

**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 Months Period Ended March 31, 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 months Period ended March 31, 2026**

---

<b><u>Index</u></b>	<b><u>Page</u></b>
Independent Auditor's Review Report	1
Interim Condensed Consolidated Statement of Financial Position	2 – 3
Interim Condensed Consolidated Statement of Profit or Loss	4
Interim Condensed Consolidated Statement of Comprehensive Income	5
Interim Condensed Consolidated Statement of Changes in Equity	6
Interim Condensed Consolidated Statement of Cash Flows	7 – 8
Notes to the Interim Condensed Consolidated Financial Statements	9 – 18

## 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 March 31, 2026 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months 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, and consequently 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 Dhul Qadah 24, 1447H  
Corresponding to May 11, 2026G



**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

**Interim Condensed Consolidated Statement of Financial Position****As At March 31, 2026**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	<b>March 31, 2026</b> <b>(Unaudited)</b>	December 31, 2025 <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		<b>606,040,472</b>	608,213,414
Right-of-use assets		<b>496,587,015</b>	444,380,515
Intangible assets		<b>124,320,251</b>	121,675,874
Financial assets at FVTOCI		<b>130,945,946</b>	127,389,388
Non-current portion of net investment in leases	7	<b>261,873,120</b>	257,794,265
Financial derivative instrument carried at FVTPL		<b>2,405,826</b>	2,902,135
Recoverable amount from employees' defined benefits obligation		<b>23,391,733</b>	23,391,733
		<b>1,645,564,363</b>	1,585,747,324
<b>Current assets</b>			
Inventories		<b>2,763,457</b>	2,571,831
Trade receivables	8	<b>414,789,935</b>	338,526,167
Contract assets	9	<b>98,900,876</b>	89,413,871
Current portion of net investment in leases	7	<b>41,102,335</b>	49,422,989
Due from related parties	11	<b>7,215,076</b>	6,063,783
Prepayments and other receivables		<b>66,322,939</b>	82,323,343
Cash and cash equivalents		<b>43,164,843</b>	42,511,440
		<b>674,259,461</b>	610,833,424
<b>Total assets</b>		<b>2,319,823,824</b>	2,196,580,748
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		<b>650,000,000</b>	650,000,000
Actuarial reserve		<b>(72,408,061)</b>	(72,408,061)
Accumulated losses		<b>(18,947,130)</b>	(20,915,508)
Foreign currency translation reserve		<b>(8,489,194)</b>	(8,180,301)
Fair value reserve		<b>(34,575,360)</b>	(38,131,917)
Total equity attributable to the shareholders of the Company		<b>515,580,255</b>	510,364,213
Non-controlling interests		<b>58,525,313</b>	56,912,843
<b>Total equity</b>		<b>574,105,568</b>	567,277,056

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 Financial Position (Continued)****As At March 31, 2026**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	<b>March 31, 2026</b> <b>(Unaudited)</b>	December 31, 2025 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities		<b>688,505,842</b>	664,083,550
Long-term borrowings		<b>293,742,753</b>	308,266,368
Employees' defined benefits obligation		<b>125,502,013</b>	130,913,694
Non-current portion of deferred gain from sale and leaseback transactions		<b>6,630,925</b>	6,831,862
		<b>1,114,381,533</b>	1,110,095,474
<b>Current liabilities</b>			
Short-term borrowings and bank overdrafts		<b>208,174,286</b>	197,965,206
Current portion of long-term borrowings		<b>63,909,436</b>	64,659,436
Current portion of deferred gain from sale and leaseback transactions		<b>803,748</b>	803,748
Current portion of lease liabilities		<b>111,565,411</b>	69,038,091
Trade payables		<b>61,268,462</b>	61,570,771
Contract liabilities	9	<b>82,771,445</b>	36,832,594
Due to related parties	11	<b>1,694,663</b>	1,838,737
Accrued expenses and other liabilities		<b>92,259,552</b>	79,507,206
Zakat and income tax payable		<b>8,889,720</b>	6,992,429
		<b>631,336,723</b>	519,208,218
<b>Total liabilities</b>		<b>1,745,718,256</b>	1,629,303,692
<b>Total equity and liabilities</b>		<b>2,319,823,824</b>	2,196,580,748

Chief Financial Officer  
Sherif Esmat

Chief Executive Officer  
Hatem Aldarayan

Chairman of Board of Directors  
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 Profit or Loss** (Unaudited)  
**For the Three months Period ended March 31, 2026**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2026	2025 (Restated, note 16)
Revenue	14	<b>269,518,269</b>	294,737,757
Cost of revenue		<b>(216,132,362)</b>	(233,505,065)
<b>Gross profit</b>		<b>53,385,907</b>	61,232,692
Selling and marketing expenses		<b>(3,263,498)</b>	(3,477,941)
General and administrative expenses		<b>(28,105,347)</b>	(29,104,703)
Expected credit loss	8	<b>(3,514,688)</b>	(2,435,139)
Other income, net	12	<b>4,971,180</b>	3,666,137
<b>Operating profit</b>		<b>23,473,554</b>	29,881,046
Finance cost		<b>(22,201,375)</b>	(19,772,715)
Finance income		<b>5,078,854</b>	3,672,383
Loss from revaluation of financial derivative instruments carried at FVTPL		<b>(496,309)</b>	(1,266,431)
<b>Profit before zakat and income tax</b>		<b>5,854,724</b>	12,514,283
Zakat and income tax		<b>(2,016,402)</b>	(1,849,293)
<b>Profit for the period</b>		<b>3,838,322</b>	10,664,990
<b><u>Net profit for the period attributable to:</u></b>			
Shareholders of the Company		<b>1,968,378</b>	7,161,661
Non-controlling interest		<b>1,869,944</b>	3,503,329
		<b>3,838,322</b>	10,664,990
<b>Basic and diluted earnings per share for profit attributable to the shareholders of the Company</b>	13	<b>0.03</b>	0.11

Chief Financial Officer  
Sherif Esmat



Chief Executive Officer  
Hatem Aldarayan



Chairman of Board of Directors  
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 Comprehensive Income (Unaudited)**  
**For the Three months Period ended March 31, 2026**  
(All amounts in Saudi Riyals unless otherwise stated)

	<u>2026</u>	2025 (Restated, note 16)
<b>Profit for the period</b>	<u><b>3,838,322</b></u>	<u>10,664,990</u>
<b><u>Other Comprehensive Income</u></b>		
<b><u>Items that will be reclassified subsequently to profit or loss:</u></b>		
Foreign currency translation differences	<b>(566,367)</b>	658,187
<b><u>Items that will not be reclassified subsequently to profit or loss:</u></b>		
Change in the fair value of investments in equity instruments carried at FVTOCI	<u><b>3,556,557</b></u>	<u>(1,131,630)</u>
<b>Other comprehensive income (loss) for the period</b>	<u><b>2,990,190</b></u>	<u>(473,443)</u>
<b>Total comprehensive income for the period</b>	<u><b>6,828,512</b></u>	<u>10,191,547</u>
<b><u>Total comprehensive income for the period attributable to:</u></b>		
Shareholders of the Company	<b>5,216,042</b>	6,688,218
Non-controlling interest	<u><b>1,612,470</b></u>	<u>3,503,329</u>
	<u><b>6,828,512</b></u>	<u>10,191,547</u>

\_\_\_\_\_  
**Chief Financial Officer**  
**Sherif Esmat**

\_\_\_\_\_  
**Chief Executive Officer**  
**Hatem Aldarayan**

\_\_\_\_\_  
**Chairman of Board of Directors**  
**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 Changes in Equity** (Unaudited)

**For the Three Months Period Ended March 31, 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 ("NCI")	Total equity
<b>As at January 1, 2026 (Audited)</b>	<b>650,000,000</b>	<b>(72,408,061)</b>	<b>(20,915,508)</b>	<b>(8,180,301)</b>	<b>(38,131,917)</b>	<b>510,364,213</b>	<b>56,912,843</b>	<b>567,277,056</b>
Profit for the period	-	-	1,968,378	-	-	1,968,378	1,869,944	3,838,322
Other comprehensive income for the period	-	-	-	(308,893)	3,556,557	3,247,664	(257,474)	2,990,190
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,968,378</b>	<b>(308,893)</b>	<b>3,556,557</b>	<b>5,216,042</b>	<b>1,612,470</b>	<b>6,828,512</b>
<b>As at March 31, 2026</b>	<b>650,000,000</b>	<b>(72,408,061)</b>	<b>(18,947,130)</b>	<b>(8,489,194)</b>	<b>(34,575,360)</b>	<b>515,580,255</b>	<b>58,525,313</b>	<b>574,105,568</b>
As at January 1, 2025 (issued)	650,000,000	(61,210,064)	(27,737,549)	(8,655,963)	(30,372,159)	522,024,265	48,496,970	570,521,235
Adjustments for prior years	-	-	(8,508,803)	-	-	(8,508,803)	(16,118)	(8,524,921)
As at January 1, 2025 (Restated)	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	-	-	7,161,661	-	-	7,161,661	3,503,329	10,664,990
Other comprehensive loss for the period	-	-	-	658,187	(1,131,630)	(473,443)	-	(473,443)
Total comprehensive income for the period (Restated - Note 16)	-	-	7,161,661	658,187	(1,131,630)	6,688,218	3,503,329	10,191,547
As at March 31, 2025 (Restated - Note 16)	650,000,000	(61,210,064)	(29,084,691)	(7,997,776)	(31,503,789)	520,203,680	51,984,181	572,187,861

**Chief Financial Officer**  
**Sherif Esmat**

**Chief Executive Officer**  
**Hatem Aldarayan**

**Chairman of Board of Directors**  
**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 Three months Period ended March 31, 2026**

(All amounts in Saudi Riyals unless otherwise stated)

	<b>2026</b>	2025
		(Restated, note 16)
<b>Cash flows from operating activities</b>		
Profit before zakat and income tax	<b>5,854,724</b>	12,514,283
<b>Adjustments for non-cash items:</b>		
Depreciation of property and equipment	<b>8,209,618</b>	7,731,109
Depreciation of right-of-use assets	<b>12,001,668</b>	11,285,981
Amortization of intangible assets	<b>2,268,396</b>	1,916,319
Deferred gain from sale and leaseback transactions	<b>(200,937)</b>	(200,937)
Employees defined benefits obligations incurred	<b>6,974,695</b>	6,360,846
Expected credit loss	<b>3,514,688</b>	2,435,139
Loss from revaluation of financial derivative instruments carried at FVTPL	<b>496,309</b>	1,266,431
Finance cost	<b>22,201,375</b>	19,772,715
Finance income	<b>(5,078,854)</b>	(3,672,383)
	<b>56,241,682</b>	59,409,503
<b>Changes in working capital items:</b>		
Inventories	<b>(191,626)</b>	(375,901)
Trade receivables	<b>(79,590,322)</b>	(36,414,681)
Contract assets	<b>(9,487,005)</b>	(19,844,766)
Due from related parties	<b>(651,293)</b>	2,829,349
Prepayments and other receivables	<b>16,000,406</b>	(1,558,861)
Trade payables	<b>(302,309)</b>	(9,576,261)
Contract liabilities	<b>45,938,851</b>	19,566,182
Due to related parties	<b>(1,107,778)</b>	(490,146)
Accrued expenses and other liabilities	<b>12,752,343</b>	17,609,717
<b>Cash generated from operations</b>	<b>39,602,949</b>	31,154,135
Employees' defined benefits obligation paid	<b>(12,386,377)</b>	(2,707,129)
Zakat and income tax paid	<b>(119,110)</b>	(2,746,625)
<b>Net cash generated from operating activities</b>	<b>27,097,462</b>	25,700,381
<b>Cash flows from investing activities</b>		
Addition of property and equipment	<b>(6,147,347)</b>	(10,028,892)
Addition of intangible assets	<b>(4,843,441)</b>	(542,344)
Proceeds from net investment in leases	<b>9,320,653</b>	3,913,716
<b>Net cash used in investing activities</b>	<b>(1,670,135)</b>	(6,657,520)

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) (Continued)**For The Three months Period ended March 31, 2026**

(All amounts in Saudi Riyals unless otherwise stated)

	<b>2026</b>	2025
		(Restated, note 16)
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans and borrowings	<b>18,000,000</b>	16,000,000
Repayment of long-term loans and borrowings	<b>(33,273,615)</b>	(23,363,559)
Net change in short-term borrowings	<b>10,209,080</b>	(12,142,087)
Finance cost paid	<b>(10,183,337)</b>	(10,003,768)
Principal element of lease liabilities paid	-	(4,998,520)
Interest elements of lease liabilities paid	<b>(9,208,830)</b>	(10,564,397)
<b>Net cash used in financing activities</b>	<b>(24,456,702)</b>	(45,072,331)
<b>Net change in cash and cash equivalents during the period</b>	<b>970,625</b>	(26,029,470)
Cash and cash equivalents at the beginning of the period	<b>42,511,440</b>	69,270,402
Effects of foreign currency translation on cash and cash equivalents	<b>(317,222)</b>	53,292
<b>Cash and cash equivalents at end of the period</b>	<b>43,164,843</b>	43,294,224
<b>Non-cash transactions:</b>		
Finance cost related to lease liabilities capitalized to property and equipment	<b>959,463</b>	<b>122,034</b>
Finance costs related to borrowings capitalized to property and equipment	-	<b>795,450</b>

Chief Financial Officer  
Sherif Esmat

Chief Executive Officer  
Hatem Aldarayan

Chairman of Board of Directors  
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)

### Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)

#### For The Three months Period ended March 31, 2026

(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 registration number 1010103367 and the unified national number of the Company 7001363006 dated Jamada Al Awal 30, 1413 H (corresponding to November 25, 1992 G). The shares of the Company are listed on the stock exchange.

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 high management consulting services and integrated office administrative services activities, establishing and operating call centers.

#### 2. LIST OF 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 by the Company. The country of incorporation mentioned in the table below is also the principal place of business of each respective subsidiary, except as otherwise stated.

Name of subsidiary	Country of incorporation	Activities	Effective ownership percentage	
			2026	2025
Advanced Communication Systems and Solutions Company	KSA	Information, communications, 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, operation in Egypt	Professional online career network for job seekers and employers to connect	60%	60%
Al Khaleej Training and Information Technology Company	Egypt	Training courses for English and IT	57%	57%
Al-Riyadah Model Education Company	KSA	Education	51%	51%

## **Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

### **Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**

#### **For The Three months Period ended March 31, 2026**

(All amounts in Saudi Riyals unless otherwise stated)

---

### **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 annual 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.

#### **Basis of measurement**

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the following:

- Defined benefits plan measured at the present value of future obligations using the Projected Unit Credit Method;
- Investments in equity instruments measured at fair value through other comprehensive income; and
- Investment in financial derivatives is measured at fair value through profit or loss.

Furthermore, these interim condensed consolidated financial statements are prepared using the accrual basis of accounting and the going concern basis.

### **4. FUNCTIONAL AND PRESENTATION CURRENCY**

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

### **5. USE OF 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 reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The significant estimates made by the Group for managing 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.

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

**Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**  
**For The Three months Period ended March 31, 2026**  
(All amounts in Saudi Riyals unless otherwise stated)

**6. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies and calculation methods applied in preparing the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the application of the new amendments that became effective on January 1, 2026. The Group did not early adopt any other standard, interpretation or amendment issued but not yet effective.

**New Standards, Amendment to Standards and Interpretations**

There are no new standards issued that are effective for these interim condensed consolidated financial statements; however, there are number of amendments to standards which are effective from January 1, 2026 and have been explained in the Group's annual consolidated financial statements, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

**7. NET INVESTMENT IN LEASES**

	<b>March 31, 2026</b>	December 31, 2025
As at January 1	<b>308,687,504</b>	186,968,739
Additions *	-	111,278,761
Finance income	<b>5,078,854</b>	17,441,060
Proceed	<b>(9,320,653)</b>	(7,001,056)
	<b>304,445,705</b>	308,687,504
Less: Provision of Expected credit loss	<b>(1,470,250)</b>	(1,470,250)
<b>As at December 31,</b>	<b>302,975,455</b>	307,217,254
	<b>41,102,335</b>	49,422,989
Current portion	<b>41,102,335</b>	49,422,989
Non-current portion	<b>261,873,120</b>	257,794,265

\* In August 2025, the Group signed a sublease contract for a building located in the Al Jazeera District, Riyadh, for a period of 25 years. The total rentals as per the signed sublease contract amount to SAR 220.6 million receivable over the term of the sublease. This transaction resulted in a reduction of the balances of the right-of-use asset and construction-in-progress by SAR 10.6 million and SAR 84 million, respectively, recognition of a net investment in sublease of SAR 111 million, and recognition of a gain amounting to SAR 16.6 million.

**8. TRADE RECEIVABLES**

	<b>March 31, 2026</b>	December 31, 2025
Receivable from government customers	<b>268,227,640</b>	288,813,539
Receivable from non-government customers	<b>320,881,035</b>	220,704,815
	<b>589,108,675</b>	509,518,354
Less: Provision for expected credit losses	<b>(174,318,740)</b>	(170,992,187)
	<b>414,789,935</b>	338,526,167

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

**Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**  
**For The Three months Period ended March 31, 2026**  
(All amounts in Saudi Riyals unless otherwise stated)

**8. TRADE RECEIVABLES (continued)**

The movement of provision for expected credit losses is as follows:

	<b>2026</b>	2025
As at January 1	<b>170,992,187</b>	143,627,815
Charge for the period/year	<b>3,514,688</b>	31,365,977
Write off	-	(4,373,018)
Foreign currency translation	<b>(188,135)</b>	371,413
<b>As at the end of the period/year</b>	<b>174,318,740</b>	170,992,187

**9. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS**

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

	<b>March 31, 2026</b>	December 31, 2025
<b>Contract assets</b>		
- Universities	<b>24,653,803</b>	56,786,804
- Call centre services	<b>72,538,970</b>	32,148,777
- Others	<b>1,708,103</b>	478,290
	<b>98,900,876</b>	89,413,871
<b>Contract liabilities</b>		
- Schools	<b>75,557,041</b>	35,808,188
- Call centre services	<b>592,830</b>	145,000
- Management projects and others	<b>6,621,574</b>	879,406
	<b>82,771,445</b>	36,832,594

**10. BORROWINGS**

The Group has obtained long-term and short-term loans in the form of Tawarruq from several local banks to finance the Group's projects to construct buildings for educational establishments and to manage the working capital. The loans are charged a commission equal to the sum of the Saudi inter-bank borrowing rate (SAIBOR) and the predetermined rate per annum. The maturity of the long-term loans ranges from 3 years to 9 years.

These loans are secured by the issuance of promissory notes, assignment of the proceeds from specific contracts and projects and the pledge of part of the Group's land and construction.

The agreements include covenants which require the Group to maintain certain financial ratios. As at March 31, 2026, the Group was in breach of certain covenants, causing the outstanding long-term borrowings to become payable on demand to the banks. However, the Group had obtained a waiver from the banks for these breaches.

## Al Khaleej Training and Education Company

(A Saudi Listed Joint Stock Company)

### Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)

#### For The Three months Period ended March 31, 2026

(All amounts in Saudi Riyals unless otherwise stated)

#### 11. RELATED PARTY 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. These transactions were approved by the Board of Directors.

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

Name of the related party	Nature of relationship
Abdulaziz Rashid Abdulrehman Al-Rashid	Chairman of the Board of Directors
Alwaleed Ibn Abdull Razzaq Ibn Saleh Al Dereyaan	Board of directors' member
Saleem Abdul Ghani Mhana Al-Baladi	Partner in a subsidiary
Um Al Qura Schools	Partner in a subsidiary
Abdullah Bin Ibrahim Al Imran	Partner in a subsidiary
Khaled Abdullah Al Shaea	Partner in a subsidiary
Muhammad Al-Khudairi	Partner in a subsidiary
Abdulaziz Fahad Al Kiridis	Partner in a subsidiary
Al-Falak Electronic Equipment and Supplies Company	Company owned by Board of Directors member
Grey Fox Limited Company	Company owned by Board of Directors member
Spectrum Wellness Establishment	Company owned by Board of Directors member

#### 11-2 Significant transactions that occurred with the related parties are as follows:

Name of the related party	Nature of transaction	March 31, 2026	March 31, 2025
Um Al Qura Schools	Payment on behalf	<b>586,094</b>	3,337,177
	Collection	-	2,473,700
Spectrum Wellness Establishment	Rent as a lessee	<b>563,200</b>	-
Al-Falak Electronic Equipment and Supplies Co.	Rent as a lessee	<b>225,000</b>	225,000
Muhammad Al-Khudairi	Dividend payment	<b>200,000</b>	-
Abdulaziz Fahad Al Kiridis	Expense paid on behalf/Dividend payment	<b>55,926</b>	750,905
Saleem Abdul Ghani Mhana Al-Baladi	Payment on behalf	<b>1,999</b>	1,206,449
	Collection	-	1,206,449
Abdulaziz Rashid Abdulrehman Al-Rashid	Collection	-	3,625,529
	Payment on behalf	-	4,058,340
Grey Fox Limited Company	Collection	-	600,000
Alwaleed Ibn Abdull Razzaq Ibn Saleh Al Dereyaan	Collection	-	300,000
Relatives of key management	Salaries and benefits	<b>4,369,723</b>	1,922,133

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

**Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**  
**For The Three months Period ended March 31, 2026**  
(All amounts in Saudi Riyals unless otherwise stated)

**11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

**11-3 Due from related parties**

	<b>March 31, 2026</b>	December 31, 2025
Um Al Qura Schools	<b>5,562,474</b>	4,976,380
Saleem Abdul Ghani Mhana Al-Baladi	<b>488,995</b>	486,996
Spectrum Wellness Establishment	<b>1,163,607</b>	600,407
	<b>7,215,076</b>	6,063,783

**11-4 Due to related parties**

	<b>March 31, 2026</b>	December 31, 2025
Abdulaziz Fahad Al Kiridis	<b>1,194,663</b>	1,138,737
Abdullah Bin Ibrahim Al Imran	<b>200,000</b>	200,000
Khaled Abdullah Al Shaea	<b>200,000</b>	200,000
Muhammad Al-Khudairi	<b>100,000</b>	300,000
	<b>1,694,663</b>	1,838,737

**11-5 The following table presents details of the remuneration and compensation of directors and key management personnel for the period ended March 31, as follows:**

Members of the Board of Directors do not receive any remuneration for their role in managing the Group unless approved by the General Assembly. Members of the Board of Directors receive an attendance allowance for Board and Board Committee meetings. The Executive Director receives fixed remuneration as a result of his direct duties and responsibilities.

	<b>March 31, 2026</b>	March 31, 2025
Short-term benefits	<b>1,455,000</b>	1,155,000
Allowances of Board of Directors Members	<b>698,000</b>	680,500
Employees' defined benefits obligation	<b>2,216,723</b>	86,633
	<b>4,369,723</b>	1,922,133

**12. OTHER INCOME, NET**

	<b>March 31, 2026</b>	March 31, 2025
Dividends income	<b>2,263,263</b>	2,263,263
Rental income	<b>1,764,012</b>	563,895
Amortization of deferred gain on sales and leaseback	<b>200,937</b>	200,937
Others	<b>742,968</b>	638,042
	<b>4,971,180</b>	3,666,137

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

**Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**  
**For The Three months Period ended March 31, 2026**  
(All amounts in Saudi Riyals unless otherwise stated)

**13. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period. Diluted earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and share data used in the basic and diluted earnings per share computations for the period ended March 31:

	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Profit attributable to the shareholders of the Company	<b>1,968,378</b>	7,161,661
Weighted average number of shares	<b>65,000,000</b>	65,000,000
Basic and diluted earnings per share	<b>0.03</b>	0.11

**14. SEGMENT INFORMATION**

**Operating segments**

Operating segments are determined based on the Group's internal reporting to executive management. For management purposes, the Group is organized into five business units based on its products and services. The executive management monitors the operating results of its business units separately to make decisions about resource allocation and performance assessment.

The financial information of the Group's operating segments for the period ended is as follows:

<b>March 31, 2026:</b>	<b>Head Office</b>	<b>Training</b>	<b>Call Centres</b>	<b>Universities</b>	<b>Schools</b>	<b>Total</b>
Revenue	-	<b>32,330,842</b>	<b>124,855,427</b>	<b>27,692,065</b>	<b>85,520,262</b>	<b>270,398,596</b>
Third-party revenue	-	<b>31,450,515</b>	<b>124,855,427</b>	<b>27,692,065</b>	<b>85,520,262</b>	<b>269,518,269</b>
Depreciation and amortization	<b>988,892</b>	<b>2,550,199</b>	<b>4,232,078</b>	<b>256,403</b>	<b>14,452,110</b>	<b>22,479,682</b>
Profit (loss) before zakat and income tax	<b>(10,540,151)</b>	<b>(2,839,202)</b>	<b>3,401,951</b>	<b>2,462,365</b>	<b>13,369,761</b>	<b>5,854,724</b>
<b>March 31, 2026:</b>						
Total assets	<b>148,320,633</b>	<b>203,363,163</b>	<b>384,742,844</b>	<b>63,683,432</b>	<b>1,519,713,752</b>	<b>2,319,823,824</b>
Total liabilities	<b>562,578,935</b>	<b>129,092,288</b>	<b>181,654,639</b>	<b>28,833,098</b>	<b>843,559,296</b>	<b>1,745,718,256</b>

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

**Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**  
**For The Three months Period ended March 31, 2026**  
(All amounts in Saudi Riyals unless otherwise stated)

**14. SEGMENT INFORMATION (continued)**

The financial information of the Group's operating segments for the period ended March 31 is as follows:

<u>March 31, 2025</u>	Head Office	Training	Call Centres	Universities	Schools	Total
Revenue	-	36,587,450	147,410,072	30,634,942	81,156,127	295,788,591
Third-party revenue	-	35,536,616	147,410,072	30,634,942	81,156,127	294,737,757
Depreciation and amortization	801,403	2,460,575	4,020,152	259,002	13,392,276	20,933,408
Profit (loss) before zakat and income tax	(8,577,697)	2,575,965	3,740,816	4,276,572	10,498,627	12,514,283

March 31, 2025:

Total assets	166,189,961	143,271,064	367,685,374	58,840,540	1,432,513,428	2,168,500,367
Total liabilities	62,191,730	142,724,999	178,842,286	67,549,561	1,145,003,928	1,596,312,504

The revenue earned from third parties from different business segments categorized by geographical region, for the three months is as follows:

	Training	Call Centres and IT	Universities	Schools	Total
<u>March 31, 2026:</u>					
KSA	22,274,777	118,165,458	27,692,065	85,520,262	253,652,562
Other GCC countries	6,421,755	6,689,969	-	-	13,111,724
Other countries	2,753,983	-	-	-	2,753,984
Total	31,450,515	124,855,427	27,692,065	85,520,262	269,518,269

March 31, 2025:

KSA	22,620,916	147,410,072	30,634,942	81,156,127	281,822,057
Other GCC countries	9,573,050	-	-	-	9,573,050
Other countries	3,342,650	-	-	-	3,342,650
Total	35,536,616	138,993,256	30,634,942	81,156,127	294,737,757

**15. FAIR VALUE RISK MANAGEMENT OF FINANCIAL INSTRUMENTS**

**15.1 Risk management of financial instruments**

There have been no substantive 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 previous periods.

**15.2 Fair value measurements of financial instruments**

There have been no substantive changes in the judgments and estimates made by the Group in determining the fair values 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. The fair value of financial instruments approximates their carrying value.

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

**Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**

**For The Three months Period ended March 31, 2026**

(All amounts in Saudi Riyals unless otherwise stated)

**16. PRIOR PERIOD'S ADJUSTMENTS**

In accordance with the requirements of IAS 8 "Accounting policies, changes in accounting estimates and errors" ("IAS 8"), management has restated the comparative figures to adjust prior period consolidated financial statements. The note below sets out the details of adjustments and reclassifications and the impact on the line items in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss, and interim condensed consolidated statement of comprehensive income.

- A) During the current financial period, the Group reassessed its revenue recognition method for educational service revenues so that revenues are now recognized 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 recognizing educational service revenues, the comparative figures have been restated as follows:

Impact of adjustments and reclassifications to the interim condensed consolidated statement of profit or loss for the three-months Period ended March 31, 2025

	Note	March 31, 2025 (Unaudited)	Adjustment	March 31, 2025 (Restated)
Revenue	A	287,954,064	6,783,693	294,737,757
Profit for the period		<u>3,881,297</u>	<u>6,783,693</u>	<u>10,664,990</u>
<u>Profit for the period attributed to:</u>				
Shareholders of the Company	A	1,045,864	6,115,797	7,161,661
Non-controlling interests	A	2,835,433	667,896	3,503,329
		<u>3,881,297</u>	<u>6,783,693</u>	<u>10,664,990</u>
Basic and diluted earnings per share for profit attributable to the shareholders of the Company:		0.02	-	0.11

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

**Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**  
**For The Three months Period ended March 31, 2026**  
(All Amounts in Saudi Riyals Unless Otherwise Stated)

**17. PRIOR PERIOD'S ADJUSTMENTS (Continued)**

Impact of adjustments and reclassifications to the interim condensed consolidated statement of comprehensive income for the three-month period ended March 31, 2025:

	Note	March 31, 2025 (Unaudited)	Adjustment	March 31, 2025 (Restated)
Profit for the period	A	3,881,297	6,783,693	10,664,990
Other comprehensive losses for the period		(473,443)	-	(473,443)
Total comprehensive income for the period		3,407,854	6,783,693	10,191,547
<b>Total comprehensive income for the period attributed to:</b>				
Shareholders of the Company		572,421	6,115,797	6,688,218
Non-controlling interest		2,835,433	667,896	3,503,329
		3,407,854	6,783,693	10,191,547

Impact of adjustments and reclassifications to the interim condensed consolidated statement of financial position as at March 31, 2025:

	Note	March 31, 2025 (Audited)	Adjustment	March 31, 2025 (Restated)
Accumulated losses	A	(26,691,685)	(2,393,004)	(29,084,689)
Total equity is attributable to the shareholders of the Company	A	522,596,686	(2,393,004)	520,203,682
Non-controlling interest	A	51,332,403	651,777	51,984,180
Total equity		573,929,089	(1,741,227)	572,187,862
Contract liabilities	A	59,063,541	1,741,227	60,804,768

**18. CONTINGENCIES AND COMMITMENTS**

**a) Contingencies**

The Group has provided letters of guarantee amounting to SR 111.5 million (December 31, 2025: SR 121.6 million).

**b) Commitments**

The capital expenditures committed by the Group but not incurred till March 31, 2026, amounted to SR 9 million (December 31, 2025: SR 9 million).

**19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements have been approved by the Board of Directors on Dhul Qadah 20, 1447 H, corresponding to May 7, 2026 G.