

Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 September 2025

INDEPENDENT'S AUDITOR REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The shareholder of
Almasar Alshamil Education Company
(A Closed Joint Stock Company)
Riyadh, Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Almasar Alshamil 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 and comprehensive income for the three-month and nine-month periods ended September 30, 2025, and interim condensed consolidated statements of changes in equity and cash flows for the nine-months period ended on September 30, 2025, and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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 financial information 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 information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Deloitte and Touche & Co.
Chartered Accountants


Mazen A. Alomari
Certified Public Accountant
License No. 480
17 Jumada Al-Awwal 1447H
8 November 2025



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month and nine-month periods ended 30 September 2025

		Three months ended		Nine months ended	
		30 September		30 September	
		2025	2024	2025	2024
		SAR'000	SAR'000	SAR'000	SAR'000
	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	5.1	47,913	37,101	336,023	271,635
Cost of revenues	5.2	(47,844)	(39,476)	(203,701)	(156,920)
GROSS PROFIT / (LOSS)		69	(2,375)	132,322	114,715
General, selling and administrative expenses	5.3	(33,934)	(14,317)	(96,829)	(61,096)
Share of results of an associate	7	2,158	(1,582)	25,811	13,279
Other operating income		9,258	9,145	27,009	22,521
OPERATING (LOSS) / PROFIT		(22,449)	(9,129)	88,313	89,419
Finance income	9	1,910	868	4,803	2,779
Finance costs		(2,536)	(1,895)	(7,093)	(5,212)
(LOSS)/ PROFIT FOR THE PERIOD BEFORE ZAKAT AND INCOME TAX		(23,075)	(10,156)	86,023	86,986
Zakat and income tax	15	4,868	1,358	(2,399)	(7,092)
(LOSS) / PROFIT FOR THE PERIOD		(18,207)	(8,798)	83,624	79,894
Attributable to:					
Equity holders of the Company		(19,557)	(10,958)	70,857	67,098
Non-controlling interests		1,350	2,160	12,767	12,796
		(18,207)	(8,798)	83,624	79,894
Basic and diluted earnings per share (SAR)	11	(0.19)	(0.11)	0.69	0.66

Alternative Performance Measures	16				
Earnings before interest, tax, depreciation & amortization (EBITDA)		(7,928)	2,060	129,314	121,150
Adjusted earnings before interest, tax, depreciation & amortization (EBITDA)		(6,930)	2,945	130,312	122,035
Adjusted (Loss) / Profit before Zakat & income tax		(22,077)	(9,271)	87,021	87,871
Adjusted (Loss) / Profit		(21,290)	(7,913)	80,040	80,779
<i>Attributable to the equity holders of the Company</i>					
Adjusted (Loss) / Profit		(22,640)	(10,073)	67,273	67,983

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three-month and nine-month periods ended 30 September 2025

	Three months ended		Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(unaudited)
(LOSS) / PROFIT FOR THE PERIOD	(18,207)	(8,798)	83,624	79,894
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(18,207)	(8,798)	83,624	79,894
Attributable to:				
Equity holders of the Company	(19,557)	(10,958)	70,857	67,098
Non-controlling interests	1,350	2,160	12,767	12,796
	(18,207)	(8,798)	83,624	79,894

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment		135,501	114,198
Right-of-use assets		126,413	97,118
Goodwill and intangible assets	6	610,721	615,034
Investment in an associate	7	418,794	401,893
Total non-current assets		1,291,429	1,228,243
Current assets			
Inventories		1,651	1,701
Trade and other receivables		151,698	154,761
Due from a related party	13	-	8,847
Cash and bank balances	9	298,873	200,967
Total current assets		452,222	366,276
TOTAL ASSETS		1,743,651	1,594,519
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	1,024,013	1,024,013
Statutory reserve		12,011	12,011
Other reserves		(17,016)	(17,016)
Retained earnings		210,101	139,244
Total equity attributable to the equity holders of the Company		1,229,109	1,158,252
Non-controlling interests		76,934	64,167
Total equity		1,306,043	1,222,419
LIABILITIES			
Non-current liabilities			
Lease liabilities		107,101	73,438
Deferred tax liability	15	49,857	51,051
Employees' defined benefit obligations		23,891	20,396
Financing from banks		42,853	16,915
Total non-current liabilities		223,702	161,800
Current liabilities			
Financing from banks		22,741	45,750
Lease liabilities		24,179	29,744
Trade and other payables		82,542	69,361
Contract liabilities		84,444	62,565
Due to a related party	13	-	2,880
Total current liabilities		213,906	210,300
Total liabilities		437,608	372,100
TOTAL EQUITY AND LIABILITIES		1,743,651	1,594,519

These interim condensed consolidated financial statements were approved by the Board of Directors on 8 November 2025 and signed on its behalf by:

Dr. Shamsheer Vayalil Parambath
Chairman

Majed Al Mutairi
Chief Executive Officer

Ahmed Gamal
Chief Financial Officer

Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2025

	Attributable to equity holders of the Company						Non-Controlling interests	Total equity
	Share capital SAR'000	Statutory reserve SAR'000	Shareholder contributions SAR'000	Other reserves SAR'000	Retained earnings SAR'000	Total SAR'000	SAR'000	SAR'000
As at 31 December 2024 (audited)	1,024,013	12,011	-	(17,016)	139,244	1,158,252	64,167	1,222,419
Profit for the period	-	-	-	-	70,857	70,857	12,767	83,624
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	70,857	70,857	12,767	83,624
As at 30 September 2025 (unaudited)	1,024,013	12,011	-	(17,016)	210,101	1,229,109	76,934	1,306,043
As at 31 December 2023 (audited)	10	3	991,543	(17,841)	73,384	1,047,099	51,581	1,098,680
Profit for the period	-	-	-	-	67,098	67,098	12,796	79,894
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	67,098	67,098	12,796	79,894
Shareholder distributions	-	-	-	-	(42,214)	(42,214)	-	(42,214)
Contingent consideration settled	-	-	32,460	-	-	32,460	-	32,460
As at 30 September 2024 (unaudited)	10	3	1,024,003	(17,841)	98,268	1,104,443	64,377	1,168,820

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine-month period ended 30 September 2025

		Nine months ended 30 September	
	Notes	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
OPERATING ACTIVITIES			
Profit before tax and Zakat		86,023	86,986
Adjustments for:			
Share of results of an associate	7	(25,811)	(13,279)
Depreciation of property and equipment		12,129	7,691
Depreciation of right-of-use assets		22,284	17,452
Amortisation of intangible assets	5 & 6	4,313	4,313
Reversal of provision in relation to capital work-in-progress		-	(2,100)
Allowance for expected credit losses on trade receivables	5	9,324	2,535
Provision for employees' end of service benefits		5,697	4,269
Finance income		(4,803)	(2,779)
Finance costs		7,093	5,212
		116,249	110,300
<i>Working capital changes</i>			
Inventories		50	418
Due from a related party		-	401
Trade and other receivables		(4,914)	(48,378)
Trade and other payables and contract liabilities		44,025	72,575
Due to a related party		(2,880)	31,920
Cash from operations		152,530	167,236
Employees' end of service benefits paid		(2,202)	(1,460)
Payment of Zakat and income tax		(8,542)	(3,142)
Payment of lease liabilities		(29,782)	(20,790)
Net cash flows from operating activities		112,004	141,844
INVESTING ACTIVITIES			
Acquisition of property and equipment		(31,197)	(51,103)
Changes in bank term deposits		-	(30,334)
Dividends received from an associate		17,757	-
Interest received on bank deposits		3,441	2,779
Net cash flows used in investing activities		(9,999)	(78,658)
FINANCING ACTIVITIES			
Proceeds from financing from banks		57,720	53,087
Repayment of bank financing		(54,791)	(24,797)
Dividends paid to non-controlling interests		(4,000)	-
Shareholder distributions		-	(42,214)
Finance costs paid		(3,028)	(1,511)
Net cash flows used in financing activities		(4,099)	(15,435)
NET INCREASE IN CASH AND CASH EQUIVALENTS		97,906	47,751
Cash and cash equivalents at the beginning of the period		174,172	105,557
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	272,078	153,308
Non-cash transactions			
Additions to right-of-use assets		54,013	6,503
Additions to lease liabilities		54,013	6,503
Settlement of contingent consideration		-	32,460
Dividends from an associate		-	8,847

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Almasar Alshamil Education Company (Single Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2025

1 CORPORATE INFORMATION

Almasar Alshamil Education Company (the "Company") is a single shareholder closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010831769 dated 10 Rabi' Al-Awal 1444H (corresponding to 6 October 2022) and under Saudi Arabian Ministry of Investment license number 102114402166741 dated 4 Safar 1444H (corresponding to 1 September 2022). The unified number of the Company is 7031169365. The registered address of the Company is Tawuniya Towers, King Fahad Road, Al Olaya District, Riyadh, Kingdom of Saudi Arabia.

The Company is a wholly owned subsidiary of Amanat Special Education and Care Holdings Ltd registered as a Private Company Limited by shares within the Abu Dhabi Global Market in the United Arab Emirates and ultimately owned by Amanat Holdings PJSC (the "Ultimate Parent Company" or "Amanat"). The principal activities of Amanat are to invest in companies and enterprises in the fields of education and healthcare as well as managing, developing and operating such companies and enterprises. Amanat is registered as a Public Joint Stock Company listed on the Dubai Financial Market, United Arab Emirates. The registered office of the Ultimate Parent Company is One Central, The Offices 5, Level 1 Unit 107 and 108, Dubai, United Arab Emirates.

The principal activities of the Company are to invest in companies and enterprises in the fields of education as well as managing, developing and operating such companies and enterprises.

Following the completion of a restructuring at Amanat on 27 June 2024, the ownership of Middlesex Associates FZ LLC and NEMA Holding Company LLC investees was transferred to the Company through a transfer of shares. These interim condensed consolidated financial statements reflect the financial performance and position of the Company and its subsidiaries as well as the carrying amount and the share of results of its associate as listed below as if the combination had occurred from the beginning of the earliest period presented.

On 29 September 2025, the Capital Market Authority ("CMA") in the Kingdom of Saudi Arabia announced its approval of the Company's application of an initial public offering and listing of 30,720,400 ordinary shares representing 30% of the Company's Share Capital on the Saudi Stock Exchange ("Tadawul"). Refer to Note 17 in relation to further announcements made by the Company subsequent to the period ended 30 September 2025.

Subsidiaries of the Group

Name	Equity interest 2025	2024	Country of incorporation	Principal activities
Middlesex Associates FZ-LLC ("Middlesex University")	100%	100%	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates
Human Development Company LLC ("HDC")	60%	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services
Human Rehabilitation Company LLC*	60%	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services

* Investment held via Human Development Company LLC.

The Group holds investments in other subsidiaries that are mainly investment vehicles and are non-operational.

Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2025

1 CORPORATE INFORMATION (CONTINUED)

Associate of the Group

Name	Equity interest		Country of incorporation	Principal Activities
	2025	2024		
NEMA Holding Company LLC ("NEMA")	35%	35%	United Arab Emirates	Leading tertiary education provider

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard "Interim Financial Reporting" (IAS - 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Company's latest annual audited consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for employee defined benefit obligations which are stated at present value of their obligation using the projected unit credit method. The interim condensed consolidated financial statements are presented in Saudi Riyal (SAR) and all values are rounded to the nearest thousand (SAR'000), except where otherwise indicated.

As the transfer of investees from Amanat to the Company is accounted for as a business combination under common control (Note 1), the Group has elected to account for the transfer of ownership interests of the investees retrospectively for all the periods presented. No change in ownership interests of the investees has occurred since their acquisition by Amanat.

In making the going concern assessment, the Group has considered a wide range of information relating to present and future projections of profitability, cash flows and other capital resources etc. Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the interim condensed consolidated financial statements have been prepared on a going concern basis.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies, estimates and assumptions including critical judgements used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual audited consolidated financial statements as at and for the year ended 31 December 2024.

Fair value measurement

All financial assets and liabilities are stated at amortised cost or historical cost except for employee defined benefit obligations which are stated at present value of their obligation using the projected unit credit method. The fair values of other financial assets and liabilities are not materially different from their carrying values at the reporting date.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS

New standards and interpretations effective adopted by the Group effective 1 January 2025

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The below amendments apply for the first time in 2025, but do not have a significant impact on the interim condensed consolidated financial statements of the Group.

Amendment to IFRS 21 – Lack of exchangeability: IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS (CONTINUED)

Accounting standards issued but still subject to the endorsement by SOCPA

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- IFRS S2, 'Climate-related disclosures: This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

New standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the interim condensed consolidated financial statements of the Group and have not been early adopted by the Group. None of these are expected to have a significant effect on the interim condensed consolidated financial statements of the Group.

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations, and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. The effective date is deferred indefinitely.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. The effective date is 1 January 2026.
- IFRS 18, Presentation and Disclosure in Financial Statements: IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as management-defined performance measures (MPMs). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. The effective date is 1 January 2027.
- IFRS 19 - Reducing subsidiaries disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards. The effective date is 1 January 2027.

Almasar Alshamil Education Company
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2025

5 PROFIT OR LOSS

The Group's operations are subject to seasonal variations inherent in the education sector. Revenues are typically lower during the third quarter of the financial year, which coincides with the summer break period. As a result, the Group ordinarily reports reduced revenue and operating losses during the quarters ended 30 September and the financial results reported during this period are not indicative of full year performance.

5.1 REVENUES

Revenues are related to education services rendered in the Kingdom of Saudi Arabia and the United Arab Emirates.

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)		(Unaudited)	
Type of service				
Tuition fees, net of scholarships awarded	7,465	6,265	181,862	148,497
Special education and care needs services	31,923	25,281	124,830	96,863
Administrative and other service fees from students	6,903	3,252	21,765	16,484
Share of revenues from joint services agreements	1,622	2,303	7,566	9,791
Total revenues	47,913	37,101	336,023	271,635
Timing of revenue recognition				
Services transferred over time	44,661	35,697	328,850	266,299
Services transferred at a point in time	3,252	1,404	7,173	5,336
Total revenues	47,913	37,101	336,023	271,635

5.2 COST OF REVENUES

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)		(Unaudited)	
Salaries and employee related costs	32,387	23,350	117,946	93,197
Royalty and profit-sharing arrangements for academic services	(2,008)	(1,446)	26,871	21,147
Student related expenses	3,682	3,542	18,302	9,342
Depreciation of right-of-use assets	8,030	6,300	22,284	17,452
Depreciation of property and equipment	2,650	1,591	7,457	4,722
Share of direct costs from joint services agreements	1,184	4,046	5,410	6,747
Short-term leases	246	131	558	719
Other direct costs	1,673	1,962	4,873	3,594
	47,844	39,476	203,701	156,920

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2025

5 PROFIT OR LOSS (CONTINUED)

5.3 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)		(Unaudited)	
Employee related expenses	15,640	9,334	39,761	28,088
Legal and professional fees	3,248	1,209	12,437	4,855
Expected credit losses on trade receivables	2,224	(1,341)	9,324	2,535
Marketing and communications	2,140	1,879	5,558	5,544
Depreciation of property and equipment	1,645	1,102	4,672	2,969
Amortization of intangible assets (Note 6)	1,438	1,438	4,313	4,313
Short-term leases	257	44	2,102	943
IT expenses	1,503	866	3,624	2,560
Board and Committees remuneration	708	-	2,125	-
Other expenses	5,131	(214)	12,913	9,289
	33,934	14,317	96,829	61,096

6 GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired through business combinations are as follows:

	Goodwill SAR'000	Agreements & Student relationships with definite useful lives SAR'000	Brand names with definite useful lives SAR'000	Total SAR'000
Cost:				
At 31 December 2024 (Audited) & 30 September 2025 (Unaudited)	500,267	142,583	3,840	646,690
Amortisation:				
At 1 January 2024 (Audited)	-	25,682	224	25,906
Amortisation	-	5,526	224	5,750
At 31 December 2024 (Audited)	-	31,208	448	31,656
Amortisation (Note 5)	-	4,145	168	4,313
At 30 September 2025 (Unaudited)	-	35,353	616	35,969
Carrying amounts				
At 30 September 2025 (Unaudited)	500,267	107,230	3,224	610,721
At 31 December 2024 (Audited)	500,267	111,375	3,392	615,034

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2025

6 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

The Group performs its annual impairment test of goodwill at year-end and when circumstances indicate that the carrying value may be impaired, whereby the impairment test is based on value-in-use calculations. The key assumptions used to determine the recoverable amount of the Group's cash generating units were disclosed in the annual audited consolidated financial statements referred to in Note 2.

As at 30 September 2025, management has not identified any circumstances that may indicate that the carrying value of goodwill may be impaired.

7 INVESTMENT IN AN ASSOCIATE

The carrying value of the Group's investment in an associate is as follows:

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
NEMA Holding Company LLC ("NEMA")	418,794	401,893

The movement in investment in an associate carrying value is as follows:

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
At the beginning of the period/year	401,893	389,702
Share of results	28,086	32,918
Amortization of PPA assets	(2,275)	(3,033)
Share of results in profit or loss	25,811	29,885
Dividends	(8,910)	(17,694)
At the end of the period/year	418,794	401,893

8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

8.1 Financial assets

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Debt instruments at amortised cost		
Trade and other receivables (excluding prepayments & advances)	141,648	145,041
Due from a related party	-	8,847
Total financial assets (current) *	141,648	153,888

* Financial assets, other than cash and bank balances

8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

8.2 Financial liabilities

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Interest-bearing borrowings and leases		
Lease liabilities	131,280	103,182
Financing from banks *	65,594	62,665
	<u>196,874</u>	<u>165,847</u>
Financial liabilities at amortised cost		
Trade and other payables (excluding staff related accruals and taxes)	70,380	47,855
Due to a related party	-	2,880
	<u>70,380</u>	<u>50,735</u>
Total financial liabilities	<u>267,254</u>	<u>216,582</u>
Total current	117,300	126,229
Total non-current	149,954	90,353

* Financing from banks comprises the following:

- (1) Revolving bank facilities utilized by the Group's subsidiary, HDC, to finance short-term working capital requirements, where required, with a maturity ranging between 6 – 12 months and accrue profit at competitive rates.
- (2) Shariah-compliant financing facilities availed by HDC, amounting to SAR 28.8 million, to acquire land and building in relation to its on-going expansion projects in the Kingdom of Saudi Arabia. These facilities carry a profit mark-up in line with market rates and are repayable in quarterly installments over three years. As of 30 September 2025, an amount of SAR 16.8 million remains outstanding.
- (3) During the nine months ended 30 September 2025, HDC obtained an additional long term shariah-complaint financing facility of SAR 50 million to finance its on-going expansion projects carrying a profit mark-up in line with market rates and are repayable in semi-annual installments over 5 years. As of 30 September 2025, SAR 28.7 million has been withdrawn from this facility. The facility also includes certain covenants to be maintained and tested annually.

9 CASH AND BANK BALANCES

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Cash on hand	1,691	17
Current accounts with banks	138,537	113,488
Bank term deposits	158,645	87,462
Cash and bank balances	298,873	200,967

Cash and cash equivalents in the interim condensed consolidated statement of cash flows comprise the following:

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Cash and bank balances	298,873	200,967
Less:		
Bank term deposits (with initial maturity of more than 3 months)	(26,795)	(26,795)
Cash and cash equivalents	272,078	174,172

During the nine-month period ended 30 September 2025, the Group earned an aggregate profit of SAR 4,803 thousand on its term deposits (30 September 2024: SAR 2,779 thousand). The term deposits earn a profit rate ranging between 4.4% to 6% annually.

Cash and bank balances are subject to the impairment assessment requirements of IFRS 9 and no such impairment has been identified.

10 SHARE CAPITAL

10.1 Share Capital

The share capital of the Company as of 30 September 2025 is SAR 1,024 million (2024: SAR 1,024 million) represented by 102,401 thousand ordinary shares (2024: 102,401 thousand) in issuance of SAR 10 each.

During 2024, the shareholder of the Company resolved to increase the share capital of the Company to SAR 1,024 million through a conversion of the shareholder contributions balance (Note 10.2) outstanding at 30 June 2024.

10.2 Shareholder contributions

The shareholder contributions represent equity contributions made by the Ultimate Parent Company to the Company by way of transfer of investees owned by the Ultimate Parent Company to the Company in addition to settlement of the related contingent consideration paid on behalf of the Company, which was entirely converted to share capital during 2024.

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11 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the profit for the periods attributable to the equity holders of the Company and weighted average number of any ordinary shares issued by the Company applied retrospectively to reflect the effect of the issuance of shares (Note 10).

	Three months ended 30-Sep		Nine months ended 30-Sep	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
(Loss) / Profit for the period attributable to the equity holders of the Company (SAR'000)	<u>(19,557)</u>	<u>(10,958)</u>	<u>70,857</u>	<u>67,098</u>
Weighted average number of ordinary shares ('000)	<u>102,401</u>	<u>102,401</u>	<u>102,401</u>	<u>102,401</u>
Basic and diluted earnings per share (SAR)	<u>(0.19)</u>	<u>(0.11)</u>	<u>0.69</u>	<u>0.66</u>

12 COMMITMENTS AND CONTINGENCIES

12.1 Bank guarantees

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Bank guarantees	<u>3,857</u>	<u>3,649</u>

Below are details of the Group's share of an associate's contingent liabilities at the reporting date :

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Bank guarantees	<u>35,499</u>	<u>30,977</u>

12.2 Litigations

During the normal course of business, the Group enters into legal proceedings of a routine nature. The Group engages professional external legal advisors in relation to any such cases and based on legal advice received, the possibility of any adverse outcome has been assessed to be remote.

12.3 Capital commitments

The Group has capital commitments of SAR 34,880 thousand at 30 September 2025 (SAR 5,963 thousand at 31 December 2024) related to expansion projects undertaken in the Kingdom of Saudi Arabia by the Group's subsidiary, HDC.

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13 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by the Group and such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties

	30 September 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
<i>Due from a related party</i>		
Associate	-	8,847
<i>Due to a related party</i>		
Ultimate Parent Company	-	2,880

Transactions with related parties

	Nine months ended 30 September	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
<i>Management fee</i>		
Ultimate Parent Company	-	1,264
Key management personnel *	3,726	2,065
<i>Rent</i>		
Other related party	-	3,450

* Management fee expense is included under share of results of an associate for services provided by a key management member of the Company to the associate. The above management fee represents the Group's share of the expense.

Key management personnel remunerations

Group key management personnel compensation comprises the following:

	Nine months ended 30 September	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Short - term benefits	11,419	4,874
Post - employment benefits	411	176

The amounts disclosed above are the amounts recognised as an expense during the periods presented above related to key management personnel.

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14 SEGMENT INFORMATION

The Group operates in the single reporting segment of education. All the relevant information relating to this reporting/operating segment is disclosed in the interim condensed consolidated statements of financial position, profit or loss, and comprehensive income and notes to the interim condensed consolidated financial statements.

Information about revenues by geographical area in which the Group operates are as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Country				
Kingdom of Saudi Arabia	38,038	30,275	154,677	125,655
United Arab Emirates	9,875	6,826	181,346	145,980
Total revenues	47,913	37,101	336,023	271,635

Information about non-current operating assets by geographical area in which the Group operates are as follows:

	30 September	31 December
	2025	2024
	SAR'000	SAR'000
	(Unaudited)	(Audited)
Country		
Kingdom of Saudi Arabia	456,774	394,772
United Arab Emirates	415,861	431,578
	872,635	826,350

Non-current assets above consist of property and equipment, right-of-use assets, and goodwill and intangible assets.

15 ZAKAT AND INCOME TAX

The Group's subsidiaries in the UAE, are subject to UAE Corporation Tax ("CT") Law with effect from 1 January 2024 and the related current taxes are accounted for in the interim condensed consolidated statements from the period beginning 1 January 2024, with the first corporate tax filing due on 30 September 2025. However, the related deferred tax accounting impact was assessed for the financial year ended 31 December 2023 resulting in the Group recording a deferred tax liability of SAR 51,051 thousand as at 31 December 2023. This related to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments recognized in the Group's consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law, and on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.

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15 ZAKAT AND INCOME TAX (CONTINUED)

In addition to UAE CT, The Group's subsidiaries in the Kingdom of Saudi Arabia are subject to the regulations of the General Authority of Zakat, Tax and Customs Authority ("ZATCA"). Zakat is provided on an accrual basis. The Zakat charge is computed at 2.5% of the Zakat base or the adjusted net income, whichever is higher. Zakat is charged to statement of profit or loss. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

The Zakat and income tax impact of the Group comprises of the following:

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current Zakat & income tax *	(4,697)	(1,358)	3,593	7,092
Deferred Tax – Unwinding of temporary differences	(171)	-	(1,194)	-
	(4,868)	(1,358)	2,399	7,092

* During the quarter ended 30 September 2025, the Group completed its first UAE CT filing for the financial year ended 31 December 2024 with the overall tax position determined to be lower than the earlier estimates, impacted by the issuance of further guidance and clarifications by the FTA in UAE subsequent to the financial year ended 31 December 2024. The related tax adjustment was recorded during the quarter ended 30 September 2025.

The current Zakat and income Tax arising from the Group pertain to the following regions:

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
United Arab Emirates	(5,937)	(1,703)	(1,826)	4,868
Kingdom of Saudi Arabia	1,069	345	4,225	2,224
	(4,868)	(1,358)	2,399	7,092

The Company and its subsidiaries in KSA (Note 1) have submitted their Zakat returns since inception up to the year ended 31 December 2024 and are under review by ZATCA. In addition, Corporate Tax returns of the Group's subsidiaries in the UAE (Note 1) for the financial year ended 31 December 2024, have been filed with the Federal Tax Authority ("FTA") during the quarter ended 30 September 2025.

16 ALTERNATIVE PERFORMANCE MEASURES

Management considers the use of non-IFRS Alternative Performance Measures (APMs) to be key in understanding the Group's financial performance as well as assisting in forecasting the performance of future periods.

The presentation of APMs has limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS.

In presenting the APMs, management adjusts for certain items that vary between periods and for which the adjustment facilitates comparability between periods.

A reconciliation of the APMs utilised to the most directly reconcilable line items in the interim condensed consolidated statement of profit or loss is provided below and may differ from similarly titled measures used by other entities.

(a) Adjusted profit before Zakat and income tax

This APM represents the reported profit before Zakat and income tax adjusted for income/expense related to one-off non-recurring items.

(b) Adjusted profit

This APM represents adjusted profit before Zakat and income tax adjusted for Zakat and Income taxes and one-off non-recurring items.

(c) Adjusted profit attributable to equity holders

This APM represents adjusted profit adjusted for non-controlling interest's share of income/expenses.

(d) Earnings before interest, tax, depreciation and amortization (EBITDA)

This APM represents the reported profit before Tax and Zakat adjusted for :

- depreciation and amortization;
- purchase price amortisation of an associate;
- finance costs and income;
- Non-controlling interests;
- One-off non-recurring items.

(e) Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)

This APM represents the reported EBITDA adjusted for income/expenses related to one-off non-recurring items.

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16 ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

(f) Reconciliation

The APMs and their reconciliations to the measures reported in the interim condensed consolidated statement of profit or loss are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
(Loss) / profit before Zakat & income tax	(23,075)	(10,156)	86,023	86,986
<i>Add/(deduct):</i>				
One-off non-recurring items	998	885	998	885
Adjusted (Loss) / Profit before Zakat & income tax	(22,077)	(9,271)	87,021	87,871
<i>Add/(deduct):</i>				
One-off non-recurring items	(4,081)	-	(4,582)	-
Zakat & Income tax	4,868	1,358	(2,399)	(7,092)
Adjusted (Loss) / Profit	(21,290)	(7,913)	80,040	80,779
<i>Add/(deduct):</i>				
Non-controlling interests	(1,350)	(2,160)	(12,767)	(12,796)
Adjusted (Loss) / Profit attributable to equity holders	(22,640)	(10,073)	67,273	67,983
Depreciation and amortization	13,763	10,431	38,726	29,456
Purchase price amortisation of an associate	758	758	2,275	2,275
Finance income	(1,910)	(868)	(4,803)	(2,779)
Finance costs	2,536	1,895	7,093	5,212
Zakat & income tax	(4,868)	(1,358)	2,399	7,092
Non-controlling interests	1,350	2,160	12,767	12,796
One-off non-recurring items	3,083	(885)	3,584	(885)
EBITDA	(7,928)	2,060	129,314	121,150
<i>Add/(deduct):</i>				
One-off non-recurring items	998	885	998	885
Adjusted EBITDA	(6,930)	2,945	130,312	122,035

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17 MATERIAL SUBSEQUENT EVENTS

Subsequent to the period ended 30 September 2025 and after obtaining an approval from the CMA (Note 1), the Company's Board of Directors approved the following:

- On 26 October 2025, the Company's announcement of its intention to proceed with an initial public offering and listing of 30,720,400 ordinary shares or 30% of the Company's share capital on the main market of the Saudi Exchange ("Tadawul");
- On 2 November 2025, the Company's announcement of the offering price range with the final offering price to be determined at the end of a book building process. Final listing date to be subject to completion of key milestones and regulatory requirements including an approval by Tadawul.

Other than the above-mentioned events, there were no significant subsequent events, adjusting or non-adjusting, that would have a material impact on the financial position or financial performance of the Group as reflected in these interim condensed consolidated financial statements.

18 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on 8 November 2025 (corresponding to 17 Jumada Al-Awwal 1447H).