement of profit or loss for the six-month period ended June 30, 2025

	Note	June 30, 2025	Adjustment	June 30, 2025
		(Unaudited)		(Restated)
Revenue	A	582,852,534	11,721,936	594,574,470
Cost of revenue	B	(472,492,943)	(73,332)	(472,566,275)
Net profit for the period		13,860,582	11,648,604	25,509,186
Net profit for the period attributable to:				
Shareholders of the Company	A	8,080,170	10,588,655	18,668,825
Non-controlling interests	A	5,780,412	1,059,949	6,840,361
		13,860,582	11,648,604	25,509,186
Basic and diluted earnings per share for profit attributable to the shareholders of the Company		0.12	0.17	0.29

(All amounts in Saudi Riyals unless otherwise stated)

16. PRIOR PERIOD'S ADJUSTMENTS (continued)

Impact of adjustments and reclassifications to the interim condensed consolidated statement of comprehensive income for the six-month period ended June 30, 2025:

	Note	June 30, 2025 (Unaudited)	Adjustment	June 30, 2025 (Restated)
Net profit for the period	A	13,860,582	11,648,604	25,509,186
Total comprehensive income for the period attributable to:				
Shareholders of the Company		9,134,027	10,588,655	19,722,682
Non-controlling interest		5,780,326	1,059,949	6,840,275
		14,914,353	11,648,604	26,562,957

Impact of adjustments and reclassifications to the interim condensed consolidated statement of financial position as at June 30, 2025:

	Note	June 30, 2025 (Unaudited)	Adjustment	June 30, 2025 (Restated)
Intangible assets	B	125,747,288	119,747	125,867,035
Accumulated losses	A	(19,508,544)	2,079,852	(17,428,692)
Contract liabilities	A	7,367,703	(3,197,012)	4,170,691
Trade payables		48,449,697	(1,358,451)	47,091,246

Impact of amendments and reclassifications on the consolidated statement of financial position as at December 31, 2025:

	Note	December 31, 2025 (Audited)	Adjustment	December 31, 2025 (Restated)
Intangible assets	B	121,675,874	1,316,689	122,992,563
Accumulated losses	B	(20,915,508)	(119,767)	(21,035,275)

Those amendments had no effect on the interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2025.

17. CONTINGENCIES AND COMMITMENTS

a) Contingencies

The Group has provided letters of guarantee amounting to SR 115.7 million (December 31, 2025: SR 121.6 million).

b) Commitments

The capital commitments pledged by the Group but not incurred till June 30, 2026, amounted to SR 9 million (December 31, 2025: SR 9 million).

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors has approved these interim condensed consolidated financial statements on Safar 27, 1448 H, corresponding to August 10, 2026G.