

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

**Interim Condensed Consolidated Financial Statements (Unaudited)**  
**And Independent Auditor's Review Report**  
**For The Three and Six Months Period Ended June 30, 2025**

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

**Interim Condensed Consolidated Financial Statements (Unaudited)**  
**And Independent Auditor's Review Report**  
**For The Three and Six Months Period ended June 30, 2025**

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<b><u>Index</u></b>	<b><u>Page</u></b>
Independent Auditor's Review Report	1
Interim Condensed Consolidated Statement of Financial Position	2 – 3
Interim Condensed Consolidated Statement of Profit or Loss	4
Interim Condensed Consolidated Statement of Comprehensive Income	5
Interim Condensed Consolidated Statement of Changes in Equity	6
Interim Condensed Consolidated Statement of Cash Flows	7 – 8
Notes to the Interim Condensed Consolidated Financial Statements	9 – 22

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

### **To the Shareholders, Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)  
Riyadh, Kingdom of Saudi Arabia

#### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Khaleej Training and Education Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at June 30, 2025 and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three-month and six-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards (IAS 34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### **Scope of Review**

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

#### **Conclusion**

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

**Baker Tilly Professional Services**

**Bader Hatem Al Tamimi**

(License No. 489)

Riyadh on Safar 13, 1447H

Corresponding to August 7, 2025G



**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		681,673,068	682,833,132
Right of use assets		419,415,349	441,355,980
Intangible assets		125,747,288	111,871,970
Financial assets at FVTOCI		134,502,502	135,149,147
Non-current portion of net investment in leases	7	151,487,183	153,019,375
Financial derivative instrument carried at FVTPL		2,964,225	4,590,800
Recoverable amount from employees' defined benefits obligation		16,780,000	15,125,675
		<b>1,532,569,615</b>	<b>1,543,946,079</b>
<b>Current assets</b>			
Inventories		2,916,929	2,709,611
Trade receivables	8	393,931,993	368,231,187
Contract assets	9	80,819,818	54,901,834
Current portion of net investment in leases	7	39,022,989	33,949,364
Due from related parties	11	16,924,044	14,990,906
Prepayments and other assets		49,244,936	63,095,675
Cash and cash equivalents		28,379,421	69,270,402
		<b>611,240,130</b>	<b>607,148,979</b>
<b>Total assets</b>		<b>2,143,809,745</b>	<b>2,151,095,058</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		650,000,000	650,000,000
Actuarial reserve		(61,210,064)	(61,210,064)
Accumulated losses		(19,508,544)	(27,737,549)
Foreign currency translation reserve		(6,955,461)	(8,655,963)
Fair value reserve		(31,018,804)	(30,372,159)
Total equity attributable to the shareholders of the Company		<b>531,307,127</b>	<b>522,024,265</b>
Non-controlling interests		<b>57,550,170</b>	<b>48,496,970</b>
<b>Total equity</b>		<b>588,857,297</b>	<b>570,521,235</b>

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

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

**Interim Condensed Consolidated Statement of Financial Position (Continued)****As At June 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities		<b>625,367,600</b>	644,183,173
Non-current portion of long-term borrowings		<b>261,410,831</b>	278,219,629
Employees' defined benefits obligation		<b>107,415,347</b>	98,446,655
Deferred gain from sale and leaseback transactions		<b>7,233,736</b>	7,635,610
		<b>1,001,427,514</b>	1,028,485,067
<b>Current liabilities</b>			
Short-term borrowings and bank overdrafts		<b>202,749,361</b>	202,015,093
Current portion of long-term borrowings		<b>76,520,552</b>	60,463,137
Current portion of deferred gain from sale and leaseback transactions		<b>803,748</b>	803,748
Current portion of lease liabilities		<b>106,976,064</b>	91,845,010
Trade payables		<b>48,449,697</b>	65,271,319
Contract liabilities	9	<b>7,367,703</b>	32,713,666
Due to related parties	11	<b>5,394,759</b>	750,905
Accrued expenses and other liabilities		<b>101,003,646</b>	84,801,911
Zakat and income tax payable		<b>4,259,404</b>	13,423,967
		<b>553,524,934</b>	552,088,756
<b>Total liabilities</b>		<b>1,554,952,448</b>	1,580,573,823
<b>Total equity and liabilities</b>		<b>2,143,809,745</b>	2,151,095,058

Chief Financial Officer  
Sherif Esmat



Chief Executive Officer  
Hatem Aldarayan



Chairman of Board of Directors  
Abdulaziz Alrashed



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**Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)**

**For the Three and Six Months Period ended June 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	<b>For the Three-months period ended June 30, 2025</b>	June 30, 2024 (Restated, note 17)	<b>For the Six-months period ended June 30, 2025</b>	June 30, 2024 (Restated, note 17)
<b>Continuing operations</b>					
Revenue	15	<b>294,898,470</b>	262,073,703	<b>582,852,534</b>	536,377,279
Cost of revenue		<b>(238,987,878)</b>	(214,690,270)	<b>(472,492,943)</b>	(444,490,068)
<b>Gross profit</b>		<b>55,910,592</b>	47,383,433	<b>110,359,591</b>	91,887,211
Selling and marketing expenses		<b>(3,445,928)</b>	(3,177,113)	<b>(6,923,869)</b>	(6,591,227)
General and administrative expenses		<b>(33,841,807)</b>	(27,963,490)	<b>(62,946,510)</b>	(65,722,593)
(Charged) reversal of expected credit loss	8	<b>(15,027)</b>	1,554,707	<b>(2,450,166)</b>	4,600,895
Other income, net	12	<b>4,123,020</b>	4,837,757	<b>7,789,157</b>	88,361,239
<b>Operating profit</b>		<b>22,730,850</b>	22,635,294	<b>45,828,203</b>	112,535,525
Finance cost		<b>(19,929,133)</b>	(20,700,172)	<b>(39,701,848)</b>	(40,151,022)
Finance income		<b>3,782,766</b>	4,063,738	<b>7,455,149</b>	5,103,540
(Loss) gain from revaluation of financial derivative instruments carried at FVTPL		<b>(360,144)</b>	332,253	<b>(1,626,575)</b>	770,099
<b>Profit before zakat and income tax</b>		<b>6,224,339</b>	6,331,113	<b>11,954,929</b>	78,258,142
Zakat and income tax		<b>3,754,946</b>	(789,393)	<b>1,905,653</b>	(4,883,436)
<b>Profit from continuing operations for the period</b>		<b>9,979,285</b>	5,541,720	<b>13,860,582</b>	73,374,706
Net loss from discontinued operations		-	(981,222)	-	(1,979,964)
<b>Profit for the period</b>		<b>9,979,285</b>	4,560,498	<b>13,860,582</b>	71,394,742
<b>Profit from continuing operations attributable to:</b>					
Shareholders of the Company		<b>7,034,306</b>	3,589,884	<b>8,080,170</b>	69,862,737
Non-controlling interest		<b>2,944,979</b>	1,951,836	<b>5,780,412</b>	3,511,969
		<b>9,979,285</b>	5,541,720	<b>13,860,582</b>	73,374,706
<b>Profit for the period attributable to:</b>					
Shareholders of the Company		<b>7,034,306</b>	2,608,662	<b>8,080,170</b>	67,882,773
Non-controlling interest		<b>2,944,979</b>	1,951,836	<b>5,780,412</b>	3,511,969
		<b>9,979,285</b>	4,560,498	<b>13,860,582</b>	71,394,742
<b>Basic and diluted earnings per share for profit attributable to the shareholders of the Company:</b>					
Profit for the period	13	<b>0.11</b>	0.04	<b>0.12</b>	1.04
Profit from continuing operations	13	<b>0.11</b>	0.06	<b>0.12</b>	1.07

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

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

**Chairman of Board of Directors**  
**Abdulaziz Alrashed**

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

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

	<b>For the Three-months period ended</b>		<b>For the Six-months period ended</b>	
	<b>June 30, 2025</b>	June 30, 2024 (Restated, note 17)	<b>June 30, 2025</b>	June 30, 2024 (Restated, note 17)
<b>Profit for the period</b>	<b>9,979,285</b>	4,560,498	<b>13,860,582</b>	71,394,742
<b><u>Other Comprehensive Income</u></b>				
<b><u>Items that will be reclassified subsequently to profit or loss:</u></b>				
Foreign currency translation differences	<b>1,042,315</b>	(1,406,097)	<b>1,700,502</b>	(3,871,012)
<b><u>Items that will not be reclassified subsequently to profit or loss:</u></b>				
Change in the fair value of investments in equity instruments carried at fair value through other comprehensive income	<b>484,985</b>	(9,053,053)	<b>(646,731)</b>	(11,316,316)
<b>Other comprehensive income (losses) for the period</b>	<b>1,527,300</b>	(10,459,150)	<b>1,053,771</b>	(15,187,328)
<b>Total comprehensive income (losses) for the period</b>	<b>11,506,585</b>	(5,898,652)	<b>14,914,353</b>	56,207,414
<b><u>Total comprehensive income (losses) for the period attributable to:</u></b>				
Shareholders of the Company	<b>8,561,606</b>	(7,850,488)	<b>9,134,027</b>	52,695,445
Non-controlling interest	<b>2,944,979</b>	1,951,836	<b>5,780,326</b>	3,511,969
	<b>11,506,585</b>	(5,898,652)	<b>14,914,353</b>	56,207,414
<b><u>Total comprehensive income (loss) for the period attributable to shareholders of the Company:</u></b>				
Continuing operations	<b>8,561,606</b>	(6,869,266)	<b>9,134,027</b>	54,675,409
Discontinued operations	-	(981,222)	-	(1,979,964)
	<b>8,561,606</b>	(7,850,488)	<b>9,134,027</b>	52,695,445

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**Sherif Esmat**



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**Chairman of Board of Directors**  
**Abdulaziz Alrashed**



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**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

**Interim Condensed Consolidated Statement of Changes in Equity** (Unaudited)**For the Six Months Period Ended June 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Attributable to the shareholders of the Company							Non-controlling interests ("NCI")	Total equity
	Share capital	Statutory reserve	Actuarial reserve	Accumulated losses	Foreign currency translation reserve	Fair value reserve	Total		
<b>As at January 1, 2025</b>	<b>650,000,000</b>	<b>-</b>	<b>(61,210,064)</b>	<b>(27,737,549)</b>	<b>(8,655,963)</b>	<b>(30,372,159)</b>	<b>522,024,265</b>	<b>48,496,970</b>	<b>570,521,235</b>
Profit for the period	-	-	-	8,080,170	-	-	8,080,170	5,780,412	13,860,582
Other comprehensive income (losses) for the period	-	-	-	-	1,700,502	(646,645)	1,053,857	(86)	1,053,771
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,080,170</b>	<b>1,700,502</b>	<b>(646,645)</b>	<b>9,134,027</b>	<b>5,780,326</b>	<b>14,914,353</b>
<b>Further acquisition of shareholding in a subsidiary (note 2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,835</b>	<b>-</b>	<b>-</b>	<b>148,835</b>	<b>(159,023)</b>	<b>(10,188)</b>
<b>Acquisition of a subsidiary (note 2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,427,044</b>	<b>5,427,044</b>
<b>Dividends to non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,995,147)</b>	<b>(1,995,147)</b>
<b>As at June 30, 2025</b>	<b>650,000,000</b>	<b>-</b>	<b>(61,210,064)</b>	<b>(19,508,544)</b>	<b>(6,955,461)</b>	<b>(31,018,804)</b>	<b>531,307,127</b>	<b>57,550,170</b>	<b>588,857,297</b>
As at January 1, 2024	650,000,000	83,043,571	(56,650,746)	(191,849,048)	(7,064,287)	(21,965,752)	455,513,738	49,254,175	504,767,913
Profit for the period	-	-	-	67,882,773	-	-	67,882,773	3,511,969	71,394,742
Other comprehensive losses for the period	-	-	-	-	(3,871,012)	(11,316,316)	(15,187,328)	-	(15,187,328)
Total comprehensive income for the period (Restated, Note 17)	-	-	-	67,882,773	(3,871,012)	(11,316,316)	52,695,445	3,511,969	56,207,414
Transfers from Statutory Reserve (Note 14)	-	(83,043,571)	-	83,043,571	-	-	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	(4,362,134)	(4,362,134)
<b>As at June 30, 2024</b>	<b>650,000,000</b>	<b>-</b>	<b>(56,650,746)</b>	<b>(40,922,704)</b>	<b>(10,935,299)</b>	<b>(33,282,068)</b>	<b>508,209,183</b>	<b>48,404,010</b>	<b>556,613,193</b>

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

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

**Chairman of Board of Directors**  
**Abdulaziz Alrashed**

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



**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

	2025	2024 (Restated, note 17)
<b>Cash flows from operating activities</b>		
Profit before zakat and income tax from continuing operations	<b>11,954,929</b>	78,258,142
Loss from discontinued operations	-	(1,979,964)
<b>Adjustments for non-cash items:</b>		
Depreciation of property and equipment	<b>16,056,138</b>	13,948,101
Depreciation of right-of-use assets	<b>22,697,522</b>	21,474,444
Amortization of intangible assets	<b>4,057,386</b>	3,535,454
Impairment of net investment in leases	-	9,377,435
Gain from net investment in lease transaction	-	(76,098,343)
Deferred gain from sale and leaseback transactions	<b>(401,874)</b>	(401,874)
Employees defined benefits obligations incurred	<b>12,565,419</b>	14,249,988
Charge (reverse) expected credit loss	<b>2,450,166</b>	(4,600,895)
Loss (profit) from revaluation of financial derivative instruments carried at FVTPL	<b>1,626,575</b>	(770,100)
Loss from disposal of right-of-use assets	-	212,510
Finance cost	<b>39,701,848</b>	40,151,022
Finance income	<b>(7,455,149)</b>	(5,103,540)
	<b>103,252,960</b>	92,252,380
<b>Changes in working capital items:</b>		
Inventories	<b>(345,639)</b>	63,839
Trade receivables	<b>(28,129,972)</b>	165,665
Contract assets	<b>(25,917,984)</b>	(11,491,864)
Due from related parties	<b>5,253,642</b>	202,853
Prepayments and other assets	<b>13,850,739</b>	(7,779,078)
Trade payables	<b>(17,276,540)</b>	4,510,303
Contract liabilities	<b>(25,345,963)</b>	(49,596,042)
Due to related parties	<b>(7,158,830)</b>	(2,734,740)
Accrued expenses and other liabilities	<b>16,201,735</b>	17,291,973
<b>Cash generated from operations</b>	<b>34,384,148</b>	42,885,289
Employees' defined benefits obligation paid	<b>(5,958,186)</b>	(18,224,942)
Zakat and income tax paid	<b>(7,258,910)</b>	(9,605,941)
<b>Net cash generated from operating activities</b>	<b>21,167,052</b>	15,054,406
Changes in working capital related to assets and liabilities classified as held for sale	-	(358,732)
<b>Net cash generated from operating activities</b>	<b>21,167,052</b>	14,695,674
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<b>(12,651,536)</b>	(17,747,805)
Purchase of intangible assets	<b>(1,429,640)</b>	(84,457)
Acquisition of a subsidiary, net of cash acquired	<b>(3,875,409)</b>	-
Proceeds from net investment in leases	<b>3,913,716</b>	3,430,643
<b>Net cash used in investing activities</b>	<b>(14,042,869)</b>	(14,401,619)

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

**Al Khaleej Training and Education Company**


(A Saudi Listed Joint Stock Company)

**Interim Condensed Consolidated Statement of Cash Flows** (Unaudited) (Continued)**For The Six Months Period ended June 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	<b>2025</b>	2024
		(Restated, note 17)
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans and borrowings	<b>22,962,176</b>	68,450,802
Repayment of long-term loans and borrowings	<b>(23,713,559)</b>	(24,131,811)
Net change in short-term borrowings	<b>734,268</b>	19,601,124
Finance cost paid	<b>(20,846,487)</b>	(20,943,767)
Principal element of lease liabilities paid	<b>(4,419,703)</b>	(13,272,698)
Interest elements of lease liabilities paid	<b>(20,986,417)</b>	(22,029,752)
Further acquisition of shareholding in a subsidiary (note 2)	<b>(10,188)</b>	-
Dividends paid to non-controlling interests	<b>(1,995,147)</b>	(4,362,134)
<b>Net cash (used in) generated from financing activities</b>	<b>(48,275,057)</b>	3,311,764
<b>Net change in cash and cash equivalents during the period</b>	<b>(41,150,874)</b>	3,605,819
Cash and cash equivalents at the beginning of the period	<b>69,270,402</b>	28,906,359
Effects of foreign currency translation on cash and cash equivalents	<b>259,893</b>	(1,245,094)
<b>Cash and cash equivalents at end of the period</b>	<b>28,379,421</b>	31,267,084
<b>Non-cash transactions:</b>		
Deferred consideration for acquisition of a subsidiary	<b>10,389,724</b>	-
Finance costs related to borrowings capitalized to property and equipment	<b>1,884,576</b>	2,570,646
Finance cost related to lease liabilities capitalized to property and equipment	<b>246,480</b>	251,851
Derecognition of right of use assets related to a sublease	-	101,132,014

Chief Financial Officer  
Sherif Esmat



Chief Executive Officer  
Hatem Aldarayan



Chairman of Board of Directors  
Abdulaziz Alrashed



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

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

**1. COMPANY INFORMATION**

Al Khaleej Training and Education Company ("the Company") is a Saudi Listed Joint Stock Company registered under commercial registration number 1010103367 and the unified national number of the Company 7001363006 dated Jamada Al Awal 30, 1413 H (corresponding to November 25, 1992 G). The shares of the Company are listed on the stock exchange.

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

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

**2. LIST OF PRINCIPAL SUBSIDIARIES**

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

Name of subsidiary	Country of incorporation	Activities	Ownership percentage	
			June 30, 2025	December 31, 2024
Advanced Communication Systems and Solutions Company	KSA	Information, communications, administrative activities and support services	<b>100%</b>	100%
Linguaphone Group Limited	UK	A world-leading provider of self-study and classroom-based language courses	<b>100%</b>	100%
Fast Lane Computer Consultancy (Civil Business Corporation)	UAE	Computer skills training	<b>100%</b>	80%
Stage 2 Learning Solutions (Civil Business Corporation)	UAE	Computer systems consultancies	<b>100%</b>	80%
Al-Faisaliyah National Schools Company – LTD	KSA	Education	<b>87%</b>	87%
Franklin Covey Middle East and its subsidiaries	UAE	Training in human resource behaviour	<b>61%</b>	61%
Al – Roqi National Schools Company – LTD	KSA	Education	<b>60%</b>	60%
Jobzella for Information Technology FZ – LLC	UAE, operation in Egypt	Professional online career network for job seekers and employers to connect	<b>60%</b>	60%
Al Khaleej Training and Information Technology Company	Egypt	Training courses for English and IT	<b>57%</b>	57%
Al-Riyadah Model Education Company	KSA	Education	<b>51%</b>	51%
Mazaya Integrated Computer Solutions Company	Kuwait	IT Services	<b>51%</b>	-

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

(A Saudi Listed Joint Stock Company)

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

#### **For The Three and Six Months Period ended June 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

## **2. LIST OF PRINCIPAL SUBSIDIARIES (Continued)**

### **Acquisitions and investments**

The Advanced Communication Systems and Solutions Company signed an agreement on April 7, 2025, to acquire 51% ownership in Mazaya Integrated Computer Solutions Company and its subsidiaries, which is based in Kuwait and specialize in delivering technology solutions. The purchase consideration was SR 10,638,600 and the group share of identifiable net assets were SR 2,007,156 giving rise to provisional goodwill on acquisition of SR 8,631,444. Legal procedures in this regard were completed.

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

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

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

## **3. BASIS OF PREPARATION**

### **Statement of compliance**

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in a full set of consolidated financial statements prepared in accordance with International Financial Reporting Standards. Accordingly, these interim condensed consolidated financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024.

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

### **Basis of measurement**

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

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

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

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

(A Saudi Listed Joint Stock Company)

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

#### **For The Three and Six Months Period ended June 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

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

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

#### **5. USE OF ESTIMATES AND ASSUMPTIONS**

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

The significant estimates made by the Group for managing the Group's accounting policies and the primary sources of estimating the reliability were the same as those that were applied in the consolidated financial statements for the year ended December 31, 2024.

#### **6. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies and calculation methods applied in preparing the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the application of the new amendments that became effective on January 1, 2025. The Group did not early adopt any other standard, interpretation or amendment issued but not yet effective.

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

There are no new standards issued that are effective for these interim condensed consolidated financial statements; however, there are number of amendments to standards which are effective from January 1, 2025 and have been explained in the Group's annual consolidated financial statements, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

**7. NET INVESTMENT IN LEASES**

	<b>June 30, 2025</b>	December 31, 2024
As at January 1	<b>186,968,739</b>	73,193,462
Additions *	-	177,230,357
Disposal	-	(63,034,390)
Finance income	<b>7,455,149</b>	12,769,333
Impairment	-	(9,857,175)
Collection	<b>(3,913,716)</b>	(3,332,848)
As at the end of the period/year	<b>190,510,172</b>	186,968,739
Non-current portion	<b>151,487,183</b>	153,019,375
Current portion	<b>39,022,989</b>	33,949,364

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

During this period, the Group entered into a 20-year sublease agreement for its building located in Riyadh Al Jazeera District. The total rental value under the signed sublease contract is SR 220.6 million. The building is currently under construction, and the expected commencement date of the sublease will be in August 2025.

**8. TRADE RECEIVABLES**

	<b>June 30, 2025</b>	December 31, 2024
Receivable from government customers	<b>331,382,863</b>	328,119,759
Receivable from non-government customers	<b>208,945,237</b>	183,739,243
	<b>540,328,100</b>	511,859,002
Less: Provision for expected credit losses	<b>(146,396,107)</b>	(143,627,815)
	<b>393,931,993</b>	368,231,187

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

	<b>2025</b>	2024
As at January 1	<b>143,627,815</b>	139,383,892
Charge for the period/year	<b>2,450,166</b>	11,121,229
Write off	-	(6,802,593)
Foreign currency translation	<b>318,126</b>	(74,713)
As at the end of the period/year	<b>146,396,107</b>	143,627,815

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

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

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Contract assets</b>		
- Call centre services	<b>59,457,013</b>	42,632,836
- Universities	<b>16,277,544</b>	9,248,279
- Others	<b>5,085,261</b>	3,020,719
	<b>80,819,818</b>	54,901,834
<b>Contract liabilities</b>		
- Schools	<b>3,940,325</b>	30,667,680
- Call centre services	<b>243,432</b>	1,864,931
- Management projects and others	<b>3,183,946</b>	181,055
	<b>7,367,703</b>	32,713,666

**10. BORROWINGS**

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

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

The agreements include covenants which require the Group to maintain certain financial ratios. As at June 30, 2025, the Group was in breach of certain covenants, causing the outstanding long-term borrowings to become payable on demand to the banks. However, the Group had obtained a waiver from the banks for these breaches.

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

**11. RELATED PARTY TRANSACTIONS AND BALANCES**

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

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

<b>Name of the related party</b>	<b>Nature of relationship</b>
Saleem Abdul Ghani Mhana Al-Baladi	Partner in subsidiary
Al-Falak Electronic Equipment and Supplies Company	Company-owned by Board of Directors
Sawa'ed Al-Roqi Company	Entity owned by a partner in a subsidiary
New Horizon Holding – USA	Affiliate company
Mohammad Al Ghamdi	Partner in subsidiary
Abdulaziz Rashid Abdulrehman Al-Rashid	Chairman of the Board of Directors
Alwaleed Ibn Abdull Razzaq Ibn Saleh Al Dereyaan	Board of directors' member
Grey Fox Limited Company	Company-owned by Board of Directors
Um Al Qura Schools	Partner in a subsidiary
Abdulaziz Fahad Al Kiridis	Partner in a subsidiary
Mohammad Mansour Alshuaf	Partner in a subsidiary
Josef Miskulnig	Partner in a subsidiary

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

<b>Name of the related party</b>	<b>Nature of transaction</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Abdulaziz Rashid Abdulrehman Al-Rashid	Collection	<b>8,033,719</b>	-
	Payment on behalf	<b>7,180,497</b>	-
	Operating revenues	<b>731,070</b>	-
	Consideration collected	<b>600,000</b>	-
Um Al Qura Schools	Payment on behalf	<b>7,522,166</b>	1,443,357
	Collection	<b>5,894,180</b>	-
Saleem Abdul Ghani Mhana Al-Baladi	Payment on behalf	<b>1,415,799</b>	1,150,812
	Collection	<b>1,395,569</b>	1,300,000
Abdulaziz Fahad Al Kiridis	Dividend payment	<b>750,905</b>	-
Grey Fox limited Company	Collection	<b>600,000</b>	-
Alwaleed Ibn Abdull Razzaq Ibn Saleh Al Dereyaan	Collection	<b>661,509</b>	-
	Expenses paid on behalf	<b>361,509</b>	-
Al-Falak Electronic Equipment and Supplies Co.	Rent as a lessee	<b>450,000</b>	450,000



**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

**11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)****11-2 Transactions that occurred with the related parties for the period ended June 30 are as follows**

(Continued):

<b>Name of the related party</b>	<b>Nature of transaction</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Sawa'ed Al-Roqi Company	Payment on behalf	-	99,934
New Horizon Holding – USA	Royalties	-	1,148,201
Mohammad Mansour Alshuaf	Consideration	<b>7,140,000</b>	-
	Payment	<b>3,140,000</b>	-
Josef Miskulnig	Consideration	<b>10,188</b>	-
Relatives of key management	Salaries and benefits	<b>822,284</b>	1,169,978

**11-3 Due from related parties**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Abdulaziz Rashid Abdulrehman Al-Rashid	<b>4,903,565</b>	3,919,273
Um Al Qura Schools	<b>4,660,609</b>	3,032,623
Grey Fox Limited Company	<b>3,003,019</b>	2,880,000
Manar Al-Tfwq School	<b>1,454,856</b>	1,454,856
Alwaleed Ibn Abdul Razzaq Ibn Saleh Al Dereyaan	<b>1,140,000</b>	1,440,000
Saleem Abdul Ghani Mhana Al-Baladi	<b>1,761,995</b>	1,782,225
Spectrum Wellness Establishment	-	481,929
	<b>16,924,044</b>	14,990,906

**11-4 Due to related parties**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Mohammad Mansour Alshuaf	<b>5,384,571</b>	-
Josef Miskulnig	<b>10,188</b>	-
Abdulaziz Fahad Al Kiridis	-	750,905
	<b>5,394,759</b>	750,905

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

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

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Short-term benefits	<b>2,310,000</b>	2,413,878
Board Member	<b>1,352,000</b>	1,433,000
End-of-service benefits	<b>165,383</b>	914,016
	<b>3,827,383</b>	4,760,894

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

**12. OTHER INCOME, NET**

	<b>For the Three-months Ended</b>		<b>For the Six-months Ended</b>	
	<b>June 30, 2025</b>	June 30, 2024	<b>June 30, 2025</b>	June 30, 2024
Dividends income	<b>2,101,602</b>	2,182,433	<b>4,364,865</b>	4,445,696
Rental income	<b>1,055,941</b>	1,873,901	<b>1,619,836</b>	5,516,408
Amortization of deferred gain on sales and leaseback	<b>200,937</b>	200,937	<b>401,874</b>	401,874
Gain from sublease transaction (Note 7)	-	-	-	76,098,343
Others	<b>764,540</b>	580,486	<b>1,402,582</b>	1,898,918
	<b>4,123,020</b>	4,837,757	<b>7,789,157</b>	88,361,239

**13. EARNINGS PER SHARE**

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

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

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30, 2025</b>	June 30, 2024	<b>June 30, 2025</b>	June 30, 2024
<b><u>From continuing operations:</u></b>				
Profit attributable to the shareholders of the Company	<b>7,034,306</b>	3,589,884	<b>8,080,170</b>	69,862,737
Weighted average number of outstanding shares during the period	<b>65,000,000</b>	65,000,000	<b>65,000,000</b>	65,000,000
Basic and diluted profit per share	<b>0.11</b>	0.06	<b>0.12</b>	1.07
<b><u>From discontinued operations:</u></b>				
Net loss attributable to the shareholders of the Company	-	(981,222)	-	(1,979,964)
Weighted average number of outstanding shares during the period	<b>65,000,000</b>	65,000,000	<b>65,000,000</b>	65,000,000
Basic and diluted loss per share	<b>0.00</b>	(0.02)	<b>0.00</b>	(0.03)
Total profit per share – basic and diluted	<b>0.11</b>	0.04	<b>0.12</b>	1.04

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

**14. STATUTORY RESERVE**

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

**15. SEGMENT INFORMATION****Operating segments**

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

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

<b>June 30, 2025:</b>	<b>Management Projects and Others</b>	<b>Training</b>	<b>Call Centres</b>	<b>Universities</b>	<b>Schools</b>	<b>Total</b>
Revenue	<b>17,534,145</b>	<b>77,416,401</b>	<b>283,739,599</b>	<b>59,658,813</b>	<b>146,556,143</b>	<b>584,905,101</b>
Third-party revenue	<b>17,217,663</b>	<b>75,680,316</b>	<b>283,739,599</b>	<b>59,658,813</b>	<b>146,556,143</b>	<b>582,852,534</b>
Depreciation and amortization	<b>1,869,308</b>	<b>4,864,368</b>	<b>8,002,737</b>	<b>514,882</b>	<b>27,559,751</b>	<b>42,811,046</b>
Profit (loss) before zakat and income tax	<b>(22,093,394)</b>	<b>7,243,720</b>	<b>7,469,579</b>	<b>7,623,253</b>	<b>11,711,771</b>	<b>11,954,929</b>

**June 30, 2025:**

Total assets	<b>182,411,341</b>	<b>143,045,261</b>	<b>363,966,895</b>	<b>67,740,421</b>	<b>1,386,645,827</b>	<b>2,143,809,745</b>
Total liabilities	<b>76,053,570</b>	<b>149,878,873</b>	<b>156,450,971</b>	<b>75,214,503</b>	<b>1,097,354,531</b>	<b>1,554,952,448</b>

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

<b>June 30, 2024</b>	<b>Management Projects and Others</b>	<b>Training</b>	<b>Call Centres</b>	<b>Universities</b>	<b>Schools</b>	<b>Total</b>
Revenue	36,201,681	72,402,539	234,928,642	63,460,578	131,757,823	538,751,263
Third-party revenue	35,357,697	70,872,539	234,928,642	63,460,578	131,757,823	536,377,279
Depreciation and amortization	3,090,541	5,043,887	7,947,305	142,510	22,733,756	38,957,999
Profit before zakat and income tax	56,032,687	8,868,030	7,014,059	4,697,356	1,646,010	78,258,142

**December 31, 2024:**

Total assets	187,982,471	132,706,637	349,817,709	87,944,793	1,392,643,448	2,151,095,058
Total liabilities	106,021,930	141,175,543	141,072,579	65,511,780	1,126,791,991	1,580,573,823

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All amounts in Saudi Riyals unless otherwise stated)

**15. SEGMENT INFORMATION (Continued)**

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

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

	<b>Management Projects and others</b>	<b>Training</b>	<b>Call Centres</b>	<b>Universities</b>	<b>Schools</b>	<b>Total</b>
<b><u>June 30, 2025:</u></b>						
KSA	<b>15,995,399</b>	<b>47,643,909</b>	<b>283,739,599</b>	<b>59,658,813</b>	<b>146,556,143</b>	<b>553,593,863</b>
Other GCC countries	-	<b>22,497,019</b>	-	-	-	<b>22,497,019</b>
Other countries	<b>1,222,264</b>	<b>5,539,388</b>	-	-	-	<b>6,761,652</b>
Total	<b>17,217,663</b>	<b>75,680,316</b>	<b>283,739,599</b>	<b>59,658,813</b>	<b>146,556,143</b>	<b>582,852,534</b>
<b><u>June 30, 2024:</u></b>						
KSA	33,798,833	45,462,167	234,928,641	63,460,578	131,757,824	509,408,043
Other GCC countries	-	20,116,041	-	-	-	20,116,041
Other countries	1,558,864	5,294,331	-	-	-	6,853,195
Total	35,357,697	70,872,539	234,928,641	63,460,578	131,757,824	536,377,279

**16. FINANCIAL INSTRUMENTS****16.1 Risk management of financial instruments**

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

**16.2 Fair value measurements of financial instruments**

There have been no substantive changes in the judgments and estimates made by the Group in determining the fair values of the financial instruments since the last annual consolidated financial statements. Furthermore, the levels of input used in the determination of the fair values are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. The fair value of financial instruments approximates their carrying value.

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

(All amounts in Saudi Riyals unless otherwise stated)

**17. PRIOR PERIOD'S ADJUSTMENTS**

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

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

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

- B) The management has completed the purchase price allocation exercise related to the acquisition of Al-Riyadah Model Education Company. This process resulted in an upward fair value adjustment of property and equipment. Consequently, this adjustment in fair value led to a reduction in the previously recognized provisional goodwill, an increase in the non-controlling interest, and the recognition of a depreciation adjustment for the property and equipment.
- C) The management identified an error in the opening accrued loan interest balance for the period ended June 30, 2024.
- D) The management identified an error in the calculation of intangible assets resulting from the New horizon license in the conversion of prior years' financial statements of the aforementioned subsidiary to IFRS resulted in the derecognition of certain additional assets and liabilities with a corresponding impact on the accumulated losses and foreign currency translation reserve as of June 30, 2024. This also impacted certain expenses recognized in the consolidated statement of profit or loss and foreign currency translation differences in the interim condensed consolidated statement of comprehensive income for the period ended June 30, 2024.
- E) This amount relates to the reclassification of legal compensation received in respect of lease rental income.
- F) This reclassification related to splitting of trade and other payables into accrued expenses based on its nature.

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

	Note	June 30, 2024 (Unaudited)	Adjustment	Reclassification	June 30, 2024 (Restated)
Revenue	E	262,974,261	-	(900,558)	262,073,703
Cost of revenue	A, B, D	(214,559,864)	(130,406)	-	(214,690,270)
General and administrative expenses	A	(27,475,988)	(487,502)	-	(27,963,490)
Other income	E	3,937,199	-	900,558	4,837,757
Finance cost	A, D	(20,369,241)	(330,931)	-	(20,700,172)

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All Amounts in Saudi Riyals Unless Otherwise Stated)

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

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

	Note	June 30, 2024 (Unaudited)	Adjustment	Reclassification	June 30, 2024 (Restated)
Profit for the period		5,509,337	(948,839)	-	4,560,498
<u>Items that will be reclassified</u>					
<u>subsequently to profit or loss:</u>					
Foreign currency translation differences	D	(1,405,633)	(464)	-	(1,406,097)

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

	Note	June 30, 2024 (Unaudited)	Adjustment	Reclassification	June 30, 2024 (Restated)
Revenue	E	539,458,546	-	(3,081,267)	536,377,279
Cost of revenue	A, B, D	(444,146,607)	(343,461)	-	(444,490,068)
General and administrative expenses	A	(65,235,091)	(487,502)	-	(65,722,593)
Other income	E	85,279,972	-	3,081,267	88,361,239
Finance cost	A, D	(40,137,461)	(13,561)		(40,151,022)

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

	Note	June 30, 2024 (Unaudited)	Adjustment	Reclassification	June 30, 2024 (Restated)
Profit for the period		72,239,266	(844,524)	-	71,394,742
<u>Items that will be reclassified</u>					
<u>subsequently to profit or loss:</u>					
Foreign currency translation differences	D	(3,870,787)	(225)	-	(3,871,012)

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All Amounts in Saudi Riyals Unless Otherwise Stated)

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

Impact of adjustments and reclassifications to the interim condensed consolidated statement of financial position as at June 30, 2024:

	Note	June 30, 2024 (Unaudited)	Adjustment	Reclassification	June 30, 2024 (Restated)
Property and equipment	B	645,395,823	26,317,032	(12,817,643)	658,895,212
Right of use assets	A	399,888,776	(1,918,476)	-	397,970,300
Intangible assets	A,B,D	111,855,342	(14,812,926)	12,817,643	109,860,059
Accumulated losses	A, B, C, D,E	(35,366,745)	(5,555,959)	-	(40,922,704)
Foreign currency translation reserve	D	(10,933,535)	(1,764)	-	(10,935,299)
Non-controlling interests		35,656,476	12,747,534	-	48,404,010
Non-current portion of lease liabilities	A	689,610,923	(1,975,242)	-	687,635,681
Short-term borrowings and bank overdrafts	C	222,730,125	5,275,270	-	228,005,395
Trade and other payable	F	154,301,039	-	(111,175,831)	43,125,208
Accrued expenses and other liabilities	D	-	(904,209)	111,175,831	110,271,622

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

	June 30, 2024 (Unaudited)	Reclassification	June 30, 2024 (Restated)
Net cash used in operating activities	15,400,694	(705,020)	14,695,674
Net cash used in investing activities	(14,401,619)	-	(14,401,619)
Net cash generated from financing activities	2,601,849	709,915	3,311,764

**Al Khaleej Training and Education Company**

(A Saudi Listed Joint Stock Company)

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

(All Amounts in Saudi Riyals Unless Otherwise Stated)

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**18. CONTINGENCIES AND COMMITMENTS****a) Contingencies**

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

**b) Commitments**

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

**19. SUBSEQUENT EVENTS**

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

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

These interim condensed consolidated financial statements have been approved by the Board of Directors on Safar 10, 1447 H, corresponding to August 4, 2025 G.