



الشركة الوطنية للتربية والتعليم  
NATIONAL COMPANY FOR LEARNING & EDUCATION

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**

(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial Statements**

(Unaudited)

**For three and six-month period ended**

**31 January 2026**

**AND THE INDEPENDENT AUDITOR'S REVIEW REPORT**

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six-month period ended 31 January 2026

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**To the shareholders of  
NATIONAL COMPANY FOR LEARNING AND EDUCATION  
(A Saudi Joint Stock Company)  
Riyadh - Kingdom of Saudi Arabia**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of **National Company for Learning and Education** ("the Company") and its subsidiaries (together "the Group"), as of 31 January 2026, and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three month and six month period then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" that is 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 International Standard on Review Engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is 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 that is endorsed in the Kingdom of Saudi Arabia.

**Emphasis of Matter**

We draw attention to Note (17) in the notes to the condensed interim consolidated financial statements, which explains in more detail the Group's revision of the methodology for recognizing education service revenues (tuition fees) in the interim condensed consolidated financial statements in accordance in the light of the interpretation issued by SOCPA on 16 July 2025, whereby these revenues were recognized on the basis of their allocation over the academic year rather than on the basis of their allocation over the fiscal year. This methodology has been applied to the comparative figures for the period under review. Our opinion on this matter has not been modified.

**For Dr. Mohamed Al-Amri & Co.,**



Gihad Mohamed Al-Amri  
Certified Public Accountant

License No. (362)

Riyadh on: 12 March 2026 (G)  
Corresponding to: 23 Ramadan 1447 (H)



**NATIONAL COMPANY FOR LEARNING AND EDUCATION**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Amounts in Saudi Riyals)

	Note	As of 31 January 2026 (Unaudited)	As of 31 July 2025 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	985,814,176	909,440,663
Advances to suppliers		13,963,183	16,598,402
Intangible assets and goodwill		89,940,583	87,966,807
Right-of-use assets	5	313,364,739	325,166,770
<b>Total non-current assets</b>		<b>1,403,082,681</b>	<b>1,339,172,642</b>
<b>Current assets</b>			
Inventory		10,916,921	9,603,724
Accounts receivable		103,209,201	75,285,208
Prepayments and other receivables		64,244,677	38,708,779
Cash and cash equivalents		26,961,431	26,527,008
<b>Total current assets</b>		<b>205,332,230</b>	<b>150,124,719</b>
<b>Total assets</b>		<b>1,608,414,911</b>	<b>1,489,297,361</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	430,000,000	430,000,000
Share premium		100,985,697	100,985,697
Retained earnings		322,919,822	331,005,524
<b>Total equity</b>		<b>853,905,519</b>	<b>861,991,221</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current portion of Islamic Murabaha	6	85,222,883	57,732,088
Employees' benefits		73,731,950	69,750,000
Non-current portion of lease liability	5	305,965,504	326,582,397
<b>Total non-current liabilities</b>		<b>464,920,337</b>	<b>454,064,485</b>
<b>Current liabilities</b>			
Current portion of Islamic Murabaha	6	43,775,809	31,012,073
Advances from customers	7	166,517,713	71,998,082
Accounts payable		9,909,669	16,631,084
Current portion of lease liability	5	27,006,705	24,954,529
Accrued expenses and other payables		39,496,325	24,904,090
Zakat provision		2,882,834	3,741,797
<b>Total current liabilities</b>		<b>289,589,055</b>	<b>173,241,655</b>
<b>Total liabilities</b>		<b>754,509,392</b>	<b>627,306,140</b>
<b>Total equity and liabilities</b>		<b>1,608,414,911</b>	<b>1,489,297,361</b>

The accompanying notes from (1) through (19) form an integral part of these interim condensed consolidated financial statements

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

(Amounts in Saudi Riyals)

	Note	For the three-month period ended		For the six-month period ended	
		31 January 2026	31 January 2025	31 January 2026	31 January 2025
		(Unaudited)	(Unaudited) Restated (note 17)	(Unaudited)	(Unaudited) Restated (note 17)
Revenue	13	212,226,795	184,035,663	397,545,002	357,274,361
Government grants and subsidies		3,121,834	2,941,260	5,455,610	7,548,260
Cost of revenue		(112,435,279)	(101,437,622)	(217,549,949)	(201,020,153)
<b>Gross profit</b>		<b>102,913,350</b>	<b>85,539,301</b>	<b>185,450,663</b>	<b>163,802,468</b>
Marketing and advertising expenses		(1,235,494)	(596,485)	(9,317,582)	(6,210,630)
General and administrative expenses		(29,096,205)	(26,232,747)	(59,437,357)	(53,175,311)
Reverse allowance / (allowance) for expected credit loss		-	1,675,000	(2,800,000)	4,025,000
Other income		874,113	1,479,744	2,038,253	2,156,192
<b>Operating profit</b>		<b>73,455,764</b>	<b>61,864,813</b>	<b>115,933,977</b>	<b>110,597,719</b>
Finance cost and returns, net	14	(6,532,622)	(5,263,639)	(12,686,501)	(9,955,163)
<b>Net profit for the period before Zakat</b>		<b>66,923,142</b>	<b>56,601,174</b>	<b>103,247,476</b>	<b>100,642,556</b>
Zakat expense		(1,828,955)	(1,495,000)	(2,618,955)	(2,659,059)
<b>Net profit for the period</b>		<b>65,094,187</b>	<b>55,106,174</b>	<b>100,628,521</b>	<b>97,983,497</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per share	15	<b>1.51</b>	1.28	<b>2.34</b>	2.28

The accompanying notes from (1) through (19) form an integral part of these interim condensed consolidated financial statements

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(Amounts in Saudi Riyals)

	For the three-month period ended		For the six-month period ended	
	31 January 2026 (Unaudited)	31 January 2025 (Unaudited) Restated (note 17)	31 January 2026 (Unaudited)	31 January 2025 (Unaudited) Restated (note 17)
Net profit for the period	65,094,187	55,106,174	100,628,521	97,983,497
<b><u>Items that will not be reclassified subsequently to profit or loss</u></b>				
Actuarial (losses) / gains on re-measurement of employees' benefits	(850,347)	(415,023)	(1,214,223)	60,277
<b>Total items that will not be reclassified to profit or loss in subsequent periods</b>	<b>(850,347)</b>	<b>(415,023)</b>	<b>(1,214,223)</b>	<b>60,277</b>
<b>Total (other comprehensive loss) / other comprehensive income for the period</b>	<b>(850,347)</b>	<b>(415,023)</b>	<b>(1,214,223)</b>	<b>60,277</b>
<b>Total comprehensive income for the period</b>	<b>64,243,840</b>	<b>54,691,151</b>	<b>99,414,298</b>	<b>98,043,774</b>

The accompanying notes from (1) through (19) form an integral part of these interim condensed consolidated financial statements

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(Amounts in Saudi Riyals)

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
Balance as at 31 July 2024 (Audited)	430,000,000	100,985,697	262,336,838	793,322,535
Net profit for the period	-	-	97,983,497	97,983,497
Other comprehensive income for the period	-	-	60,277	60,277
Total comprehensive income for the period	-	-	98,043,774	98,043,774
Dividends (Note 16)	-	-	(90,300,000)	(90,300,000)
Balance as at 31 January 2025 (Unaudited) – Restated (note 17)	<u>430,000,000</u>	<u>100,985,697</u>	<u>270,080,612</u>	<u>801,066,309</u>
Balance as at 31 July 2025 (Audited)	430,000,000	100,985,697	331,005,524	861,991,221
Net profit for the period	-	-	<b>100,628,521</b>	<b>100,628,521</b>
Other comprehensive loss for the period	-	-	<b>(1,214,223)</b>	<b>(1,214,223)</b>
Total comprehensive income for the period	-	-	<b>99,414,298</b>	<b>99,414,298</b>
Dividends (Note 16)	-	-	<b>(107,500,000)</b>	<b>(107,500,000)</b>
Balance as at 31 January 2026 (Unaudited)	<u><b>430,000,000</b></u>	<u><b>100,985,697</b></u>	<u><b>322,919,822</b></u>	<u><b>853,905,519</b></u>

The accompanying notes from (1) through (19) form an integral part of these interim condensed consolidated financial statements

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amounts in Saudi Riyals)

	<b>For the six-month period ended</b>	
	<b>31 January 2026 (Unaudited)</b>	<b>31 January 2025 (Unaudited) Restated (note 17)</b>
<b>Cash flows from operating activities</b>		
Net profit for the period before Zakat	103,247,476	100,642,556
<b>Adjustments for:</b>		
Allowance / (reverse allowance) for expected credit loss	2,800,000	(4,025,000)
Depreciation and amortization	36,679,885	30,863,770
Gains from selling property and equipment	(69,226)	(220,617)
Employees' benefits	4,193,431	3,746,515
Finance costs	14,036,910	11,725,690
Returns on short term Islamic Murabaha	(1,350,409)	(1,770,527)
	<b>159,538,067</b>	<b>140,962,387</b>
<b>Changes in operating assets and liabilities</b>		
Accounts receivable	(30,723,993)	(35,378,212)
Inventory	(1,313,197)	(7,296,458)
Prepayments and other receivables	(22,900,679)	10,109,219
Accounts payable	(6,721,415)	(3,533,880)
Accrued expenses and other payables	14,592,235	9,100,466
Advances from customers	94,519,631	63,792,029
<b>Cash generated from operating activities</b>	<b>206,990,649</b>	<b>177,755,551</b>
Employees' benefits paid	(3,252,360)	(2,588,427)
Zakat paid	(3,477,918)	(4,617,959)
<b>Net cash flows generated from operating activities</b>	<b>200,260,371</b>	<b>170,549,165</b>
<b>Cash Flows from investing activities</b>		
Purchase of property and equipment and projects in progress	(93,248,527)	(82,521,814)
Purchase of intangible assets	(3,503,868)	(316,500)
Proceeds from returns on short term Islamic Murabaha	1,350,409	1,770,527
Proceeds from selling property and equipment	69,287	220,617
<b>Net cash flows used in investing activities</b>	<b>(95,332,699)</b>	<b>(80,847,170)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Islamic Murabaha	53,067,899	28,560,000
Repayment of Islamic Murabaha	(15,711,148)	(6,599,808)
Repayment of lease liabilities	(34,350,000)	(29,420,000)
Dividends paid	(107,500,000)	(90,300,000)
<b>Net cash flows used in financing activities</b>	<b>(104,493,249)</b>	<b>(97,759,808)</b>
<b>Net change in cash and cash equivalents</b>	<b>434,423</b>	<b>(8,057,813)</b>
Cash and cash equivalents at beginning of the period	26,527,008	36,344,216
<b>Cash and cash equivalents at the end of the period</b>	<b>26,961,431</b>	<b>28,286,403</b>
<b>Non-cash transactions during the period</b>		
Actuarial (losses) / gains from re-measurement of employees' benefits	(1,214,223)	60,277
Transferred from projects in progress	67,472,204	77,620,325
Right-of-use assets	5,663,912	50,742,424
Lease liability	5,663,912	50,742,424
Capitalized finance costs on projects in progress	808,897	-

The accompanying notes from (1) through (19) form an integral part of these interim condensed consolidated financial statements

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 31 January 2026**  
(Amounts in Saudi Riyals)

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**1. ORGANIZATION AND ACTIVITIES**

National Company for Learning and Education (“the Company”), a Saudi Joint Stock Company registered under Commercial Registration (“CR”) Number 1010178851 issued in Riyadh dated 4 Jumada I 1423H corresponding to 14 July 2002.

The Company is engaged in ownership, establishment and management of private schools for general education (pre-university) in addition to investment in sport and entertainment along with sport clubs for school students.

The Company carries out its business through its branches and subsidiaries mentioned below:

Branch of Tarbyah Namouthajiyah Schools/Al-Rayan district registered under CR no. 1010205885 dated 12 Muharram 1426H corresponding to 21 February 2005.

Branch of Tarbyah Namouthajiyah Schools/Al-Rawabi district registered under CR no. 1010226993 dated 24 Dhul-Hijjah 1427H corresponding to 14 January 2007.

Branch of Tarbyah Namouthajiyah Schools/Al-Nuzha district registered under CR no. 1010284328 dated 4 Rabi II 1431H corresponding to 20 March 2010.

Branch of Tarbyah Namouthajiyah Schools/Qurtubah district registered under CR no. 1010466961 dated 5 Rabi II 1438H corresponding to 3 January 2017.

Branch of Tarbyah Namouthajiyah Schools/Al-Rehab-Buraydah district registered under CR no. 1131300125 dated 16 Ramadan 1440H corresponding to 21 May 2019.

Branch of Tarbyah Namouthajiyah Schools/Al-Qairwan district registered under CR no. 1010644469 dated 1 Dhul Hijah 1441H corresponding to 22 July 2020.

Branch of Tarbyah Namouthajiyah Schools/ Al-Aridh district registered under CR no. 1010741207 5 Safar 1443H corresponding to 12 September 2021.

Branch of Tarbyah Namouthajiyah Schools/ Al-Aridh district registered under CR no. 1010738751 dated 24 Muharram 1443H corresponding to 1 September 2021.

Branch of Tarbyah Namouthajiyah Schools/ Qurtubah district registered under CR no. 1010867932 dated 16 Shaban 1444H corresponding to 8 March 2023.

Branch of Tarbyah Namouthajiyah Schools/ Al-Nuzha district registered under CR no. 1010966895 dated 15 Jumada Al-Akhar 1445H corresponding to 28 December 2023.

Branch of Tarbyah Namouthajiyah Schools/Al- Narjis district registered under CR no. 1009034276 dated 7 Dhul Qaida 1445H corresponding to 15 May 2024.

Branch of Tarbyah Namouthajiyah Schools/Al- Narjis district registered under CR no. 1009072079 dated 3 Muharram 1446H corresponding to 9 July 2024.

Branch of Tarbyah International Namouthajiyah Schools/Telal Al Doha - Al-Dhahran district registered under CR no. 2050138947 dated 9 Rabi I 1442H corresponding to 26 October 2020.

Branch of Tarbyah International Schools/ Al-Rayan district registered under CR no. 1010644470 dated 1 Dhul Hijah 1441H corresponding to 22 July 2020.

Branch of Tarbyah International Schools/Al-Nuzha district registered under CR no. 1010727959 dated 28 Dhul Qaida 1442H corresponding to 8 July 2021.

Branch of Tarbyah International Schools/Al-Aridh district registered under CR no. 1010877645 dated 10 Shawal 1444H corresponding to 30 April 2023.

Branch of Tarbyah International Schools/Al-Qairwan district registered under CR no. 1010973671 dated 5 Rajab 1445H corresponding to 17 January 2024.

Branch of National Schools for Education / Hetteen district registered under CR no. 1010870213 dated 24 Shaban 1444H corresponding to 16 March 2023.

**NATIONAL COMPANY FOR LEARNING AND EDUCATION**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**For the six-month period ended 31 January 2026**

(Amounts in Saudi Riyals)

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**1. ORGANIZATION AND ACTIVITIES (CONTINUED)**

Branch of Tarbyah Sports/ Al-Rayan district registered under CR no. 1010664733 dated 10 Rabi I 1442H corresponding to 27 October 2020.

Branch of Tarbyah Sports / Al-Rawabi district registered under CR no. 1010664732 dated 10 Rabi I 1442H corresponding to 27 October 2020.

Branch of Tarbyah Sports /Al-Nuzha district registered under CR no. 1010665999 dated 12 Rabi I 1442H corresponding to 29 October 2020.

Branch of National Company for Learning and Education registered under CR no. 1010887743 dated 3 Dhul Qaida 1444H corresponding to 23 May 2023.

Branch of National Company for Learning and Education registered under CR no. 1009071966 dated 11 Muharram 1446H corresponding to 17 July 2024.

Al Khwarizmi Educational Company registered under CR no. 1010290982 dated 18 Rajab 1431H corresponding to 30 June 2010.

Branch of Al Khwarizmi Educational Company registered under CR no. 1010326698 dated 5 Rabi I 1433H corresponding to 28 January 2012.

Al Ghad National Schools Company registered under CR no. 1010168956 dated 20 Jumada Al-Akhar 1422H corresponding to 9 September 2001.

Branch of Al Ghad National Schools Company registered under CR no. 1010787113 dated 6 Shaban 1443H corresponding to 9 March 2022.

Branch of Al Ghad National Schools Company registered under CR no. 1010787114 dated 6 Shaban 1443H corresponding to 9 March 2022.

Branch of Al Ghad National Schools Company registered under CR no. 1010867922 dated 21 Shaban 1444H corresponding to 13 March 2023.

Refan Operation and Maintenance Company registered under CR no. 1010405386 dated 20 Rabi II 1435H corresponding to 20 February 2014.

Branch of Refan Operation and Maintenance Company registered under CR no. 1010876752 dated 7 Shawal 1444H corresponding to 27 April 2023.

Branch of Refan Operation and Maintenance Company registered under CR no. 1010953249 dated 5 Jumada Al-Awwal 1445H corresponding to 19 November 2023.

Al Salam Education and Training Company registered under CR no. 2051033985 dated 10 Safar 1428H corresponding to 28 February 2007.

# NATIONAL COMPANY FOR LEARNING AND EDUCATION

(A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 31 January 2026

(Amounts in Saudi Riyals)

### 1. ORGANIZATION AND ACTIVITIES (CONTINUED)

These interim condensed consolidated financial statements include the accounts of the Company and the following subsidiaries in which the Group directly owns 100% of share capital (collectively referred to as the “Group”):

<u>Subsidiary Company</u>	<u>Country of incorporation</u>	<u>Ownership %</u>	
		<u>31 January 2026</u>	<u>31 July 2025</u>
Al Khwarizmi Educational Company	Kingdom of Saudi Arabia	100	100
Al Ghad National Schools Limited Company	Kingdom of Saudi Arabia	100	100
Revan Operation and Maintenance Limited Company	Kingdom of Saudi Arabia	100	100
Al Salam Education and Training Company	Kingdom of Saudi Arabia	100	100

Al-Khwarizmi Educational Company is engaged in the field of education with national curriculum.

Al Ghad National Schools Limited Company is engaged in the field of education with national curriculum.

Revan Operation and Maintenance Limited Company activities are operation and maintenance.

Al Salam Education and Training Company is engaged in the field of education with national curriculum.

The Group’s head office is located in Riyadh,  
P.O. Box 41980 Riyadh 11531 Kingdom of Saudi Arabia.

The Group’s financial year begins on **1 August** and ends on **31 July** of each year.

### 2. BASIS OF PREPARATION

#### Statement of compliance

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

These interim condensed consolidated financial statements should be read in conjunction with the Group’s financial statements for the year ended 31 July 2025. These interim condensed consolidated financial statements do not include all the required information to prepare a full set of consolidated financial statements in accordance with IFRS, however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the previous year consolidated financial statements. The interim period is an integral part of the full fiscal year, however, the results of operations for the interim periods may not be indicative of the results of operations for the full year.

#### Basis of measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for employees’ benefits obligations which are measured using the projected credit unit.

#### Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyal (“SR”), which is the functional and presentation currency of the Group.

# NATIONAL COMPANY FOR LEARNING AND EDUCATION

(A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 31 January 2026

(Amounts in Saudi Riyals)

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of consolidation

##### 1) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred at the acquisition is generally measured at fair value of the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within shareholders equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

##### 2) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the control commences until the date the control ceases.

##### 3) Non-controlling interest ("NCI")

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in the subsidiary that do not result in a loss of control are accounted for as shareholders transactions.

##### 4) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of shareholders equity and any gain or loss is recognized in the statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### b. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic considerations interest.

Fair value measurement of a non-financial assets takes into account a market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the same asset in its highest and best use.

# NATIONAL COMPANY FOR LEARNING AND EDUCATION

(A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 31 January 2026

(Amounts in Saudi Riyals)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### b. Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities can be obtained at the measurement date.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly (derived from prices).

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the interim condensed consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### c. Revenue recognition

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with the customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price	The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognition of revenue	The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### c. Revenue recognition (continued)

##### **Identify the contract with customer**

The Group carefully evaluates the terms and conditions of the contracts with its customers because revenue is recognized only when performance obligations in contracts with customers are satisfied. A change in the scope or price (or both) of a contract is considered as a contract modification and the Group determines whether this creates a new contract or whether it will be accounted for as part of the existing contract.

##### **Identify the performance obligations**

Once the Group has identified the contract with a customer, it evaluates the contractual terms and its customary business practices to identify all the promised services within the contract and determine which of those promised services (or bundles of promised services) will be treated as separate performance obligations.

##### **Determine the transaction price**

The Group determines transaction price as the amount which it expects to be entitled. It includes an estimate of any variable consideration, the effect of a significant financing component (i.e., the time value of money), the fair value of any non-cash consideration and the effect of any consideration paid or payable to a customer (if any).

Variable considerations are limited to the amount for which it is highly probable that a significant reversal will not occur when the uncertainties related to the variability are resolved.

##### **Allocation of transaction price**

Once the performance obligations have been identified and the transaction price has been determined, transaction price is allocated to the performance obligations, generally in proportion to their stand-alone selling prices (i.e., on a relative stand-alone selling price basis). When determining stand-alone selling prices, the Group is required to use observable information, if available. If stand-alone selling prices are not directly observable, the Group makes estimates based on information that is reasonably available.

##### **Recognition of revenue**

Revenue is recognized only when the Group satisfies a performance obligation by transferring control of a promised service to the customer. Control may be transferred over time or at a point in time. Where a performance obligation is satisfied overtime, the Group identifies the progress under the contract based on either of an input or output method which best measures the performance completed to date. The method selected is applied consistently to similar performance obligations and in similar circumstances.

The Group believes that it fulfills its performance obligations in its contracts with customers over time, and hence it recognizes revenue as and when it fulfills its obligations under contracts with customers. The Group generates following revenue stream that are covered under IFRS 15 'Revenue from Contracts with Customers'.

##### **Education services**

Revenue is recognized when education services to registered students at schools are rendered overtime during the academic year including preparation activities and year end closing activities, revenue recognized net of discounts and exemptions.

##### **Other operating income**

Other operating income is recognized once performance obligation is satisfied based on the agreement between the Group and the counterparty.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### d. Financial instruments

##### Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investments; FVOCI – equity investments; or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not classified at fair value through profit or loss.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured (unless it is a receivable without a significant financing component that is initially measured at the transaction price) at fair value, for an item not at FVTPL, plus transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial asset at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### d. Financial instruments (continued)

The Group has no debt investments at FVOCI or equity investments at FVOCI.

##### **Impairment of financial asset**

The financial assets at amortized cost consist of receivables, cash and cash equivalents and other debit balances.

Loss provisions are measured on the bases of Expected Credit Losses (“ECLs”) over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

##### **Measurement of ECLs**

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all value shortfalls (i.e. the difference between cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For receivables, the Group applies the simplified approach to estimate ECLs.

##### **Impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

##### **Presentation of impairment**

Loss provisions for financial assets are deducted from the gross carrying amount of the assets.

Impairment losses related to trade receivables, if any, are presented in the condensed consolidated statement of profit or loss under a separate item.

##### **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Financial instruments (continued)**

**Disposal**

**Financial assets**

A financial asset (or part of a group of similar financial assets) is primarily derecognized (i.e., excluded from the interim condensed consolidated statement of financial position of the Group) in the following cases:

- The rights to receive cash flows from the asset have been expired;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) the Group substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

**Financial liabilities**

The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the condensed consolidated statement of profit or loss.

**e. Share premium**

The share premium represents the difference between the value of the share and its par value at the date of issuance, after deducting subscription expenses as set out in the published prospectus and should not be distributed as dividends to the shareholders.

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**4. PROPERTY AND EQUIPMENT**

	<u>Lands (*)</u>	<u>Buildings and improvements on buildings</u>	<u>Furniture and fixtures</u>	<u>Computers and equipment</u>	<u>Motor vehicles</u>	<u>Projects in progress (**)</u>	<u>Total</u>
<b><u>Cost</u></b>							
As at 31 July 2024	216,763,810	433,528,360	84,140,230	128,719,297	16,493,610	147,721,938	1,027,367,245
Additions during the year	-	12,625,357	14,471,308	12,799,705	1,965,001	99,001,800	140,863,171
Transfers from project in progress	-	54,627,418	7,802,937	15,189,970	-	(77,620,325)	-
Disposals during the year	-	-	-	(4,277,264)	-	-	(4,277,264)
As at 31 July 2025	216,763,810	500,781,135	106,414,475	152,431,708	18,458,611	169,103,413	1,163,953,152
Additions during the period	-	<b>14,323,422</b>	<b>9,322,126</b>	<b>4,514,481</b>	<b>4,635,240</b>	<b>61,262,155</b>	<b>94,057,424</b>
Transfers from project in progress	-	<b>67,323,061</b>	<b>149,143</b>	-	-	<b>(67,472,204)</b>	-
Disposals during the period	-	-	<b>(156,939)</b>	<b>(637,847)</b>	-	-	<b>(794,786)</b>
<b>As at 31 January 2026</b>	<b>216,763,810</b>	<b>582,427,618</b>	<b>115,728,805</b>	<b>156,308,342</b>	<b>23,093,851</b>	<b>162,893,364</b>	<b>1,257,215,790</b>
<b><u>Accumulated depreciation</u></b>							
As at 31 July 2024	-	110,042,372	44,938,901	68,042,986	7,334,438	-	230,358,697
Charge for the year	-	10,017,819	7,249,035	10,082,578	1,080,419	-	28,429,851
Disposals during the year	-	-	-	(4,276,059)	-	-	(4,276,059)
As at 31 July 2025	-	120,060,191	52,187,936	73,849,505	8,414,857	-	254,512,489
Charge for the period	-	<b>7,352,872</b>	<b>4,110,415</b>	<b>5,439,133</b>	<b>781,430</b>	-	<b>17,683,850</b>
Disposals during the period	-	-	<b>(156,899)</b>	<b>(637,826)</b>	-	-	<b>(794,725)</b>
<b>As at 31 January 2026</b>	-	<b>127,413,063</b>	<b>56,141,452</b>	<b>78,650,812</b>	<b>9,196,287</b>	-	<b>271,401,614</b>
<b><u>Net book value</u></b>							
<b>As at 31 January 2026</b>	<b>216,763,810</b>	<b>455,014,555</b>	<b>59,587,353</b>	<b>77,657,530</b>	<b>13,897,564</b>	<b>162,893,364</b>	<b>985,814,176</b>
As at 31 July 2025	216,763,810	380,720,944	54,226,539	78,582,203	10,043,754	169,103,413	909,440,663

(\*) Land item includes the land of Al-Salam national Schools / Al-Khobar City amounting to 36,802,500 as at 31 January 2026 is mortgaged to a local bank and the land shall be released upon the settlement of the last installment on 29 November 2027 (note 6-1).

(\*\*) The project in progress includes Al-Rabie project in Riyadh District, which includes a plot of land with a total amount of SR 35,721,000 as at 31 January 2026, mortgaged to a local bank and the land shall be released upon the settlement of the last installment on 24 January 2029 (Note 6-2), in addition to the North Obhur project in Jeddah District which includes a plot of land with a total amount of SR 28,620,645 as at 31 January 2026, mortgaged to a local bank and the land shall be released upon the settlement of the last installment on 4 February 2029 (Note 6-3).

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**5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY**

**Right-of-use assets**

	<u>31 January 2026</u>	<u>31 July 2025</u>
Balance at beginning of the period / year	325,166,770	264,871,862
Additions during the period / year	5,663,912	91,868,424
Depreciation for the period / year	<u>(17,465,943)</u>	<u>(31,573,516)</u>
<b>Balance at end of period / year</b>	<b><u>313,364,739</u></b>	<b><u>325,166,770</u></b>

**Leases liabilities**

	<u>31 January 2026</u>	<u>31 July 2025</u>
Balance at beginning of the period / year	351,536,926	282,595,341
Additions during the period / year	5,663,912	91,868,424
Interest expense on leases liabilities for the period / year	10,121,371	19,146,911
Payments during the period / year	<u>(34,350,000)</u>	<u>(42,073,750)</u>
<b>Balance at end of the period / year</b>	<b><u>332,972,209</u></b>	<b><u>351,536,926</u></b>
Non-current portion of lease liability	305,965,504	326,582,397
Current portion of lease liability	<u>27,006,705</u>	<u>24,954,529</u>
<b>Lease liability</b>	<b><u>332,972,209</u></b>	<b><u>351,536,926</u></b>

**6. ISLAMIC MURABAHA**

**Islamic Murabaha from commercial banks**

- 6-1 Murabaha from a commercial bank to finance part of the acquisition of Al-Salam Education and Training Company (the owner of Al-Salam Private Schools in Al-Khobar) on 1 December 2022, corresponding to 7 Jumada Al-Awwal 1444H, where a Murabaha was obtained in the amount of 47,491,058 Saudi riyals, including finance cost of 7,491,058 riyals Saudi with a profit rate of 6.8% , provided that the Murabaha is paid in ten semi-annual installments, and the first installment payment begins on 29 May 2023. The Murabaha was obtained by mortgaging a plot of land registered in the name of one of the group's subsidiaries, in addition to a promissory note for the value of the total facilities and shall be released upon the settlement of the last installment on 29 November 2027 (note 4).

As at 31 January 2026 the balance of Murabaha amounted to 17,360,855 Saudi riyals (31 July 2025: amounted to 22,052,119 Saudi riyals).

- 6-2 Murabaha from a commercial bank to finance purchasing a plot in Al-Rabie District in Riyadh on 30 January 2025 corresponding to 30 Rajab 1446H. Murabaha was obtained in the amount of 32,698,967 Saudi riyals including finance cost with the amount of 4,138,967 Saudi riyals at a profit return rate of 6.4% provided that Murabaha is paid in eight equal semi-annual installments. The first installment payment begins on 24 July 2025. The Murabaha was obtained by mortgaging a plot of land and shall be released upon the settlement of the last installment on 24 January 2029 (note 4).

As at 31 January 2026 the balance of Murabaha amounted to 23,842,732 Saudi riyals (31 July 2025: amounted to 28,232,549 Saudi riyals).

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**6. ISLAMIC MURABAHA (CONTINUED)**Islamic Murabaha from commercial banks (Continued)

6-3 Murabaha from a commercial bank to finance purchasing a plot in North Obhur District in Jeddah on 9 February 2025 corresponding to 10 Shaban 1446H. Murabaha was obtained in the amount of 25,552,166 Saudi riyals including finance cost with the amount of 3,227,166 Saudi riyals at a profit return rate of 6.4% provided that Murabaha is paid in eight equal semi-annual installments. The first installment payment begins on 3 August 2025. The Murabaha was obtained by mortgaging a plot of land and shall be released upon the settlement of the last installment on 4 February 2029 (note 4).

As at 31 January 2026 the balance of Murabaha amounted to 22,054,981 Saudi riyals (31 July 2025: amounted to 25,552,166 Saudi riyals).

6-4 Murabaha from a commercial bank to finance part of the construction of the educational complexes (Ishbilyah – Al-Rabie – North Obhur) on 24 July 2025 corresponding to 29 Muharram 1447H. Murabaha has been obtained in the amount of 23,077,038 Saudi riyals including finance cost with the amount of 2,643,038 Saudi riyals at a profit return rate of 5.7% provided that Murabaha is paid in eight equal semi-annual installments. The first installment payment begins on 19 January 2026.

As at 31 January 2026 the balance of Murabaha amounted to 19,944,155 Saudi riyals (31 July 2025: amounted to 23,080,270 Saudi riyals).

6-5 Murabaha from a commercial bank to finance part of the construction of the educational complexes (Ishbilyah – Al-Rabie – Dhahrat Laban) on 6 January 2026 corresponding to 17 Rajab 1447H. Murabaha has been obtained in the amount of 61,727,778 Saudi riyals including finance cost with the amount of 8,659,878 Saudi riyals at a profit return rate of 5.9% provided that Murabaha is paid in ten equal semi-annual installments. The first installment payment begins on 5 July 2026. The Murabaha was obtained by mortgaging a plot of Ishbilyah land, as the bank is in the process of completing the mortgage procedures for the land.

As at 31 January 2026 the balance of Murabaha amounted to 61,727,778 Saudi riyals.

Movement in Islamic Murabaha from commercial banks during the period is as follows:

	<b>31 January 2026</b>	31 July 2025
Balance at beginning of the period / year	<b>98,917,104</b>	35,081,349
Proceeds during the period / year	<b>61,724,545</b>	81,331,403
Paid during the period / year	<b>(15,711,148)</b>	(17,495,648)
<b>Balance at end of period / year</b>	<b>144,930,501</b>	98,917,104

**The present value of Islamic Murabaha granted by commercial banks is as follows:**

	<b>31 January 2026</b>	31 July 2025
Total Islamic Murabaha at end of period / year	<b>144,930,501</b>	98,917,104
<u>Less: deferred finance charges</u>		
Balance at beginning of the period / year	<b>(10,172,943)</b>	(3,541,578)
Additions during the period / year	<b>(8,656,646)</b>	(10,012,403)
Finance charges during the period / year	<b>2,897,780</b>	3,381,038
<b>Balance at end of the period / year</b>	<b>(15,931,809)</b>	(10,172,943)
<b>Present value of Islamic Murabaha at end of the period / year</b>	<b>128,998,692</b>	88,744,161
Non-current portion of Islamic Murabaha	<b>85,222,883</b>	57,732,088
Current portion of Islamic Murabaha	<b>43,775,809</b>	31,012,073
<b>Present value of Islamic Murabaha at end of the period / year</b>	<b>128,998,692</b>	88,744,161

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**7. ADVANCES FROM CUSTOMERS**

Represent tuition fees received in advance for the educational services for the remaining period of current academic year.

**8. FINANCIAL ASSETS AND LIABILITIES**

**8-1 Financial assets**

	<u>31 January 2026</u>	<u>31 July 2025</u>
<u>Financial assets at amortized cost:</u>		
Accounts receivable	103,209,201	75,285,208
Financial assets included in other receivables	5,596,104	3,535,283
Cash and cash equivalents	26,961,431	26,527,008
<b>Total financial assets at amortized cost</b>	<b>135,766,736</b>	<b>105,347,499</b>

**8-2 Financial liabilities**

	<u>31 January 2026</u>	<u>31 July 2025</u>
<u>Financial liabilities at amortized cost:</u>		
Islamic Murabaha	128,998,692	88,744,161
Accounts payable	9,909,669	16,631,084
Lease liability	332,972,209	351,536,926
Accrued expenses and other payables	39,496,325	24,904,090
<b>Total financial liabilities at amortized cost</b>	<b>511,376,895</b>	<b>481,816,261</b>
Non-current portion of financial liabilities	391,188,387	384,314,485
Current portion of financial liabilities	120,188,508	97,501,776
<b>Total financial liabilities</b>	<b>511,376,895</b>	<b>481,816,261</b>

Fair values of financial assets and financial liabilities measured at amortized cost are not significantly different from their carrying amounts.

**9. SHARE CAPITAL**

The Company's share capital amounting to 430 Saudi riyals million divided into 43 million shares with a nominal value of 10 Saudi riyals each.

**10. COMMITMENTS**

	<u>31 January 2026</u>	<u>31 July 2025</u>
Contractual commitments for suppliers	28,173,454	44,698,839
Capital commitments - projects in progress*	123,022,200	86,191,404
	<b>151,195,654</b>	<b>130,890,243</b>

\* The Capital commitments are related to the projects in progress of the Group's educational complexes in Ishbilyah, Al-Rabie and North Obhur and Dhahrat Laban to complete their construction works.

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**11. RELATED PARTIES**

In the ordinary course of its business, the Group deals with the shareholders of the Group, the affiliates companies owned by the shareholders and the key management personnel. Following are the details of major transactions with related parties for the period:

<u>Name of related parties</u>	<u>Nature of transaction</u>	<u>Total annual contract value 31 January 2026</u>	<u>Total annual contract value 31 January 2025</u>
Yamami Holding Company (affiliate)	Building lease	<b>7,950,000</b>	7,950,000
<b>Key management compensations</b>			
		<u>31 January 2026</u>	<u>31 January 2025</u>
Salaries and other short-term benefits		2,610,247	2,617,576
End of service benefits charged for the period		269,957	95,080
		<b>2,880,204</b>	<b>2,712,656</b>
<b>Board of Directors' remuneration and related benefits</b>			
		<u>31 January 2026</u>	<u>31 January 2025</u>
Board of directors' remunerations and benefits		1,111,250	1,069,324
		<b>1,111,250</b>	<b>1,069,324</b>

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**12. SEGMENT REPORTING**

The Group operates in the ownership and management of private schools for public education. Information related to operating segments of the Group mentioned below is regularly submitted to Operating Decision Makers of the Group. The Group's activities are related to the following main business segments:

- Tarbyah Namouthajiyah Schools - Al-Rayan
- Al-Khwarizmi national schools
- Al-Salam national schools
- National school - Hetteen
- Tarbyah Namouthajiyah Schools - Al-Rawabi
- Al-Ghad national schools – King Abdullah
- Tarbyah Namouthajiyah International Schools - Al-Aridh
- Model Education International Academy - Al-Qairwan
- Tarbyah Namouthajiyah Schools - Al-Nuzha
- Tarbyah Namouthajiyah Schools - Al-Qairwan
- Al-Ghad national schools - Al-Qairwan
- Others
- Tarbyah Namouthajiyah International Schools - Qurtubah
- Tarbyah Namouthajiyah Schools -Al-Aridh
- Tarbyah Namouthajiyah Schools - Qurtubah
- Tarbyah Namouthajiyah Schools - Buraidah
- Tarbyah Namouthajiyah International Schools Dhahran
- Tarbyah Namouthajiyah Schools - Narjis

**Six-months period ended 31 January 2026**

	TNS Al-Rayan schools	TNS Al-Rawabi schools	TNS Al-Nuzha schools	TNIS Qurtubah schools	TNS Buraidah schools	Al- Khwarizmi national schools	Al-Ghad national schools – King Abdullah	TNS Al-Qairwan schools	TNS Al-Aridh schools	TNIS Dhahran schools	Al-Salam national schools	TNIS Al-Aridh schools	Al-Ghad national schools – Al-Qairwan
Revenues	55,651,699	51,955,155	43,036,311	11,772,197	19,297,587	9,407,920	16,898,163	47,422,587	32,221,844	15,648,353	16,803,444	20,244,595	6,794,487
Government grants and subsidies	937,810	650,519	542,185	191,858	552,848	-	102,000	630,980	435,394	204,176	-	262,752	89,500
Cost of revenue	(31,791,309)	(24,147,997)	(22,744,647)	(5,751,238)	(12,016,676)	(4,285,897)	(11,920,873)	(20,324,488)	(14,995,027)	(7,726,123)	(9,195,398)	(12,232,674)	(6,723,937)
Gross profit	24,798,200	28,457,677	20,833,849	6,212,817	7,833,759	5,122,023	5,079,290	27,729,079	17,662,211	8,126,406	7,608,046	8,274,673	160,050
Property and equipment	117,624,973	79,333,299	77,647,437	35,867,811	52,158,670	6,362,099.00	3,031,406	136,229,856	8,267,528	67,285,263	64,647,596	9,592,353	6,576,886
Depreciation	2,276,717	1,711,624	1,215,326	688,883	1,084,734	266,900.00	264,214	2,078,302	714,258	1,048,810	551,604	678,522	482,015

	TNS Qurtubah schools	TNS Narjis schools	National school - Hetteen	MEIA – Al-Qairwan	Others	Projects in progress	Elimination inter- company transactions	Total
Revenues	23,459,790	16,917,255	5,927,143	4,086,472	4,802,971	-	(4,802,971)	397,545,002
Government grants and subsidies	385,925	287,617	90,261	91,785	-	-	-	5,455,610
Cost of revenue	(10,520,919)	(8,690,170)	(6,939,750)	(4,042,611)	(4,261,456)	-	761,241	(217,549,949)
Gross profit	13,324,796	8,514,702	(922,346)	135,646	541,515	-	(4,041,730)	185,450,663
Property and equipment	53,051,264	45,725,504	51,632,843	2,655,845	5,230,179	162,893,364	-	985,814,176
Depreciation	1,466,499	1,594,191	1,365,765	165,503	29,983	-	-	17,683,850

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**12. SEGMENT REPORTING (CONTINUED)**

Six-months period ended 31 January 2025 - Restated (note 17)

	TNS Al-Rayyan schools	TNS Al-Rawabi schools	TNS Al-Nuzha schools	TNIS Qurtubah schools	TNS Buraidah schools	Al- Khwarizmi national schools	Al-Ghad national schools – King Abdullah	TNS Al-Qairwan schools	TNS Al-Aridh schools	TNIS Dhahran schools	Al-Salam national schools	TNIS Al-Aridh schools	Al-Ghad national schools – Al-Qairwan
Revenues	53,020,200	48,568,872	44,021,184	8,390,666	17,222,543	9,831,138	17,699,779	47,592,598	29,863,093	13,802,779	17,225,355	17,300,144	5,598,750
Government grants and subsidies	1,142,303	778,658	733,745	182,306	746,610	116,822	436,765	1,064,970	679,846	308,877	160,989	318,692	208,911
Cost of revenue	(28,707,288)	(23,328,820)	(22,187,017)	(4,902,366)	(11,453,837)	(4,520,758)	(12,071,411)	(20,653,121)	(14,638,129)	(6,901,554)	(9,964,389)	(11,215,397)	(6,471,723)
Gross profit	<u>25,455,215</u>	<u>26,018,710</u>	<u>22,567,912</u>	<u>3,670,606</u>	<u>6,515,316</u>	<u>5,427,202</u>	<u>6,065,133</u>	<u>28,004,447</u>	<u>15,904,810</u>	<u>7,210,102</u>	<u>7,421,955</u>	<u>6,403,439</u>	<u>(664,062)</u>
Property and equipment	102,552,553	70,492,519	77,757,382	36,128,877	50,915,867	6,742,399	1,876,856	139,005,308	6,664,339	69,055,086	64,149,889	9,879,691	6,302,087
Depreciation	<u>1,645,864</u>	<u>1,124,961</u>	<u>1,266,724</u>	<u>632,431</u>	<u>1,000,921</u>	<u>277,512</u>	<u>187,228</u>	<u>2,033,256</u>	<u>585,631</u>	<u>1,035,610</u>	<u>509,552</u>	<u>630,192</u>	<u>418,917</u>

	TNS Qurtubah schools	TNS Narjis schools	National school - Hetteen	MEIA – Al-Qairwan	Others	Projects in progress	Elimination inter- company transactions	Total
Revenues	15,225,244	8,624,029	1,472,118	1,815,869	3,861,583	-	(3,861,583)	357,274,361
Government grants and subsidies	344,902	198,450	60,248	65,166	-	-	-	7,548,260
Cost of revenue	(8,840,743)	(5,945,269)	(3,554,174)	(2,898,772)	(3,683,010)	-	917,625	(201,020,153)
Gross profit	<u>6,729,403</u>	<u>2,877,210</u>	<u>(2,021,808)</u>	<u>(1,017,737)</u>	<u>178,573</u>	<u>-</u>	<u>(2,943,958)</u>	<u>163,802,468</u>
Property and equipment	34,288,523	24,817,145	26,984,713	2,299,095	5,290,181	130,245,153	-	865,447,663
Depreciation	<u>990,202</u>	<u>861,880</u>	<u>760,675</u>	<u>91,334</u>	<u>29,809</u>	<u>-</u>	<u>-</u>	<u>14,082,699</u>

As the Group's activities and the way of its management, it is not practical to distribute the remaining assets and liabilities in accordance with different sectors.

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**12. SEGMENT REPORTING (CONTINUED)**Reconciliation of information on reportable segments to net profit for the Group

	<b>31 January 2026</b>	31 January 2025 Restated (note 17)
Gross profit from sectors	<b>185,450,663</b>	163,802,468
Marketing and advertising expenses	<b>(9,317,582)</b>	(6,210,630)
General and administrative expenses (Allowance) / reverse allowance	<b>(59,437,357)</b>	(53,175,311)
for expected credit loss	<b>(2,800,000)</b>	4,025,000
Other income	<b>2,038,253</b>	2,156,192
Finance costs and returns, net	<b>(12,686,501)</b>	(9,955,163)
Total unallocated amount	<b>(82,203,187)</b>	(63,159,912)
Net profit for the period before Zakat	<b>103,247,476</b>	100,642,556

**13. REVENUE**

The tuition fee revenues for the six-month period ended 31 January 2026 were recognized based on 169 days out of the total 314 days of the 2025/2026 academic year. In comparison, the revenues for the corresponding period of the previous year ended 31 January 2025 were recognized based on 175 days out of the total 321 days of the 2024/2025 academic year. This variance resulted from differences in the academic year start dates and the total number of school days in each period, which impacted the number of days recognized for tuition fee revenue in each period.

**Seasonality of the group's business**

Generally, there is an improvement in the group's business during the first, second, and third quarters of the year compared to the fourth quarter of the same year, as a result of recognizing revenue from educational services over the academic year basis, which falls within the results for the periods from the first to the third quarter.

**14. FINANCE COSTS AND RETURNS, NET**

	<b>31 January 2026</b>	31 January 2025
Interests on lease liabilities	<b>10,121,371</b>	9,119,136
Finance costs for Islamic Murabaha	<b>2,088,883</b>	970,304
Interest cost of employee's benefits	<b>1,826,656</b>	1,636,250
Short term Islamic Murabaha returns	<b>(1,350,409)</b>	(1,770,527)
	<b>12,686,501</b>	9,955,163

**15. BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing net profit for the period attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share as the Group has no diluted instruments.

	<b>31 January 2026</b>	31 January 2025 Restated (note 17)
Net profit for the period	<b>100,628,521</b>	97,983,497
Weighted average number of shares	<b>43,000,000</b>	43,000,000
	<b>2.34</b>	2.28

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**16. DIVIDENDS**

On 1 January 2026, the Extraordinary General Assembly approved the distribution of dividends to shareholders amounting to 107.5 million Saudi riyals at 2.5 riyals per share equivalent to 25 % of the company's share capital.

On 15 December 2024, the Ordinary General Assembly approved the distribution of dividends to shareholders amounting to 90.3 million Saudi riyals at 2.1 riyals per share equivalent to 21 % of the company's share capital

**17. PRIOR PERIOD ADJUSTMENTS**

During the period, the Group reviewed its methodology for recognizing revenue from educational services (tuition fees), whereby revenue is now recognized over the academic year rather than the financial year, in accordance with the requirements of IFRS 15 "Revenue from Contracts with Customers" as adopted in the Kingdom of Saudi Arabia and the explanatory notes issued by SOCPA on 16 July 2025. The review also included recalculating and allocating vacation costs related to the teaching staff to the educational service contracts in accordance with that interpretative guidance.

This review resulted in identifying a financial impact related to the revenue re-measurement, and this impact was adjusted in the interim condensed consolidated financial statements for the three and six-month period ended 31 January 2025. It should be noted that this adjustment is limited to the quarterly periods and has no effect on the annual consolidated financial statements. This adjustment reflects the Group's application of accounting policies that more accurately align with the pattern of satisfying performance obligations and with best practices under International Financial Reporting Standards.

The following table presents the impact of the adjustment on the interim condensed consolidated statement of financial position for the affected line items:

<b><u>As of 31 January 2025</u></b>	<b><u>Previously Reported</u></b>	<b><u>Adjustment</u></b>	<b><u>Restated</u></b>
Accounts receivable	78,910,832	10,011,020	88,921,852
Prepayments and other receivables (Current Portion)	39,906,304	(172,586)	39,733,718
Advances from customers	163,504,800	(19,540,527)	143,964,273
Accrued expenses and other payables	28,679,677	9,619,091	38,298,768
Retained earnings	250,320,742	19,759,870	270,080,612

The following table presents the impact of the adjustment on the interim condensed consolidated statement of profit or loss:

<b><u>For the three-month period ended 31 January 2025</u></b>	<b><u>Previously Reported</u></b>	<b><u>Adjustment</u></b>	<b><u>Restated</u></b>
Revenue	164,061,620	19,974,043	184,035,663
Cost of revenue	(96,459,559)	(4,978,063)	(101,437,622)
Gross profit	70,543,321	14,995,980	85,539,301
Net profit for the period	40,110,194	14,995,980	55,106,174
<b><u>For the six-month period ended 31 January 2025</u></b>			
Revenue	327,722,814	29,551,547	357,274,361
Cost of revenue	(191,228,476)	(9,791,677)	(201,020,153)
Gross profit	144,042,598	19,759,870	163,802,468
Net profit for the period	78,223,627	19,759,870	97,983,497

The following table presents the impact of the adjustment on the interim condensed consolidated statement of change in equity for the affected line item:

<b><u>For the Six-month period ended 31 January 2025</u></b>	<b><u>Previously Reported</u></b>	<b><u>Adjustment</u></b>	<b><u>Restated</u></b>
Retained earnings	250,320,742	19,759,870	270,080,612

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**18. SUBSEQUENT EVENTS**

On 17 February 2026, the Company signed a land lease contract with Tatweer Buildings Company for a land lease contract in Khuzam Suburb district – Riyadh. The land will be utilized to construct and operate an educational complex for the Company. The lease duration is 25 Gregorian years from the date of signing the contract, including a two-year grace period during which no rental value is due. The lease value is amounting to SR 2.24 million annually, with an increase of 10% every five contractual years. The total lease value over the duration of the contract is SR 63.9 million (excluding VAT).

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

The interim condensed consolidated financial statements were approved for issuance on 22 Ramadan 1447H (corresponding to 11 March 2026).