

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 Nine-Months Period Ended September 30, 2025

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 Nine-Months Period Ended September 30, 2025

<u>Index</u>	<u>Page</u>
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 – 22

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 September 30, 2025 and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three-month and nine-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine-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, 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
(License No. 489)

Riyadh on Jumada Al-Awwal 25, 1447H
Corresponding to November 16, 2025G



Al Khaleej Training and Education Company

(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Financial Position**As At September 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Non-current assets			
Property and equipment		602,255,523	682,833,132
Right of use assets		453,937,823	441,355,980
Intangible assets		122,098,130	111,871,970
Financial assets at FVTOCI		134,664,163	135,149,147
Non-current portion of net investment in leases	7	260,987,180	153,019,375
Financial derivative instrument carried at FVTPL		2,570,500	4,590,800
Recoverable amount from employees' defined benefits obligation		17,375,605	15,125,675
		1,593,888,924	1,543,946,079
Current assets			
Inventories		2,755,983	2,709,611
Trade receivables	8	390,972,857	368,231,187
Contract assets	9	77,911,238	54,901,834
Current portion of net investment in leases	7	43,284,030	33,949,364
Due from related parties	11	17,011,832	14,990,906
Prepayments and other receivables		76,710,950	63,095,675
Cash and cash equivalents		58,535,337	69,270,402
		667,182,227	607,148,979
Total assets		2,261,071,151	2,151,095,058
EQUITY AND LIABILITIES			
EQUITY			
Share capital		650,000,000	650,000,000
Actuarial reserve		(61,210,064)	(61,210,064)
Retained earnings / (accumulated losses)		6,654,544	(27,737,549)
Foreign currency translation reserve		(7,616,411)	(8,655,963)
Fair value reserve		(30,857,143)	(30,372,159)
Total equity attributable to the shareholders of the Company		556,970,926	522,024,265
Non-controlling interests		59,377,392	48,496,970
Total equity		616,348,318	570,521,235

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 September 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
LIABILITIES			
Non-current liabilities			
Non-current portion of lease liabilities		682,565,025	644,183,173
Non-current portion of long-term borrowings		319,372,363	278,219,629
Employees' defined benefits obligation		110,699,902	98,446,655
Deferred gain from sale and leaseback transactions		7,032,799	7,635,610
		1,119,670,089	1,028,485,067
Current liabilities			
Short-term borrowings and bank overdrafts		166,319,547	202,015,093
Current portion of long-term borrowings		42,960,100	60,463,137
Current portion of deferred gain from sale and leaseback transactions		803,748	803,748
Current portion of lease liabilities		58,643,524	91,845,010
Trade payables		41,522,571	65,271,319
Contract liabilities	9	96,135,634	32,713,666
Due to related parties	11	-	750,905
Accrued expenses and other liabilities		114,012,996	84,801,911
Zakat and income tax payable		4,654,624	13,423,967
		525,052,744	552,088,756
Total liabilities		1,644,722,833	1,580,573,823
Total equity and liabilities		2,261,071,151	2,151,095,058

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 and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

		For the Three-months period ended		For the Nine-months period ended	
	Note	September 30, 2025	September 30, 2024 (Restated, note 17)	September 30, 2025	September 30, 2024 (Restated, note 17)
Continuing operations					
Revenue	15	310,191,111	311,785,769	893,043,645	848,163,048
Cost of revenue		(249,026,693)	(237,989,260)	(721,519,636)	(682,479,328)
Gross profit		61,164,418	73,796,509	171,524,009	165,683,720
Selling and marketing expenses		(3,605,567)	(3,209,288)	(10,529,436)	(9,800,515)
General and administrative expenses		(33,410,108)	(31,322,438)	(96,356,618)	(97,045,031)
(Charged)/ reversal of expected credit loss	7,8	(21,854)	(4,596,409)	(2,472,020)	4,486
Reversal of impairment loss of property and equipment		-	12,817,643	-	12,817,643
Other income	12	22,722,103	3,775,451	30,511,260	92,136,690
Operating profit		46,848,992	51,261,468	92,677,195	163,796,993
Finance cost		(21,217,994)	(22,241,135)	(60,919,842)	(62,392,157)
Finance income		3,721,236	3,645,380	11,176,385	8,748,920
Loss from revaluation of financial derivative instruments carried at FVTPL		(393,725)	(2,468,263)	(2,020,300)	(1,698,164)
Profit before zakat and income tax		28,958,509	30,197,450	40,913,438	108,455,592
Zakat and income tax		(1,771,526)	(820,042)	134,127	(5,703,478)
Profit from continuing operations for the period		27,186,983	29,377,408	41,047,565	102,752,114
Net loss from discontinued operations		-	(891,245)	-	(2,871,209)
Profit for the period		27,186,983	28,486,163	41,047,565	99,880,905
Profit from continuing operations attributable to:					
Shareholders of the Company		26,163,088	27,266,385	34,243,258	97,129,122
Non-controlling interest		1,023,895	2,111,023	6,804,307	5,622,992
		27,186,983	29,377,408	41,047,565	102,752,114
Profit for the period attributable to:					
Shareholders of the Company		26,163,088	26,375,140	34,243,258	94,257,913
Non-controlling interest		1,023,895	2,111,023	6,804,307	5,622,992
		27,186,983	28,486,163	41,047,565	99,880,905
Basic and diluted earnings per share for profit attributable to the shareholders of the Company:					
Profit for the period	13	0.40	0.41	0.53	1.45
Profit from continuing operations	13	0.40	0.42	0.53	1.49

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

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

	For the Three-months period ended		For the Nine-months period ended	
	September 30, 2025	September 30, 2024 (Restated, note 17)	September 30, 2025	September 30, 2024 (Restated, note 17)
Profit for the period	27,186,983	28,486,163	41,047,565	99,880,905
<u>Other Comprehensive Income</u>				
<u>Items that will be reclassified subsequently to profit or loss:</u>				
Foreign currency translation differences	(660,950)	(572,471)	1,041,619	(4,443,483)
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Change in the fair value of investments in equity instruments carried at fair value through other comprehensive income	161,661	8,891,392	(484,984)	(2,424,924)
Other comprehensive (loss)/ income for the period	(499,289)	8,318,921	556,635	(6,868,407)
Total comprehensive income for the period	26,687,694	36,805,084	41,604,200	93,012,498
<u>Total comprehensive income for the period attributable to:</u>				
Shareholders of the Company	25,663,799	34,694,061	34,797,826	87,389,506
Non-controlling interest	1,023,895	2,111,023	6,806,374	5,622,992
	26,687,694	36,805,084	41,604,200	93,012,498
<u>Total comprehensive income for the period attributable to shareholders of the Company:</u>				
Continuing operations	25,663,799	35,585,306	34,797,826	90,260,715
Discontinued operations	-	(891,245)	-	(2,871,209)
	25,663,799	34,694,061	34,797,826	87,389,506

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Al Khaleej Training and Education Company

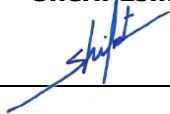
(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the Nine Months Period Ended September 30, 2025

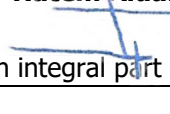
(All amounts in Saudi Riyals unless otherwise stated)

	Attributable to the shareholders of the Company							Non-controlling interests ("NCI")	Total equity
	Share capital	Statutory reserve	Actuarial reserve	Retained earnings / (Accumulated losses)	Foreign currency translation reserve	Fair value reserve	Total		
As at January 1, 2025 (audited)	650,000,000	-	(61,210,064)	(27,737,549)	(8,655,963)	(30,372,159)	522,024,265	48,496,970	570,521,235
Profit for the period	-	-	-	34,243,258	-	-	34,243,258	6,804,307	41,047,565
Other comprehensive income for the period	-	-	-	-	1,039,552	(484,984)	554,568	2,067	556,635
Total comprehensive income for the period	-	-	-	34,243,258	1,039,552	(484,984)	34,797,826	6,806,374	41,604,200
Further acquisition of shareholding in a subsidiary (note 2)	-	-	-	148,835	-	-	148,835	(159,023)	(10,188)
Acquisition of a subsidiary (note 2)	-	-	-	-	-	-	-	5,427,044	5,427,044
Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,193,973)	(1,193,973)
As at September 30, 2025	650,000,000	-	(61,210,064)	6,654,544	(7,616,411)	(30,857,143)	556,970,926	59,377,392	616,348,318
As at January 1, 2024 (audited)	650,000,000	83,043,571	(56,650,746)	(191,849,048)	(7,064,287)	(21,965,752)	455,513,738	49,254,175	504,767,913
Profit for the period (Restated, Note 17)	-	-	-	94,257,913	-	-	94,257,913	5,622,992	99,880,905
Other comprehensive losses for the period	-	-	-	-	(4,443,483)	(2,424,924)	(6,868,407)	-	(6,868,407)
Total comprehensive income for the period (Restated, Note 17)	-	-	-	94,257,913	(4,443,483)	(2,424,924)	87,389,504	5,622,992	93,012,498
Transfers from statutory reserve (Note 14)	-	(83,043,571)	-	83,043,571	-	-	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	(5,126,920)	(5,126,920)
As at September 30, 2024	650,000,000	-	(56,650,746)	(14,547,564)	(11,507,770)	(24,390,676)	542,903,242	49,750,247	592,653,491

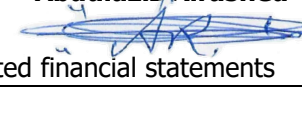
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The accompanying notes form an integral part of these interim condensed consolidated financial statements

Al Khaleej Training and Education Company

(A Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**For the Nine Months Period ended September 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	September 30, 2025	September 30, 2024 (Restated, note 17)
Cash flows from operating activities			
Profit before zakat and income tax from continuing operations		40,913,438	108,455,592
Loss from discontinued operations		-	(2,871,209)
Adjustments for non-cash items:			
Depreciation of property and equipment		24,468,456	22,114,574
Depreciation of right-of-use assets		34,154,534	31,887,397
Amortization of intangible assets		6,277,374	6,102,990
Impairment of net investment in leases	7	1,238,959	9,377,435
Gain from net investment in lease transaction	7	(16,642,052)	(76,098,343)
Reversal of impairment of property and equipment		-	(12,817,643)
Deferred gain from sale and leaseback transactions		(602,811)	(602,811)
Provision for employees defined benefits obligations		16,319,296	20,958,907
Charged/ (reversal of) expected credit loss	8	1,233,061	(4,486)
Loss from revaluation of financial derivative instruments carried at FVTPL		2,020,300	1,698,164
Loss from disposal of right-of-use assets		-	41,480
Finance cost		60,919,842	62,392,157
Finance income		(11,176,385)	(8,748,920)
		159,124,012	161,885,284
Changes in working capital items:			
Inventories		(116,691)	669,051
Trade receivables		(23,956,451)	30,299,548
Contract assets		(23,009,404)	(32,367,585)
Due from related parties		5,165,854	5,507,254
Prepayments and other receivables		(13,615,275)	(28,705,813)
Trade payables		(24,203,666)	16,305,192
Contract liabilities		63,421,968	(26,719,527)
Due to related parties		(2,954,901)	(1,761,873)
Accrued expenses and other liabilities		29,211,085	25,354,183
Cash generated from operations		169,066,531	150,465,714
Employees' defined benefits obligation paid		(7,603,093)	(23,725,718)
Zakat and income tax paid		(8,635,216)	(16,174,355)
		152,828,222	110,565,641
Changes in working capital related to assets and liabilities classified as held for sale		-	(8,925,351)
Net cash generated from operating activities		152,828,222	101,640,290
Cash flows from investing activities			
Purchase of property and equipment		(24,711,559)	(32,695,769)
Purchase of intangible assets		(2,721,862)	(100,972)
Acquisition of a subsidiary, net of cash acquired		(12,906,676)	-
Proceeds from net investment in leases	7	3,913,716	3,167,280
Proceeds from sale of investment in equity instruments carried at fair value through other comprehensive income		-	3,006,200
Net cash used in investing activities		(36,426,381)	(26,623,261)

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 Nine Months Period ended September 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	September 30, 2025	September 30, 2024 (Restated, note 17)
Cash flows from financing activities			
Proceeds from long-term loans and borrowings		118,962,176	83,358,950
Repayment of long-term loans and borrowings		(95,312,479)	(47,758,062)
Net change in short-term borrowings		(35,695,546)	984,590
Finance cost paid		(52,154,371)	(25,973,321)
Principal element of lease liabilities paid		(32,203,070)	(32,890,706)
Interest elements of lease liabilities paid		(31,680,772)	(33,142,924)
Further acquisition of shareholding in a subsidiary	2	(10,188)	-
Dividends paid to non-controlling interests		(1,191,906)	(5,126,920)
Net cash used in financing activities		(129,286,156)	(60,548,393)
Net change in cash and cash equivalents during the period			
		(12,884,315)	14,468,636
Cash and cash equivalents at the beginning of the period		69,270,402	28,906,359
Effects of foreign currency translation on cash and cash equivalents		2,149,250	(5,143,051)
Cash and cash equivalents at end of the period		58,535,337	38,231,944
Non-cash transactions:			
Derecognition of right of use assets related to a sublease		10,591,822	101,132,014
Derecognition of property and equipment related to a sublease		84,044,887	-
Additions of right of use against lease liabilities	7	57,334,737	19,017,032
Finance cost related to borrowings capitalized to property and equipment		2,964,000	3,276,220
Finance cost related to lease liabilities capitalized to property and equipment		1,023,176	365,253
Retention made against capital work in progress		-	509,213

Chief Financial Officer
Sherif Esmat

Chief Executive Officer
Hatem Aldarayan

Chairman of Board of Directors
Abdulaziz Alrashed


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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(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 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, except as otherwise stated.

Name of subsidiary	Country of incorporation	Activities	Ownership percentage	
			September 30, 2025	December 31, 2024
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%	80%
Stage 2 Learning Solutions (Civil Business Corporation)	UAE	Computer systems consultancies	100%	80%
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%
Mazaya Integrated Computer Solutions Company	Kuwait	IT Services	51%	-

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Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

2. LIST OF PRINCIPAL SUBSIDIARIES (Continued)

Acquisitions and investments

The Advanced Communication Systems and Solutions Company 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 specialize in delivering technology solutions. During the period due to a reassessment of the acquisition valuation of Mazaya Integrated Computer Solutions Company the parties agreed to reduce the purchase consideration. This resulted in a revised purchase consideration of SR 9,280,143 and the Group share of identifiable net assets were SR 2,007,156 giving rise to provisional goodwill of SR 7,272,987 on acquisition. Legal procedures in this regard were completed.

On May 27, 2025, the Company signed an agreement to acquire the remaining 20% of Fast Lane Computer Consultancy (Civil Business Corporation) and Stage 2 Learning Solutions (Civil Business Corporation) for consideration of SR 10,188. Legal procedures in this regard were completed.

The Group signed a share purchase agreement on March 28, 2024, to acquire 1.6 million ordinary shares representing 80% ownership in Adhwa'a Al-Hidaya Private Schools Company for Boys and Girls. As part of this share purchase agreement, the Company had to issue 22.9 million new ordinary shares as an in-kind consideration to the owners of Adhwa'a Al-Hidaya Private Schools Company for Boys and Girls.

The agreement to acquire 80% of Adwaa Al Hedaya Schools expired on June 30, 2025, without obtaining the approval of the Capital Market Authority. Accordingly, the Company's Board of Directors decided on June 30, 2025, that they do not wish to extend the agreement for an additional period. Accordingly, the agreement stands terminated between the two parties upon expiration of its term without the completion of the transaction.

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, 2024.

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.

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Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

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, 2024.

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, 2024, except for the application of the new amendments that became effective on January 1, 2025. 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, 2025 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.

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

7. NET INVESTMENT IN LEASES

	September 30, 2025	December 31, 2024
As at January 1	186,968,739	73,193,462
Additions *	111,278,761	177,230,357
Disposal	-	(63,034,390)
Finance income	11,176,385	12,769,333
Impairment	(1,238,959)	(9,857,175)
Collection	(3,913,716)	(3,332,848)
As at the end of the period/year	304,271,210	186,968,739
Non-current portion	260,987,180	153,019,375
Current portion	43,284,030	33,949,364

* During 2024, the Group signed a sublease contract for an educational and residential complex located in Qurtubah District, Riyadh, for a period of 19 years and 8 months. The total rentals as per the signed sublease contract amount to SR 379.6 million receivable over the period of the sublease. This transaction resulted in a reduction of the balance of the right-of-use asset by SR 101.1 million and recognition of a gain amounting to SR 76.1 million.

* In August 2025, the Group signed a sublease contract for a building located in Al Jazeera District, Riyadh, for a period of 25 years. The total rentals as per the signed sublease contract amount to SR 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 projects under construction by SR 10.6 million and SR 84 million, respectively, recognition of a net investment in sublease of SR 111 million, and recognition of a gain amounting to SR 16.6 million.

8. TRADE RECEIVABLES

	September 30, 2025	December 31, 2024
Receivable from government customers	308,099,765	328,119,759
Receivable from non-government customers	228,054,815	183,739,243
	536,154,580	511,859,002
Less: Provision for expected credit losses	(145,181,723)	(143,627,815)
	390,972,857	368,231,187

The movement of provision for expected credit losses for the period/year is as follows:

	2025	2024
As at January 1	143,627,815	139,383,892
Charge for the period/year	1,233,061	11,121,229
Write off	-	(6,802,593)
Foreign currency translation	320,847	(74,713)
As at the end of the period/year	145,181,723	143,627,815

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

9. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

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

	September 30, 2025	December 31, 2024
Contract assets		
- Call centre services	51,034,144	42,632,836
- Universities	16,125,859	9,248,279
- Others	10,751,235	3,020,719
	77,911,238	54,901,834
Contract liabilities		
- Schools	95,002,706	30,667,680
- Management projects and others	1,132,928	181,055
- Call centre services	-	1,864,931
	96,135,634	32,713,666

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 September 30, 2025, 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.

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.

Al Khaleej Training and Education Company

(A Saudi Listed Joint Stock Company)

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)**For The Three and Nine Months Period ended September 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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
Saleem Abdul Ghani Mhana Al-Baladi	Partner in subsidiary
Al-Falak Electronic Equipment and Supplies Company	Company-owned by Board of Directors
Sawa'ed Al-Roqi Company	Entity owned by a partner in a subsidiary
New Horizon Holding – USA	Associate company
Mohammad Al Ghamdi	Partner in 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 Board of Directors
Um Al Qura Schools	Partner in a subsidiary
Abdulaziz Fahad Al Kiridis	Partner in a subsidiary
Mohammad Mansour Alshuaf	Partner in a subsidiary
Josef Miskulnig	Partner in a subsidiary
Manar Al-Tfwq School	Partner in a subsidiary

11-2 Transactions that occurred with the related parties for the period ended September 30 are as follows:

Name of the related party	Nature of transaction	September 30, 2025	September 30, 2024
Abdulaziz Rashid Abdulrehman Al-Rashid	Collection	11,149,616	-
	Payment on behalf	11,936,281	-
	Operating revenues	1,114,962	-
	Consideration collected	600,000	-
Manar Al-Tfwq School	Payment on behalf	-	1,031,755
	Collection	454,856	-
Um Al Qura Schools	Payment on behalf	4,152,141	1,443,357
	Collection	7,563,766	-
Tawuniya Insurance Company	Insurance premium	36,232,828	30,772,236
Saleem Abdul Ghani Mhana Al-Baladi	Payment on behalf	1,415,799	1,150,812
	Collection	1,410,569	-
Abdulaziz Fahad Al Kiridis	Dividend payment	750,905	-
Grey Fox limited Company	Collection	600,000	-
	Payment on behalf	723,019	-
Alwaleed Ibn Abdull Razzaq Ibn Saleh Al Dereyaan	Collection	661,509	-
	Expenses paid on behalf	361,509	-

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)

For The Three and Nine Months Period ended September 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

11-2 Transactions that occurred with the related parties for the period ended September 30 are as follows (Continued):

Name of the related party	Nature of transaction	September 30, 2025	September 30, 2024
Al-Falak Electronic Equipment and Supplies Co.	Rent as a lessee	675,000	675,000
Sawa'ed Al-Roqi Company	Payment on behalf	-	99,934
New Horizon Holding – USA	Royalties	-	2,672,687
Mohammad Mansour Alshuaf	Consideration	5,781,453	-
	Payment	5,781,453	-
Josef Miskulnig	Consideration	10,188	-
	Payment	10,188	-
Relatives of key management	Salaries and benefits	1,234,826	1,725,296

11-3 Due from related parties

	September 30, 2025	December 31, 2024
Um Al Qura Schools	6,444,248	3,032,623
Abdulaziz Rashid Abdulrehman Al-Rashid	3,647,570	3,919,273
Grey Fox Limited Company	3,003,019	2,880,000
Saleem Abdul Ghani Mhana Al-Baladi	1,776,995	1,782,225
Alwaleed Ibn Abdul Razzaq Ibn Saleh Al Dereyaan	1,140,000	1,440,000
Manar Al-Tfwq School	1,000,000	1,454,856
Spectrum Wellness Establishment	-	481,929
	17,011,832	14,990,906

11-4 Due to related parties

	September 30, 2025	December 31, 2024
Abdulaziz Fahad Al Kiridis	-	750,905
	-	750,905

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

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. Executive Director receives fixed remuneration as a result of his direct duties and responsibilities.

	September 30, 2025	September 30, 2024
Short-term benefits	3,465,000	3,568,878
Board Members	2,158,500	2,011,500
End-of-service benefits	244,133	992,766
	5,867,633	6,573,144

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

12. OTHER INCOME

	For the Three-months Ended		For the Nine-months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Dividends income	1,939,940	2,101,601	6,304,805	6,547,297
Rental income	1,188,950	696,438	2,808,786	6,212,846
Amortization of deferred gain on sales and leaseback	200,937	200,937	602,811	602,811
Gain from sublease transaction (Note 7)	16,642,052	-	16,642,052	76,098,343
Others	2,750,224	776,475	4,152,806	2,675,393
	22,722,103	3,775,451	30,511,260	92,136,690

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 shares data used in the basic and diluted earnings per share computations, for the period ended September 30:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
<u>From continuing operations:</u>				
Profit attributable to the shareholders of the Company	26,163,088	27,266,385	34,243,258	97,129,122
Weighted average number of outstanding shares during the period	65,000,000	65,000,000	65,000,000	65,000,000
Basic and diluted profit per share	0.40	0.42	0.53	1.49
<u>From discontinued operations:</u>				
Net loss attributable to the shareholders of the Company	-	(891,245)	-	(2,871,209)
Weighted average number of outstanding shares during the period	65,000,000	65,000,000	65,000,000	65,000,000
Basic and diluted loss per share	0.00	(0.01)	0.00	(0.04)
Total profit per share – basic and diluted	0.40	0.41	0.53	1.45

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

14. STATUTORY RESERVE

The new Saudi Companies law, which became effective on January 19, 2023, removed the requirement of maintaining a statutory reserve which existed in the previous law. The Company updated its Bylaw to align it with the new law. Consequently, the extraordinary General Assembly resolved on March 12, 2024, to transfer the statutory reserve amounting to SR 83,043,571 to accumulated losses.

15. 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 September 30, is as follows:

September 30, 2025:	Management Projects and Others	Training	Call Centres	Universities	Schools	Total
Revenue	31,468,187	135,033,251	439,869,453	82,162,417	207,328,998	895,862,306
Third-party revenue	31,322,213	132,360,564	439,869,453	82,162,417	207,328,998	893,043,645
Depreciation and amortization	2,817,676	7,459,178	12,197,456	785,226	41,640,828	64,900,364
Profit (loss) before zakat and income tax	(40,027,651)	19,423,667	12,911,732	13,181,609	35,424,081	40,913,438

September 30, 2025:

Total assets	194,079,464	209,620,365	350,400,736	50,734,434	1,456,236,152	2,261,071,151
Total liabilities	440,683,998	209,556,535	155,629,208	42,631,184	796,221,908	1,644,722,833

The financial information of the Group's operating segments for the period ended September 30, is as follows:

September 30, 2024	Management Projects and Others	Training	Call Centres	Universities	Schools	Total
Revenue	52,667,752	125,291,932	368,681,232	92,437,531	212,982,383	852,060,830
Third-party revenue	51,442,657	122,619,243	368,681,232	92,437,531	212,982,385	848,163,048
Depreciation and amortization	3,959,808	8,303,954	12,036,682	495,779	35,308,738	60,104,961
Profit before zakat and income tax	36,555,315	20,553,847	6,816,414	13,126,665	31,403,351	108,455,592
December 31, 2024:						
Total assets	187,982,471	132,706,637	349,817,709	87,944,793	1,392,643,448	2,151,095,058
Total liabilities	106,021,930	141,175,543	141,072,579	65,511,780	1,126,791,991	1,580,573,823

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

15. SEGMENT INFORMATION (Continued)

In the current period, the Company has reclassified the operations of Al Khaleej Training and Information Technology Company from Management Projects and Others into the Training segment, the effect of which has been adjusted in the comparative figures.

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

	Management Projects and others	Training	Call Centres	Universities	Schools	Total
<u>September 30, 2025:</u>						
KSA	29,162,706	92,355,570	439,869,453	82,162,417	207,328,998	850,879,144
Other GCC countries	-	31,930,588	-	-	-	31,930,588
Other countries	2,159,507	8,074,406	-	-	-	10,233,913
Total	31,322,213	132,360,564	439,869,453	82,162,417	207,328,998	893,043,645
<u>September 30, 2024:</u>						
KSA	48,996,688	81,674,759	368,681,232	92,437,531	212,982,385	804,772,595
Other GCC countries	-	32,470,415	-	-	-	32,470,415
Other countries	2,445,969	8,474,069	-	-	-	10,920,038
Total	51,442,657	122,619,243	368,681,232	92,437,531	212,982,385	848,163,048

16. FINANCIAL INSTRUMENTS

16.1 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.

16.2 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, 2024. The fair value of financial instruments approximates their carrying value.

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

17. 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, interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of cash flows.

- A) The management identified certain errors in the application of its lease accounting in the prior period in subsidiary companies. These errors mainly pertained to the following.
- Correction of the incremental borrowing rates used in the prior periods;
 - Correction to the calculation of certain lease contracts to comply with the requirements of IFRS 16.

The management has reassessed the basis of the initial recognition of these leases and recognized the related right of use assets and lease liabilities retrospectively based on the existence of contractual obligations under the relevant lease contracts in accordance with IFRS 16.

- B) The management identified an error in the opening accrued loan interest balance for the period ended September 30, 2024.
- C) The management identified an error in the calculation of intangible assets resulting from the New horizon license in the conversion of prior years' financial statements of the aforementioned subsidiary to IFRS resulted in the derecognition of certain additional assets and liabilities with a corresponding impact on the accumulated losses and foreign currency translation reserve as of September 30, 2024. This also impacted certain expenses recognized in the consolidated statement of profit or loss and foreign currency translation differences in the interim condensed consolidated statement of comprehensive income for the period ended September 30, 2024.
- D) This amount relates to the reclassification of legal compensation received in respect of lease rental income.
- E) This reclassification related to splitting trade and other payables into accrued expenses based on its nature.

Impact of adjustments and reclassifications to the interim condensed consolidated statement of profit or loss for the three-months period ended September 30, 2024:

	Note	September 30, 2024 (Unaudited)	Adjustment	Reclassification	September 30, 2024 (Restated)
Revenue	D	311,754,461	-	31,308	311,785,769
Cost of revenue	A, C	(238,762,619)	773,359	-	(237,989,260)
General and administrative expenses	A	(31,809,940)	487,502	-	(31,322,438)
Other income	D	3,806,759	-	(31,308)	3,775,451
Finance cost	A, C	(21,592,865)	(648,270)	-	(22,241,135)

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(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 September 30, 2024:

	Note	September 30, 2024 (Unaudited)	Adjustment	Reclassification	September 30, 2024 (Restated)
Profit for the period		27,873,572	612,591	-	28,486,163
<u>Items that will be reclassified subsequently to profit or loss:</u>					
Foreign currency translation differences	C	(566,270)	(6,201)	-	(572,471)

Impact of adjustments and reclassifications to the interim condensed consolidated statement of profit or loss for the nine-months Period ended September 30, 2024:

	Note	September 30, 2024 (Unaudited)	Adjustment	Reclassification	September 30, 2024 (Restated)
Revenue	D	851,213,007	-	(3,049,959)	848,163,048
Cost of revenue	A, C	(682,909,226)	429,898	-	(682,479,328)
General and administrative expenses	A	(97,045,031)	-	-	(97,045,031)
Other income	D	89,086,731		3,049,959	92,136,690
Finance cost	A, C	(61,730,326)	(661,831)		(62,392,157)

Impact of adjustments and reclassifications to the interim condensed consolidated statement of comprehensive income for the nine-month period ended September 30, 2024:

	Note	September 30, 2024 (Unaudited)	Adjustment	Reclassification	September 30, 2024 (Restated)
Profit for the period		100,112,838	(231,933)	-	99,880,905
<u>Items that will be reclassified subsequently to profit or loss:</u>					
Foreign currency translation differences	C	(4,437,057)	(6,426)	-	(4,443,483)

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(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 financial position as at September 30, 2024:

	Note	September 30, 2024 (Unaudited)	Adjustment	Reclassification	September 30, 2024 (Restated)
Right of use assets	A	396,544,927	(1,826,850)	-	394,718,077
Intangible assets	C	109,694,510	(781,307)	-	108,913,203
Accumulated losses	A, B, C	(9,552,779)	(4,994,787)	-	(14,547,566)
Foreign currency translation reserve	C	(11,499,805)	(7,965)	-	(11,507,770)
Non-controlling interests		49,885,732	(135,485)	-	49,750,247
Non-current portion of lease liabilities	A	656,045,441	(2,272,945)	-	653,772,496
Short-term borrowings and bank overdrafts	B	204,113,591	5,275,270	-	209,388,861
Trade and other payable	E	173,726,174	-	(118,806,077)	54,920,097
Accrued expenses and other liabilities	C,E	-	(472,245)	118,806,077	118,333,832

Impact of adjustments and reclassifications to the interim condensed consolidated statement of cash flows for the nine-month period ended September 30, 2024:

	September 30, 2024 (Unaudited)	Reclassification	September 30, 2024 (Restated)
Net cash used in operating activities	100,648,500	991,790	101,640,290
Net cash generated from financing activities	(60,312,335)	(236,058)	(60,548,393)

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

Notes to the Interim Condensed Consolidated Financial Statement (Unaudited)
For The Three and Nine Months Period ended September 30, 2025
(All Amounts in Saudi Riyals Unless Otherwise Stated)

18. CONTINGENCIES AND COMMITMENTS

a) Contingencies

The Group has provided letters of guarantee amounting to SR 152.2 million (December 31, 2024: SR 149.9 million).

b) Commitments

The capital expenditures committed by the Group but not incurred till September 30, 2025, amounted to SR 2.4 million (December 31, 2024: SR 13 million).

19. SUBSEQUENT EVENTS

There are no other events subsequent to the end of the period till the approval of these interim condensed consolidated financial statements requiring adjustment of or disclosure in these interim condensed financial statements.

20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved by the Board of Directors on Jumada Al-Awwal 18, 1447 H, corresponding to November 9, 2025, G.