



ALMASAR ALSHAMIL EDUCATION COMPANY PROSPECTUS



Almasar Alshamil Education Company Prospectus

Almasar Alshamil Education Company is a single shareholder closed joint stock company, registered under Commercial Register No. 1010831769 dated 10/03/1444H (corresponding to 06/10/2022G).



Offering Period: Three days

commencing on Tuesday, 27/05/1447H (corresponding to 18/11/2025G) until 2:00 p.m KSA time on Thursday 29/05/1447H (corresponding to 20/11/2025G).

Offering of thirty million, seven hundred and twenty thousand, four hundred (30,720,400) ordinary shares representing 30% of the share capital of Almasar Alshamil Education Company through a public offering at an Offer Price of SAR (19.5) per share.

Almasar Alshamil Education Company (hereinafter referred to as the “Company” or the “Issuer”) is a single shareholder closed joint stock company under Commercial Register No. 1010831769 dated 10/03/1444H (corresponding to 06/10/2022G). The current share capital of the Company is one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320) divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) fully paid ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share (the “Shares”) or a (“Share”).

The Company was initially incorporated under the name Amanat Special Education and Care Investments, as a limited liability company under Commercial Register No. 1010831769 dated 10/03/1444H (corresponding to 06/10/2022G) issued in Riyadh, KSA, with a share capital of ten thousand Saudi riyals (SAR 10,000) divided into one thousand (1,000) shares with a value of ten Saudi riyals (SAR 10) per share, wholly owned by Amanat Special Education and Care Holdings Ltd.

On 21/03/1446H (corresponding to 24/09/2024G), the shareholder agreed to convert the Company from a limited liability company to a single shareholder closed joint stock company and change its name from “Amanat Special Education and Care Investments” to “Almasar Alshamil Education Company”. The shareholder also agreed to increase the Company's share capital from ten thousand Saudi riyals (SAR 10,000) divided into one thousand (1,000) shares to one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) fully paid ordinary shares at a nominal value of ten Saudi riyals (SAR 10) per share through the transfer of one billion, twenty-four million, three thousand, three hundred and twenty Saudi riyals (SAR 1,024,003,320) from the shareholder's contribution account to the capital account and the issuance of one hundred and two million, four hundred thousand, three hundred and thirty-two (102,400,332) new shares with a nominal value of ten Saudi riyals (SAR 10) per share (for further information, please refer to Section 4.3.2 (“History, Incorporation and Evolution of Share Capital”) of this Prospectus).

The initial public offering (the “Offering”) represents an offering of thirty million, seven hundred and twenty thousand, four hundred (30,720,400) ordinary shares (collectively referred to as the “Offer Shares”) and each as an “Offer Share”) at an Offer Price of SAR (19.5) per share (the “Offer Price”) with a fully paid nominal value of ten Saudi riyals (SAR 10) per share (the “Offer Price”). The Offer Shares will represent 30% of the Issuer's share capital upon completion of the Offering. All Offer Shares shall be sold by the Company's sole shareholder (Amanat Special Education and Care Holdings Ltd).

The Offering shall be limited to two tranches of investors (the “Investors”) as follows:

Tranche (A) Participating Parties: This tranche comprises the parties entitled to participate in the book building process (the “Book Building Process”) as specified under the Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) (the “Book Building Instructions”) issued by the Capital Market Authority (the “CMA”), including investment funds, companies and Qualified Foreign Investors (QFIs), Foreign Strategic Investors (FSIs), GCC corporate investors and other Foreign Investors under SWAP Agreements (collectively referred to as the “Participating Parties”) and each as a “Participating Party”) (for further information, please refer to Section 1 (“Definitions and Abbreviations”) of this Prospectus). The number of Offer Shares that will be initially allocated to Participating Parties is thirty million, seven hundred and twenty thousand, four hundred (30,720,400) Offer Shares, representing 100% of the total Offer Shares. The final allocation shall be made after the end of the subscription period for Individual Subscribers, noting that, in the event that Individual Subscribers (as defined in Tranche (B) below) subscribe in full for the Offer Shares allocated thereto, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to twenty-one million, five hundred and four thousand, two hundred and eighty (21,504,280) Offer Shares, representing 90% of the total Offer Shares. The number and percentage of Offer Shares to be allocated to Participating Parties as defined in Section 1 (“Definitions and Abbreviations”) shall be determined as deemed appropriate by the Financial Advisor in coordination with the Company and the Selling Shareholder.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any divorced or widowed Saudi woman with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit, in her name or in the names of her minor children, provided that she proves that she is divorced or widowed and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case who have a bank account with one of the Receiving Agents and an active stock portfolio with a Capital Market Institution affiliated with the Receiving Agent through which the subscription is to be made. Subscriptions will be considered invalid in the absence of an active share portfolio account with a Capital Market Institution affiliated with the Receiving Agent through which the subscription is to be made (collectively referred to as the “Individual Subscribers”, each as an “Individual Subscriber” and, together with the Participating Parties, as the “Subscribers”). A subscription for shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of nine million, two hundred and sixteen thousand, one hundred and twenty (9,216,120) Offer Shares representing 20% of the total Offer Shares shall be allocated to Individual Subscribers. If Individual Subscribers do not subscribe for all the Offer Shares allocated thereto, the Financial Advisor may, in coordination with the Company, reduce the number of shares allocated thereto in proportion to the number of shares to which they subscribed.

Amanat Special Education and Care Holdings Ltd is the Company's Substantial Shareholder (the “Selling Shareholder”), as it owns all of the Company's shares pre-Offering. The Offer Shares shall be sold by the Selling Shareholder. After completion of the Offering, the Selling Shareholder will own 70% of the Company's shares (as shown in Table 5.1 (“Direct Ownership Structure of the Company's Shares Pre-Offering and Post-Offering”) of this Prospectus), and it shall therefore retain a controlling interest in the Company.

The Offering proceeds (the “Offering Proceeds”), after deduction of the Offering expenses (the “Net Offering Proceeds”), shall be distributed to the Selling Shareholder. The Company shall not receive any portion of the Offering Proceeds (for further details, please refer to Section 8 (“Use of Offering Proceeds”) of this Prospectus). The subscription has been fully underwritten by the Underwriter (for further details, please refer to Section 12 (“Underwriting”) of this Prospectus). The Company's Selling Shareholder shall be prohibited from disposing of its shares for a period of six months from the date

trading of the Company's shares commences on the Exchange (the “Lock-up Period”), as indicated in the “Offering Summary” section of this Prospectus. After the Lock-up Period, the Selling Shareholder shall have the right to dispose of its shares without the need to obtain the CMA's prior approval (for further information on the Company's Selling Shareholder and their ownership percentage, please refer to Table 5.1 (“Direct Ownership Structure of the Company's Shares Pre-Offering and Post-Offering”) of this Prospectus).

The Offering Period shall commence on Tuesday, 27/05/1447H (corresponding to 18/11/2025G) and shall continue for a period of three days, including the closing day for subscription, ending at until 2:00 p.m. KSA time on Thursday 29/05/1447H (corresponding to 20/11/2025G) (the “Offering Period”). During this period, Individual Subscribers may submit subscription applications to any of the receiving agents (“Key Dates and Subscription Procedures”) listed on page (xvi) of this Prospectus, or via the internet, telephone banking or ATMs of the Receiving Agents, or through any other electronic channels provided by the Receiving Agents to their customers during the Offering Period (for further details, please refer to the “Key Dates and Subscription Procedures” section and Section 16 (“Share Information and Offering Terms and Conditions”) of this Prospectus). Participating Parties may subscribe for the Offer Shares through the Bookrunners during the Book Building Process, which shall take place prior to the Offering of the shares to Individual Subscribers.

Each Individual Subscriber who subscribes to the Offer Shares must request a minimum subscription of ten (10) shares. The minimum number of Offer Shares that can be allocated to each Individual Subscriber is ten (10) shares. The balance of Offer Shares, if any, shall be allocated pro rata, based on the number of Offer Shares requested by each Individual Subscriber and the total number of Offer Shares requested for subscription. In the event that the number of Subscribers exceeds nine hundred and twenty-one thousand, six hundred and twelve (921,612) Subscribers, the Company shall not guarantee the minimum allocation of ten (10) shares per Subscriber. In this case, allocation shall be determined at the discretion of the Company and the Financial Advisor. Excess subscription monies, if any, shall be refunded to Individual Subscribers without any charge or commission being withheld by the Receiving Agents. Final allocation shall be announced on no later than Wednesday 05/06/1447H (corresponding to 26/11/2025G) and the surplus (if any) shall be refunded no later than Tuesday 11/06/1447H (corresponding to 02/12/2025G) (for further details, please refer to Subsection “Allocation of Shares and Refund of Excess Subscription Monies” of Section 16 (“Share Information and Offering Terms and Conditions”) of this Prospectus).

The Company has one category of ordinary shares. Each share entitles its holder to one vote, and each Company shareholder (a “Shareholder”) shall have the right to attend and vote at the General Assembly meetings of the Company (the “General Assembly”). No Shareholder shall benefit from any preferential voting rights. The Offer Shares shall entitle holders to receive their portion of any dividends declared by the Company as of the date of this Prospectus and for subsequent financial years (please refer to Section 7 (“Dividend Distribution Policy”) of this Prospectus).

The Company's shares have not been listed or traded on any stock market, whether inside or outside the KSA, prior to its public Offering. The Company has submitted an application to the CMA for the registration and offer of its shares and an application to the Saudi Exchange (“Tadawul”) or the “Exchange”) for the listing of its shares, and this Prospectus has been approved. All required documents have been submitted, all requirements of the relevant authorities have been met, and the necessary official approvals have been obtained to offer the shares. It is expected that trading of the shares shall commence on the Exchange after the final allocation of the shares and satisfaction of the relevant regulatory requirements (for further information, please refer to the “Key Dates and Subscription Procedures” section of this Prospectus). Saudi Arabian nationals, non-Saudi Arabian nationals holding valid residence permits in the Kingdom, GCC nationals, and companies, banks and investment funds established in the Kingdom and GCC countries will be permitted to trade the shares after the shares are registered with the CMA and listed on the Exchange. Moreover, Qualified Foreign Investors (QFIs) and Foreign Strategic Investors (FSIs) shall be permitted to trade the Offer Shares in accordance with the Rules for Foreign Investment in Securities. Furthermore, non-GCC nationals who are not residents of the Kingdom and non-GCC institutions registered outside the Kingdom shall be permitted to invest indirectly to acquire an economic interest in the shares by entering into SWAP Agreements with Capital Market Institutions authorized by the CMA (“Capital Market Institutions”). Under such SWAP Agreements, the Capital Market Institutions shall be registered as the legal owner of such shares.

Subscription to the Offer Shares involves certain risks and uncertainties. Please refer to the “Important Notice” section on page (i) and Section 2 (“Risk Factors”) of this Prospectus for certain factors that should be carefully examined before deciding to subscribe to the Offer Shares.

Financial Advisor, Bookrunner and Underwriter

كابيتال SNB

Joint Bookrunner

كابيتال SNB

EFG Hermes
An EFG Holding Company

Receiving Agents



This Prospectus includes information provided as part of the application for the registration and offer of securities, according to the Rules on the Offer of Securities and Continuing Obligations (“OSCOs”) issued by the Capital Market Authority in the Kingdom of Saudi Arabia (the “CMA”) and the application for the listing of securities in compliance with the requirements of the Listing Rules of the Saudi Exchange. The Directors, whose names appear on page (iv), collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus, and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. Neither the CMA nor the Exchange shall assume any responsibility for the contents of this Prospectus or make any representations as to its accuracy or completeness and they expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus was issued on 07/04/1447H (corresponding to 29/09/2025G).





Important Notice

This Prospectus contains comprehensive detailed information about the Company and the Offer Shares. When applying for subscription to the Offer Shares, institutional and individual investors shall be treated on the basis that their applications rely on the information contained in this Prospectus, copies of which can be obtained by visiting the websites of the Company (www.masareducation.com), the Capital Market Authority (www.cma.org.sa), Tadawul (www.saudiexchange.sa) or the Financial Advisor (www.alahlicapital.com).

The Company has appointed SNB Capital as its Financial Advisor, Lead Manager and Underwriter (referred to as the “**Financial Advisor**”) in connection with the Offering (for further information, please refer to the “**Company Address and Representatives**” section of this Prospectus).

This Prospectus includes information that has been presented in accordance with the requirements of the OSCOs issued by the CMA and the Listing Rules issued by Tadawul. The Directors, whose names appear on page (iv), collectively and severally assume full responsibility for the accuracy of the information contained in this Prospectus, and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable inquiries regarding the accuracy of the information contained in this Prospectus as at the date hereof, a substantial portion of the information in this Prospectus relating to the market and sector in which the Company operates is derived from external sources, from estimates by the Company’s management and from publicly available information, data and analyses from publications issued by data, information and news providers. Although neither the Company nor the Directors, Financial Advisor or any of the Company’s Advisors whose names are shown on pages (vi) to (vii) of this Prospectus have any reason to believe that the information contained in this Prospectus about the market or the sector is materially inaccurate, such information has not been independently verified. Accordingly, there is no representation or warranty that this information is correct or complete.

The information contained in this Prospectus, as at the issue date hereof, is subject to change. In particular, the financial position of the Company and the value of the Offer Shares may be adversely affected by future developments such as inflation, interest rates, taxation or any economic, political or other factors over which the Company has no control (for further information, please refer to Section 2 (“**Risk Factors**”) of this Prospectus). Neither the delivery of this Prospectus nor any oral, written or printed information in relation to the Offer Shares is intended to be or should be construed as or relied upon in any way as a promise, affirmation or representation as to the Company’s future earnings, results or events.

This Prospectus may not be regarded as a recommendation on the part of the Company, the Directors, the Selling Shareholder, or its Advisors to participate in the subscription. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the Offer Shares. Before making any investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice regarding the subscription from a financial advisor licensed by the CMA to assess the suitability of the information contained in this Prospectus to their objectives, financial circumstances and investment needs. They must rely on their own review of the Company, the suitability of the investment opportunity and the information contained in this Prospectus to their own objectives, circumstances and financial needs, including the advantages and risks associated with investing in this subscription. Investment in the Offer Shares may be appropriate for some investors but not others. Therefore, prospective investors must not rely on another party’s decision whether to invest as a basis for their own examination of the investment opportunity or on such investors’ individual circumstances.

This subscription shall be limited to (A) Participating Parties: this tranche includes the categories that are entitled to participate in the Book Building Process, including investment funds, companies and Qualified Foreign Investors (QFIs), Foreign Strategic Investors (FSIs), GCC corporate investors and other Foreign Investors under SWAP Agreements (for further details, refer to Section 1 (“**Definitions and Abbreviations**”) of this Prospectus); and (B) Individual Subscribers: this tranche comprises Saudi natural persons, including any divorced or widowed Saudi woman with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe in their names for her own benefit, provided that she proves that she is divorced or widowed and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case who have a bank account with one of the Receiving Agents and an active stock portfolio with a Capital Market Institution affiliated with the Receiving Agent through which the subscription is being made. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription shall be considered void and only the first subscription shall be accepted.

This Prospectus shall not constitute an offer to sell or solicitation of an offer to purchase any of the Offer Shares by any person in any country where the law in force does not permit such person to make such an offer or solicitation.



It is expressly prohibited to distribute this Prospectus or to sell the Offer Shares in any jurisdiction other than the KSA, with the exception of qualified foreign financial institutions and/or Qualified Foreign Investors (QFIs) and Foreign Strategic Investors (FSIs) through SWAP Agreements. The Company and its Financial Advisor ask all recipients of this Prospectus to review all legal and regulatory restrictions relevant to the Offering and sale of the shares and to be apprised of all such restrictions. Each qualified Individual Subscriber and Participating Party should read the entire Prospectus and seek advice from lawyers, a financial advisor and their other professional advisors concerning the legal, tax, regulatory and economic considerations relating to their investment in the shares, and shall be responsible for the fees related to such advice received from lawyers, accountants and other advisors on all issues related to an investment in the Company's shares. No assurances can be made that profits will be realized.

The Financial Advisor and Bookrunners work exclusively for the Company and not for any other person in connection with the Offering. No other person (whether a recipient of this Prospectus or not) shall be considered one of their clients in connection with the Offering, nor shall any of them be liable to any person, other than the Company, for the provision of the protections granted to their clients or for the provision of advice in relation to the Offering or any transaction or arrangement referred to in this Prospectus.

Market and Sector Information

The information related to the sector in which the Company operates included in this Prospectus has been provided by the Market Consultant (Euromonitor International).

The information contained in Section 3 of this Prospectus is based on the market report prepared by the Market Consultant. Such report was created exclusively for the Company and the information contained therein is dated 6 October 2024G. The Market Consultant is an independent outside company and a leading provider of market information and business analysis for the special needs education and care (SEC) and higher education sectors.

The Market Consultant has prepared the market report in a completely independent manner, and the information and analyses included therein reflects its views on the market as of the date it prepared the report. The Market Consultant has taken sufficient care in preparing this report to ensure the accuracy and completeness of the information contained therein. However, market data is constantly developing and subject to change due to restrictions on the availability of public information, particularly information related to the Company's competitors and customers.

Neither the Market Consultant nor any of its subsidiaries, affiliates, partners, shareholders, directors, officers or relatives own any shares or any interest whatsoever in the Company. As of the date of this Prospectus, the Market Consultant has given its written approval for the use of its name and logo in the manner and form shown in this Prospectus.

The Directors believe that the Market Study information and data contained in this Prospectus, which has been obtained from other sources, including information obtained from the Market Consultant, is reliable. However, such information has not been independently verified by the Company, its Directors, Advisors or the Selling Shareholder.

Financial Information

The Group's audited consolidated special purpose financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the six-months ended 30 June 2024G, the audited consolidated financial statements for the financial year ended 31 December 2024G and the interim unaudited condensed consolidated financial statements for the period ending 31 March 2025G, along with the accompanying notes thereto, have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the KSA and other standards issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as well as other accounting standards endorsed in the KSA (collectively referred to as the "IFRS-KSA"), in accordance with the Companies Law and the Issuer's Bylaws. These financial statements have been audited by Deloitte and Touche & Co., Chartered Accountants and Auditors ("**Deloitte**") as stated in their report included elsewhere in the Prospectus.

These financial statements have been included in Section 19 ("**Financial Statements and Auditor's Report**") of this Prospectus. The Company prepares its financial statements in Saudi Arabian riyals.

The financial and statistical information included in this Prospectus has been rounded to the nearest integer. Therefore, if the figures contained in the Prospectus are rounded, there may be a slight difference when compared to the numbers mentioned in the consolidated financial statements, and some of the amounts presented in this Prospectus may not match or be consistent with the financial information included in any other section of this Prospectus. In cases where the amounts in this Prospectus are converted from USD to SAR, the exchange rate used is SAR 3.75 for every USD 1 for easy conversion. From AED to SAR, the exchange rate used is SAR 1.02 for every AED 1. Figures converted to SAR have not been subject to audit or review.



Forecasts and Forward-looking Statements

The forecasts contained in this Prospectus have been prepared on the basis of assumptions based on the Company's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions used. Accordingly, no representation or warranty is made with respect to the accuracy or completeness of any of these forecasts. The Company confirms that every due diligence has been taken in preparing the statements contained in this Prospectus. Certain forecasts in this Prospectus constitute "**forward-looking statements**". These statements can generally be identified by their use of words such as "intends," "estimates," "believes," "expects," "may," "will," "should," "expected," "would be," "considers" or the negative thereof, or other similar terms or comparable terminology. These statements reflect the current views of the Company and its Management with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from the expected results, performance or achievements that may be expressed or implied by such statements. Some of the risks and factors that could cause this are described in more detail in other sections of this Prospectus (please refer to Section 2 ("**Risk Factors**") of this Prospectus). Should any one or more of these risks or uncertainties materialize or any underlying assumptions prove to be inaccurate or incorrect, the Company's actual results may differ materially from those described, expected, estimated or planned in this Prospectus.

Subject to the requirements of the OSCOs, the Company shall submit a supplementary prospectus if, at any time after the date of publication of the Prospectus and prior to the completion of the Offering, the Company finds that: (a) there has been a significant change in any material information included in this Prospectus or any document required by the OSCOs, or (b) any significant additional matters that should have been included in this Prospectus emerge. Except in the aforementioned cases, the Company does not intend to update or otherwise revise any industry or market information in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing and other risks, uncertainties and assumptions, the forecast of future events and conditions set out in this Prospectus may not occur as anticipated by the Company or at all. Subscribers must consider all forward-looking statements in light of these explanations and should not place undue reliance thereon.

Specific Provisions

Certain figures and percentages included in this Prospectus have been rounded to the nearest integer. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be the arithmetic sum of the numbers that precede them.

In this Prospectus, Hijri dates are mentioned along with their corresponding Gregorian dates. The Hijri calendar is prepared based on the upcoming lunar cycles; however, the beginning of each month is determined by the actual observation and sighting of the moon. For this reason, conversions between the Hijri and Gregorian calendars are often subject to discrepancies of one or a few days. In addition, any reference to "year" or "years" is a reference to Gregorian years, unless otherwise expressly specified in this Prospectus.



Corporate Directory

Directors:

Table (1): Directors

#	Name	Position	Nationality	Age	Date of Appointment*	Direct Ownership (%)		Indirect Ownership (%)		Status
						Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1.	Shamsheer Vayalil Parambath	Chairman	Indian	47	24/09/2024G	N/A	N/A	17.0431%	11.9302%	(Non-Independent) – (Non-Executive)
2.	Kamal Abdullah Salem Bahamdan	Vice Chairman	Saudi	54	24/09/2024G	N/A	N/A	-	-	(Non-Independent) – (Non-Executive)
3.	Barton John Ireland	Director	British	44	24/09/2024G	N/A	N/A	-	-	(Non-Independent) – (Non-Executive)
4.	Ali Saeed Sultan Aldhaheeri	Director	Emirati	50	24/09/2024G	N/A	N/A	1.0363%	0.7254%	(Non-Independent) – (Non-Executive)
5.	Dhafer Sahmi Jaber Al Ahbabi	Director	Emirati	55	24/09/2024G	N/A	N/A	0.2130%	0.1491%	(Non-Independent) – (Non-Executive)
6.	Fawaz Talal Abdelqadr Goth	Director	Saudi	40	24/09/2024G	N/A	N/A	-	-	(Independent) – (Non-Executive)
7.	Fadi Habib	Managing Director	Canadian	41	24/09/2024G	N/A	N/A	-	-	(Executive) – (Non-Independent)
8.	Muhammad Mohammed Saud Aldawood	Director	Saudi	37	24/09/2024G	N/A	N/A	-	-	(Independent) – (Non-Executive)
9.	Abdulwahab Al-Halabi	Director	British	50	24/09/2024G	N/A	N/A	0.02%	0.014%	(Independent) – (Non-Executive)

* The dates listed in this table are the dates of each Director's appointment to the Board for the current session. The respective biographies of the Directors describe the dates of their original appointment, whether to the Board of Directors or any other previous position in the Company (for further information, please refer to Section 5 ("Ownership and Organizational Structure") of this Prospectus).



Company Address and Representatives

Company Address



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 6897, King Fahd Road, Al Olaya 3388
 Riyadh
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 Tel: 00966112701145
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 Email: info@masareducation.com

Company Representatives

Fadi Habib

Director
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Majed Bejed Sudhan Almutairi

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Board Secretary

Yehia Yasser Abdelmonem Khorshed

Address: Villa No. 9, Area 15
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 Tel: 00971506876169
 Email: ykhorshed@masareducation.com

Stock Market



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 Kingdom of Saudi Arabia
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 Fax: +966 11 218 9133
 Website: www.saudiexchange.sa
 Email: csc@tadawul.com.sa

Share Registrar



من مجموعة تداول السعودية
 From Saudi Tadawul Group

Securities Depository Center Company (Edaa)
 King Fahd Road - Al Olaya 6897
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Advisors

Financial Advisor, Bookrunner and Underwriter



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Fax: 00966114060052
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Legal Advisor to the Issuer



Fahad Abuhimed, Majid Alsheikh, Mansoor Alhagbani and Clifford Chance Law Firm

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Legal Advisor to the Issuer in the UAE



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Joint Bookrunners



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Legal Advisor to the Financial Advisor, Bookrunner and Underwriter



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Financial and Tax Due Diligence Advisor



PricewaterhouseCoopers Chartered Accountants
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 King Fahd Road
 P.O. Box 8282
 Riyadh 11482
 Kingdom of Saudi Arabia
 Tel: +966 11 2440400
 Fax: +966 11 2110101
 Website: www.pwc.com/me
 Email: mer_project_split@pwc.com

Market Consultant



Euromonitor International
 60-61 Brighton Street
 EC1M 5UX
 London, United Kingdom
 Tel: 00442072518024
 Fax: 00442076083149
 Website: www.euromonitor.com
 Email: info@Euromonitor.com

Auditor for the Financial Years Ended 31 December 2021G, 2022G, 2023G and 2024G, the Six-Month Period Ended 30 June 2024G and the Three-Month Period Ended 31 March 2025G



Deloitte and Touche & Co., Chartered Accountants and Auditors
 Metro Boulevard - Al Aqeeq District
 King Abdullah Financial District
 P.O. Box 213 - Riyadh 11411
 Kingdom of Saudi Arabia
 Tel: 00966115089001
 Website: www.deloitte.com
 Email: ksaauditcompliancete@deloitte.com

Note: As of the date of this Prospectus, all of the above-mentioned Advisors and Auditor have given and have not withdrawn their written consent to the publication of and reference to their names, logos and the statements and reports attributed to each in the context in which they appear in this Prospectus, and do not themselves, their employees (from the engagement team serving the Company), or any of their relatives have any shares or interest of any kind in the Company or any of its subsidiaries as at the date of this Prospectus which would impair their independence.



Receiving Agents



SNB Capital

SNB Regional Building
King Saud Road
P.O. Box 22216, Riyadh 11495
Kingdom of Saudi Arabia
Tel: +966 92 0000232
Fax: +966 11 4060052
Website: www.alahlicaptial.com
E-mail: alahlitadawul@alahlicapital.com



EFG Hermes KSA

Third Floor, Northern Tower, Sky Towers,
King Fahd Road, Al Olaya, Riyadh
P.O. Box 300189, Riyadh 11372
Kingdom of Saudi Arabia
Tel: +966 11 2938048
Fax: +966 11 2938032
Website: www.efghermesksa.com
Email: ksareipo@efg-hermes.com



Riyadh Capital

Unit No. 69, Granada Business Park 2414, Al-Shohda District
P.O. Box 13241, Riyadh 7279
Kingdom of Saudi Arabia
Tel: +966 11 4865649
Fax: +966 11 4865908
Website: www.riyadhcapital.com
E-mail: ask@riyadhcapital.com



BSF Capital

King Fahd Road
P.O. Box 23454, Riyadh 3735-12312
Kingdom of Saudi Arabia
Tel: +966 11 2826666
Fax: +966 11 6823 282
Website: www.sfc.sa
E-mail: sfc-supportcenter@fracnicapital.com.sa



Aljazira Capital

King Fahd Road, Al Rahmaniya District
P.O. Box 20438, Riyadh 11455
Kingdom of Saudi Arabia
Tel: +966 11 2256000
Fax: +966 11 2256182
Website: www.aljaziracapital.com.sa
E-mail: contactus@aljaziracapital.com.sa



Yaqeen Financial Company (Yaqeen Capital)

Al Olaya Street, Al Worood, Riyadh
P.O. Box 884, Riyadh 11421
Kingdom of Saudi Arabia
Tel: +966 8004298888
Fax: +966 11 2054827
Website: www.yaqeen.sa
E-mail: addingvalue@yaqeen.sa



Albilad Investment Company

King Fahd Road
P.O. Box 140, Riyadh 11411
Kingdom of Saudi Arabia
Tel.: +966 (11) 920003636
Fax: +966 (11) 2906299
Website: www.albilad-capital.com
E-mail: InvestmentBanking@albilad-capital.com



ANB Capital

ANB Capital Building
King Faisal Street
P.O. Box 220009, Riyadh 11311
Kingdom of Saudi Arabia
Tel: +966 11 4062500
Fax: +966 11 4062548
Website: www.anbcapital.com.sa
E-mail: Investment.Banking@anbcapital.com.sa



Derayah Financial

Al Takhassusi Street, Al Olaya, Riyadh,
Kingdom of Saudi Arabia
Tel: +966 11 2998000
Fax: +966 11 4195498
Website: www.derayah.com
E-mail: support@derayah.com



Al Rajhi Capital

Al Rajhi Capital
Head Office, King Fahd Road
P.O. Box 5561, Riyadh 11432
Kingdom of Saudi Arabia
Tel: +966 920005856
Fax: +966 (11) 460 00625
Website: www.alrajhi-capital.com
E-mail: InvestmentBankingTeam@alrajhi-capital.com



Alistithmar for Financial Securities and Brokerage Company

King Fahd Road
P.O. Box 6888, Riyadh 11452
Kingdom of Saudi Arabia
Tel: +966 11 2547666
Fax: +966 11 4896253
Website: www.alistithmarcapital.com
E-mail: WebEcare@icap.com.sa



Alinma Capital

Al Anoud Tower 2, King Fahd Road
P.O. Box 55560, Riyadh 11544
Kingdom of Saudi Arabia
Tel: +966 11 218 5999
Fax: +966 11 218 5970
Website: www.alinmacapital.com
E-mail: Info@alinmacapital.com

**Alawwal Invest (SAB Invest)**

Al Olaya Main Street
P.O. Box 1467, Riyadh 11431
Kingdom of Saudi Arabia
Tel: +966 8001242442
Fax: +966 11 2169102
Website: www.sabinvest.com
E-mail: customercare@sabinvest.com

**Alkhabeer Capital**

Madinah Road, Jeddah
P.O. Box 128289, Jeddah 21362
Kingdom of Saudi Arabia
Tel: +966 12 612 9345
Fax: +966 12 685 6663
Website: www.alkhabeer.com
E-mail: info@alkhabeer.com

**Sahm Capital**

Tower 3.05, King Abdullah Financial District (KAFD)
Riyadh 13519
Kingdom of Saudi Arabia
Tel: +966 92 0007889
Website: www.sahmcapital.com
E-mail: cs@sahmcapital.com

**GIB Capital**

Building No. B1, Granada Business and Residential Park
Eastern Ring Road
P.O. Box 89589, Riyadh 11692
Kingdom of Saudi Arabia
Tel: +966 800 124 0121
Fax: +966 11 834 8400
Website: www.gibcapital.com
E-mail: customercare@gibcapital.com

**Musharaka Capital**

Prince Turkey Street, Alkurnaish,
Al Khobar 34413,
Kingdom of Saudi Arabia,
Tel: +966 92000 6811
Fax: +966 13 881 8412
Website: www.musharaka.sa
Email: receiving-entity@musharaka.sa

**Awaed Alosool Capital**

AlUrubah Road 2163, AlMathar Ash Shamali 12334,
Home Offices, Riyadh,
Saudi Arabia
Tel: 8001111870
Website: www.awaed.capital
Email: ipo_awaed@awaed.co

Note: As of the date of this Prospectus, all of the above-mentioned Receiving Agents have given and have not withdrawn their written consent to the publication of and reference to their names, logos and the statements and reports attributed to each in the context in which they appear in this Prospectus, and do not themselves, their employees (from the engagement team serving the Company), or any of their relatives have any shares or interest of any kind in the Company or any of its subsidiaries as at the date of this Prospectus which would impair their independence.



Offering Summary

This Offering summary is intended to provide a brief overview of the information included in this Prospectus. As such, this summary does not include all of the information that may be important to prospective investors. Accordingly, this summary must be read as an introduction to this Prospectus, and prospective investors should read this entire Prospectus in full. Any decision by prospective investors related to investing in the Offer Shares must be based on a consideration of this Prospectus as a whole.

In particular, it is important to carefully consider the “**Important Notice**” section on page (i) and Section 2 (“**Risk Factors**”) of this Prospectus prior to making an investment decision in relation to the Offer Shares.

The Company	The Company was initially established under the name Amanat Special Education and Care Investments as a limited liability company under Commercial Register No. 1010831769 dated 10/03/1444H (corresponding to 06/10/2022G) issued in Riyadh in the KSA, with its head office at 6897 King Fahd Road, Al Olaya 3388, Riyadh, KSA, and under MISA License No. 102114402166741 dated 04/02/1444H (corresponding to 01/09/2022G), with a share capital of ten thousand Saudi riyals (SAR 10,000) divided into one thousand (1,000) shares, each valued at ten Saudi riyals (SAR 10), wholly owned by Amanat Special Education and Care Holdings Ltd. On 21/03/1446H (corresponding to 24/09/2024G), the shareholder agreed to convert the Company from a limited liability company to a single shareholder closed joint stock company and change its name from “Amanat Special Education and Care Investments” to “Almasar Alshamil Education Company”. The shareholder also agreed to increase the Company’s share capital from ten thousand Saudi riyals (SAR 10,000) divided into one thousand (1,000) shares to one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) fully paid ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share through the transfer of one billion, twenty-four million, three thousand, three hundred and twenty Saudi riyals (SAR 1,024,003,320) from the shareholder’s contribution account to the capital account and the issuance of one hundred and two million, four hundred thousand, three hundred and thirty-two (102,400,332) new shares with a nominal value of ten Saudi riyals (SAR 10) per share. For further information, please refer to Section 4.3.2 (“History, Incorporation and Evolution of Share Capital”) of this Prospectus.
Company’s Activities	The actual activity of the Company is investment in higher and mainstream education companies as well as special needs education and care (SEC) companies. According to its Bylaws, the Company’s activities are: – Financial service activities, excluding insurance and pension financing. – Pre-primary and primary education activities. – General secondary education activities. – Higher education activities. According to its Commercial Register, the Company’s activities are: – Investment company activities. – Preschool – Kindergarten education delivered through a national curriculum. – Preschool – Kindergarten education delivered through an international curriculum. – Primary education for male students delivered through a national curriculum. – Primary education for female students delivered through a national curriculum. – Primary education for male students delivered through an international curriculum. – Primary education for female students delivered through an international curriculum. – Primary education for female students with special needs delivered through a national curriculum. – Primary education for male students with special needs delivered through a national curriculum. – Primary education for male students with special needs delivered through an international curriculum. – Primary education for female students with special needs delivered through an international curriculum. – Secondary education for male students delivered through a national curriculum. – Secondary education for female students delivered through a national curriculum. – Secondary education for male students with special needs delivered through a national curriculum. – Secondary education for female students with special needs delivered through a national curriculum. – Secondary education for male students delivered through an international curriculum. – Secondary education for female students delivered through an international curriculum. – University colleges and institutes. – Higher training institutes.



Company's Activities	The Company carries out its activities in accordance with Investment License No. 102114402166741 dated 04/02/1444H issued by the MISA. The Company only carries out its activities after obtaining the necessary licenses from the competent authorities, if any. For further details on the Group's activities and the nature of its business, please refer to Section 4 ("Company Section") and Section 11 ("Legal Information") of this Prospectus.						
Substantial Shareholder	The sole Substantial Shareholder in the Company, which directly owns 100% of the Company's shares, is Amanat Special Education and Care Holdings Ltd. The following table sets out the number of shares held by Amanat Special Education and Care Holdings Ltd and its ownership percentage in the Company pre-Offering and post-Offering:						
	Pre-Offering				Post-Offering		
		No. of Shares	Nominal Value (SAR)	Ownership (%)	No. of Shares	Nominal Value (SAR)	Ownership (%)
	Amanat Special Education and Care Holdings Ltd	102,401,332	1,024,013,320	100%	71,680,932	716,809,320	70%
	Total	102,401,332	1,024,013,320	100%	71,680,932	716,809,320	70%
Company's Share Capital	One billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320).						
Total Number of the Company's Shares	One hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) ordinary shares.						
Nominal Value per Share	(SAR 10) per share.						
Offering	Offering of thirty million, seven hundred and twenty thousand, four hundred (30,720,400) ordinary shares of the total share capital of the Company for public subscription. The Offer Shares will be sold by the Selling Shareholder at an Offer Price of SAR (19.5) per share (the "Offer Price"). In total, the Offer Shares will represent 30% of the Company's share capital.						
Total Number of Offer Shares	Thirty million, seven hundred and twenty thousand, four hundred (30,720,400) shares.						
Percentage of Offer Shares to the Total Number of Issued Shares	The Offer Shares represent 30% of the Company's shares.						
Offer Price	SAR (19.5) per share.						
Total Value of the Offering	SAR Five hundred ninety-nine million, forty-seven thousand, eight hundred (599,047,800).						
Use of Offering Proceeds	The Net Offering Proceeds of SAR Five hundred sixty-one million, forty-seven thousand, eight hundred" (561,047,800) will be distributed, after deduction of the Offering expenses estimated at approximately thirty-eight million Saudi Riyals (SAR 38,000,000) (excluding VAT), to the Selling Shareholder. The Company will not receive any part of the Offering Proceeds. Please refer to Section 8 ("Use of Offering Proceeds") of this Prospectus.						
Number of Offer Shares Underwritten	Thirty million, seven hundred and twenty thousand, four hundred (30,720,400) ordinary shares.						
Total Value of the Offering Underwritten	SAR Five hundred ninety-nine million, forty-seven thousand, eight hundred (599,047,800).						
Targeted Investors	(A) Participating Parties: this tranche includes the categories that are entitled to participate in the Book Building Process, including investment funds, companies and Qualified Foreign Investors (QFIs), Foreign Strategic Investors (FSIs), GCC corporate investors and other Foreign Investors under SWAP Agreements (for further details, refer to Section 1 ("Definitions and Abbreviations") of this Prospectus); and (B) Individual Subscribers: this tranche comprises Saudi natural persons, including any divorced or widowed Saudi woman with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe in their names for her own benefit, provided that she proves that she is divorced or widowed and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case who have a bank account with one of the Receiving Agents and are entitled to open an investment account. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.						



Total Number of Offer Shares for Each Type of Targeted Investor

Number of Offer Shares for Participating Parties	The number of Offer Shares to be initially allocated to Participating Parties is thirty million, seven hundred and twenty thousand, four hundred (30,720,400) Offer Shares, representing 100% of the total Offer Shares. In the event that Individual Subscribers subscribe in full for the Offer Shares allocated thereto, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to twenty-one million, five hundred and four thousand, two hundred and eighty (21,504,280) Offer Shares, representing 70% of the total Offer Shares.
Number of Offer Shares for Individual Subscribers	A maximum of nine million, two hundred and sixteen thousand, one hundred and twenty (9,216,120) Offer Shares representing 30% of the total Offer Shares.

Subscription Method for Each Targeted Investor Category

Subscription Method for Participating Parties	Participating Parties, as defined in Section 1 (“ Definitions and Abbreviations ”) of this Prospectus, may apply for subscription. The Bookrunners will provide Subscription Application Forms to Participating Parties during the Book Building Process. After initial allocation, the Participating Parties shall complete Subscription Application Forms, which will be made available to them by the Bookrunners in accordance with the instructions mentioned in Section 16 (“ Share Information and Offering Terms and Conditions ”) of this Prospectus.
Subscription Method for Individual Subscribers	Subscription Application Forms will be available during the Offering Period on the Receiving Agents’ websites. Subscription Application Forms must be completed in accordance with the instructions mentioned in Section 16 (“Share Information and Offering Terms and Conditions”) of this Prospectus. Individual Subscribers who have participated in a previous subscription may subscribe through the internet, telephone banking or ATMs of any of the Receiving Agents, via any other electronic channels provided by the Receiving Agents to their customers, or through any Receiving Agent branch that provides this service to its customers provided that (1) the investor has a bank account at a Receiving Agent that offers such services, and (2) there have been no changes in the personal information of the Individual Subscriber since the Subscriber last participated in a recent offering. In addition to the foregoing, all Individual Subscribers, whether Saudi or GCC nationals or others, must have an active stock portfolio at a Capital Market Institution affiliated with the Receiving Agent through which the subscription is being made. All Individual Subscribers must comply with the above terms. Subscriptions in violation of the above-mentioned terms will be deemed void, including not having an active stock portfolio with a Capital Market Institution affiliated with the Receiving Agent through which the subscription is being made. In such case, the subscription application will be rejected and the amounts paid in connection with the rejected application will be refunded.

Minimum Number of Offer Shares that can be Subscribed to by Each Targeted Investor Category

Minimum Number of Offer Shares that can be Subscribed to by Participating Parties	One hundred thousand (100,000) shares.
Minimum Number of Offer Shares that can be Subscribed to by Individual Subscribers	Ten (10) shares.

Value of the Minimum Number of Offer Shares that can be Subscribed to by Each Targeted Investor Category

Value of the Minimum Number of Offer Shares that can be Subscribed to by Participating Parties	One million, nine hundred fifty thousand Saudi riyals (SAR 1,950,000).
Value of the Minimum Number of Offer Shares that can be Subscribed to by Individual Subscribers	One hundred ninety-five Saudi riyals (SAR 195).



Maximum Number of Offer Shares that can be Subscribed to by Each Targeted Investor Category

Maximum Number of Offer Shares that can be Subscribed to by Participating Parties	Five million, one hundred and twenty thousand and sixty-five (5,120,065) shares.
Maximum Number of Offer Shares that can be Subscribed to by Individual Subscribers	Two hundred and fifty thousand (250,000) shares.

Value of the Maximum Number of Offer Shares that can be Subscribed to by Each Targeted Investor Category

Value of the Maximum Number of Offer Shares that can be Subscribed to by Participating Parties	Ninety-nine million, eight hundred forty-one thousand, two hundred sixty-eight Saudi riyals (SAR 99,841,268).
Value of the Maximum Number of Offer Shares that can be Subscribed to by Individual Subscribers	Four million, eight hundred seventy-five thousand Saudi riyals (SAR 4,875,000).

Allocation Method and Refund of Excess Subscription Monies for Each Targeted Investor Category

Allocation of Shares to Participating Parties	The final allocation of Offer Shares to Participating Parties shall be made through the Bookrunners after completion of the subscription process for Individual Subscribers as the Financial Advisor deems appropriate, in coordination with the Issuer, using the discretionary allocation mechanism. Accordingly, it is possible that certain Participating Parties will not be allocated any shares. The number of Offer Shares to be initially allocated to the Participating Parties will be thirty million, seven hundred and twenty thousand, four hundred (30,720,400) shares, representing one hundred percent (100%) of the total Offer Shares. If there is sufficient demand from Individual Subscribers to subscribe to the Offer Shares, the Financial Advisor shall have the right, in coordination with the Company, to reduce the number of Offer Shares allocated to Participating Parties to a minimum of twenty-one million, five hundred and four thousand, two hundred and eighty (21,504,280) ordinary shares, representing seventy percent (70%) of the Offer Shares. Nine million, two hundred and sixteen thousand, one hundred and twenty (9,216,120) shares, representing 30% of the total number of Offer Shares, will be provisionally allocated to public funds. In the event that there is sufficient demand from Individual Subscribers to subscribe to the Offer Shares, the Lead Manager shall have the right to reduce the number of shares allocated to public funds to a minimum of Six million, four hundred and fifty-one thousand, two hundred and eighty-four (6,451,284) shares, representing 21% of the total number of Offer Shares after the completion of the subscription process for Individual Subscribers.
Allocation of Offer Shares to Individual Subscribers	Allocation of Offer Shares to Individual Subscribers is expected to be completed no later than Wednesday 05/06/1447H (corresponding to 26/11/2025G). The minimum allocation is ten (10) ordinary shares per Individual Subscriber, and the maximum allocation is two hundred and fifty thousand (250,000) ordinary shares per Individual Subscriber. The balance of Offer Shares, if any, shall be allocated pro-rata, based on the number of Offer Shares requested by each Individual Subscriber and the total number of Offer Shares requested for subscription. In the event that the number of Individual Subscribers exceeds nine hundred and twenty-one thousand, six hundred and twelve (921,612) Individual Subscribers, the Company does not guarantee the minimum allocation of ten (10) Offer Shares per Individual Subscriber. In such case, the allocation of Offer Shares to Individual Subscribers will be determined at the discretion of the Financial Advisor in coordination with the Company.
Refund of Excess Subscription Monies	Excess subscription monies, if any, will be refunded to Subscribers without any charge or commission being withheld by the Lead Manager or Receiving Agents. Announcement of final allocation will be no later than Wednesday 05/06/1447H (corresponding to 26/11/2025G) and the refund of excess subscription amounts, if any, will be made no later than Tuesday 11/06/1447H (corresponding to 02/12/2025G) (please refer to Section 16 (“ Share Information and Offering Terms and Conditions ” – “ Allocation of Shares and Refund of Excess Subscription Monies ”) of this Prospectus).
Offering Period	The Offering Period will commence on Tuesday 27/05/1447H (corresponding to 18/11/2025G) and will continue for a period of three days, including the closing day of subscription, ending at 2:00 p.m. KSA time on Thursday 29/05/1447H (corresponding to 20/11/2025G).



Entitlement to Dividends	Holders of Offer Shares will be entitled to their portion of any dividends declared by the Company as of the date of this Prospectus and for subsequent financial years (for more information, please refer to Section 7 (“ Dividend Distribution Policy ”) of this Prospectus).
Voting Rights	The Company has one class of ordinary shares, none of which carry any preferential voting rights. Each share entitles its holder to one vote and each Shareholder has the right to attend and vote at the meetings of the General Assembly (please refer to Subsection 11.14 (“ Summary of Bylaws ”) and Subsection 11.15 (“ Description of Shares ”) of Section 11 (“ Legal Information ”) of this Prospectus). Any shareholder of the Company may, under a written proxy, appoint another natural person, whether a shareholder of the Company or not, provided that they are not a member of its Board, to attend a meeting of the General Assembly or Special Assembly and vote on its agenda items on their behalf.
Lock-up Period/ Restrictions on Shares	The Selling Shareholder is subject to a lock-up period of six (6) months, starting from the date trading of the Company’s shares commences on the Exchange. During this period, the Selling Shareholder may not dispose of any of their shares. After the end of the Lock-up Period, the Selling Shareholder may dispose of their shares without prior approval from the CMA.
Listing and Trading of the Shares	Prior to the public offering, the Company’s shares have not been listed in the KSA or elsewhere. The Company has submitted an application to the CMA for the registration and Offering of the Offer Shares and an application to the Saudi Exchange (Tadawul) for the listing of the shares. All official approvals required to conduct the Offering and Listing have been granted. Trading of shares is expected to commence on the Exchange after the final allocation of the shares (for further details, please refer to the “ Key Dates and Subscription Procedures ” section of this Prospectus).
Risk Factors	There are certain risks related to an investment in the Offer Shares. These risks can be categorized into: (a) risks related to the Company’s business and operations; (b) risks related to the market, sector and regulatory environment; and (c) risks related to the Offer Shares. These risks are described in Section 2 (“ Risk Factors ”) of this Prospectus and should be considered carefully prior to making an investment decision in relation to the Offer Shares.
Offering Expenses	The Selling Shareholder will bear all expenses and costs related to the Offering, which will be deducted from the Offering Proceeds. The Offering expenses are estimated at thirty-eight million Saudi Riyals (SAR 38,000,000) and include fees paid to the Saudi Exchange and the Securities Depository Center Company (Edaa), other costs related to listing the shares, fees of the Financial Advisor, Lead Manager, Underwriter, Legal Advisors, Accountant, Market Consultant and other Advisors, as well as translation, marketing, printing, distribution and other fees and expenses related to the Offering.
Underwriter	SNB Capital SNB Regional Building King Saud Road P.O. Box 22216 Riyadh 11495 Kingdom of Saudi Arabia Tel: +966 (92)0000222 Fax: +966 (11)4060052 Website: www.alahlicapital.com Email: snbc.cm@alahlicapital.com

Note: The “**Important Notice**” section on page (i) and Section 2 (“**Risk Factors**”) of this Prospectus should be read thoroughly prior to making a decision to invest in the Company’s shares offered in this Prospectus.



Key Dates and Subscription Procedures

Table (2): Expected Subscription Timetable

Expected Subscription Timetable	
Event	Dates
Bidding and Book Building period for Participating Parties	A period of five days, commencing on Sunday, 11/05/1447H (corresponding to 02/11/2025G) until 2:00 p.m. KSA time on Thursday, 15/05/1447H (corresponding to 06/11/2025G).
Subscription period for Individual Subscribers	A period of three days, commencing on Tuesday, 27/05/1447H (corresponding to 18/11/2025G) until 2:00 p.m. KSA time on Thursday, 29/05/1447H (corresponding to 20/11/2025G).
Deadline for submission of Subscription Application Forms for Participating Parties based on the number of Offer Shares provisionally allocated to each Participating Party	Tuesday, 27/05/1447H (corresponding to 18/11/2025G).
Deadline for payment of subscription monies for Participating Parties based on the number of Offer Shares provisionally allocated to each Participating Party	Wednesday, 28/05/1447H (corresponding to 19/11/2025G).
Deadline for submission of Subscription Application Forms and payment of subscription monies (for Individual Subscribers)	Thursday, 29/05/1447H (corresponding to 20/11/2025G).
Announcement of final allocation of Offer Shares	No later than Wednesday, 05/06/1447H (corresponding to 26/11/2025G).
Refund of excess subscription monies (if any)	No later than Tuesday, 11/06/1447H (corresponding to 02/12/2025G).
Expected date of commencement of trading on the Exchange	Trading of the Company's shares is expected to commence on the Exchange after fulfillment of all relevant statutory requirements. Commencement of trading will be announced on the Saudi Tadawul website (www.saudiexchange.sa).

Source: The Company

Note: The above timetable and dates therein are indicative. Actual dates will be communicated through announcements in local daily newspapers published in the Kingdom in Arabic and on the websites of Tadawul (www.saudiexchange.sa), the Financial Advisor (www.alahlicapital.com) and the Company (www.masareducation.com).



How to Apply for the Offering

Subscription is limited to the following two tranches of investors:

Tranche (A): Participating Parties: This tranche includes the parties entitled to participate in the Book Building Process, including investment funds, companies and Qualified Foreign Investors (QFIs), Foreign Strategic Investors (FSIs), investors from GCC companies, and other Foreign Investors under SWAP Agreements (for further details, please refer to Section 1 (“**Definitions and Abbreviations**”) of this Prospectus). Participating Parties may obtain Bid Forms from the Bookrunners during the book building period and Subscription Application Forms from the Lead Manager after initial allocation. The Bookrunners shall, after obtaining the approval of the CMA, offer the Offer Shares to the Participating Parties during the book building period only. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to the Bookrunners, which represents a legally binding agreement between the Selling Shareholder and the Participating Party submitting the application.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any divorced or widowed Saudi female with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in her name and in the names of her minor children, provided that she proves that she is divorced or widowed and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case who have a bank account with one of the Receiving Agents and are entitled to open an investment account. A subscription for shares made by someone in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. Subscription Application Forms will be available during the Offering Period only on the websites of the Receiving Agents offering this service. Subscribers can also subscribe through the internet, telephone banking or ATMs of any of the Receiving Agents that provide these services to their customers, provided that the following requirements are satisfied:

1. The Individual Subscriber has a bank account at a Receiving Agent that offers this service.
2. There have been no changes in the personal information or data of the Subscriber (the removal or addition of a family member) since the Subscriber last participated in a recent offering.
3. Individual Subscribers, whether Saudi or GCC nationals or others, must have an active stock portfolio at a Capital Market Institution affiliated with the Receiving Agent through which the subscription is being made.

Subscription Application Forms must be filled out in accordance with the instructions contained in Section 16 (“**Share Information and Offering Terms and Conditions**”) of this Prospectus. Each applicant must accept all the relevant items in the Individual Subscription Application Form. The Company reserves the right to decline any Subscription Application, in part or in whole, in the event that any of the subscription terms and conditions are not met. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A Subscription Application cannot be amended or withdrawn once submitted. A Subscription Application, once submitted, is considered a binding agreement between the applicant and the Selling Shareholder in relation to the Offer Shares.

Excess subscription monies, if any, will be refunded to the principal Individual Subscriber at the Receiving Agent that initially debited the subscription amount therefrom, without any commissions or amounts being withheld by the Lead Manager or the Receiving Agents. Subscription monies may not be refunded in cash or to third party accounts.

For further information regarding subscription by Individual Subscribers or Participating Parties, please refer to Section 16 (“**Share Information and Offering Terms and Conditions**”) of this Prospectus.

Summary of Key Information

This summary of key information includes an overview of the information contained in this Prospectus. However, this summary does not include all information that may be of interest to investors. Accordingly, this summary must be treated as a brief introduction to the key information in this Prospectus. Persons who wish to subscribe for the Offer Shares are advised to read the entire Prospectus so that any decision to invest in the Offer Shares is based on the careful consideration of this Prospectus as a whole, in particular the financial statements and related notes as well as the information set forth under Section 2 (“**Risk Factors**”) and the “**Important Notice**” section. The definitions and abbreviations herein shall have the meanings ascribed thereto in Section 1 (“**Definitions and Abbreviations**”) and elsewhere in this Prospectus.



The Company

Overview

The Company was established as a limited liability company under Commercial Register No. 1010831769 dated 10/03/1444H (corresponding to 06/10/2022G) issued in Riyadh in the KSA, with its head office at 6897 King Fahd Road, Al Olaya 3388, Riyadh, KSA, and under MISA License No. 102114402166741 dated 04/02/1444H (corresponding to 01/09/2022G), with a share capital of ten thousand Saudi riyals (SAR 10,000) divided into one thousand (1,000) shares valued at ten Saudi riyals (SAR 10) each.

On 21/03/1446H (corresponding to 24/09/2024G), the shareholder agreed to convert the Company from a limited liability company to a single shareholder closed joint stock company and change its name from “Amanat Special Education and Care Investments” to “Almasar Alshamil Education Company”. The shareholder also agreed to increase the Company’s share capital from ten thousand Saudi riyals (SAR 10,000) divided into one thousand (1,000) shares to one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) fully paid ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share through the transfer of one billion, twenty-four million, three thousand, three hundred and twenty Saudi riyals (SAR 1,024,003,320) from the shareholder’s contribution account to the capital account and the issuance of one hundred and two million, four hundred thousand, three hundred and thirty-two (102,400,332) new shares with a nominal value of ten Saudi riyals (SAR 10) per share (for further information, please refer to Section 4.3.2 (“**History, Incorporation and Evolution of Share Capital**”) of this Prospectus.)

Following is the ownership structure of the Company’s shares pre-Offering and post-Offering:

Table (3): Ownership Structure of the Company Pre-Offering and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Nominal Value (SAR)	Ownership (%)	No. of Shares	Nominal Value (SAR)	Ownership (%)
1	Amanat Special Education and Care Holdings Ltd	102,401,332	1,024,013,320	100%	71,680,932	716,809,320	70%
2	Public	-	-	-	30,720,400	307,204,000	30%
Total		102,401,332	1,024,013,320	100%	102,401,332	1,024,013,320	100%

Source: The Company

Principal Activities of the Company

The principal activity of the Company is to manage its Subsidiaries. The principal activities of the Group are as follows:

1. Investment company activities.
2. Special education services.
3. Daycare center offerings.
4. Higher education activities.
5. Institutes and corporate training activities.

For further details on the Group’s activities and the nature of its business, please refer to Section 4 (“**Company Section**”) and Section 11 (“**Legal Information**”) of this Prospectus.



The Group's Mission and General Strategy

To enhance the lives of future generations and positively influence the communities where it operates, the Company is dedicated to delivering services of the greatest caliber. In addition, the Company's vision is to be an organization with a strong influence and clear constructive participation in society, as well as to align with and support national strategic goals.

Group Competitive Advantages, Strengths and Strategy

Competitive Advantages and Strengths

The Group operates as a specialized education group, delivering value through operational excellence, strategic leadership and a strong focus on positive societal impact. As a pioneer in the underserved higher education and SEC sectors, the Group has a unique ability to maximize shareholders' equity while achieving positive social outcomes. For further details, please refer to Section 3 ("Market Overview") of this Prospectus.

The Group's unique capabilities and unified approach enable it to manage multiple businesses within the education sector under a single cohesive strategy, facilitating streamlined decision-making, centralized oversight and optimal resource allocation. This approach aims to achieve above-market growth rates driven by a focus on quality of outcomes, cost efficiency and the ability to support growth initiatives through knowledge sharing, market experience and access to funding for growth. The Group is mission-driven, addressing critical education gaps by providing access to quality education services for more than 7,950 beneficiaries with special needs as at the date of this Prospectus, fostering social inclusivity and contributing to the broader development of human capital in the region.

Below is an overview of the Group's key competitive advantages and strengths.

The Group operates in high growth and underserved education sectors benefiting from positive structural trends, underpinned by favorable demographics and closely aligned to national strategies

The GCC region is amongst the most attractive and fastest growing education markets globally. KSA's nominal GDP has grown at a CAGR of 10.5% from 2021G to 2023G and the UAE at 11.3% in the same period, ahead of the GCC average of 10.1%.

Strong economic growth has boosted consumer expenditure on education which grew at a CAGR of 8.4% in the KSA and at a CAGR of 16.9% in the UAE from 2021G to 2023G. Overall education spend in the KSA reached SAR 189.1 billion in 2023G, representing 17% of government spend versus a GCC average of 13.3%, whilst in the UAE consumer education spend reached SAR 101.1 billion, representing 7.8% of the UAE's total consumer expenditure in 2023G, reflecting the government's commitment to the sector, and supported by a number of policy reforms targeting an economy that is based on advanced technology.

Education expenditure is forecast to grow at a CAGR of 6.1% in the KSA and 5.9% in the UAE between 2023G-2028G, supported by a combination of national agendas such as Saudi Vision 2030 and the UAE 2031 Vision, government strategies such as "Study in Saudi Arabia" and the "National Strategy for Higher Education 2030" in the UAE, as well as a growing and youthful population.

In the Group's core markets, special education needs and care enrollments in the KSA grew at a CAGR of 7.4% from 2021G to 2023G to 87 thousand and are forecast to reach 131 thousand by 2028G, an 8.6% CAGR, driven by increased awareness, declining social stigma, and government initiatives promoting inclusivity. Concurrently, the gap between prevalence and diagnosis is forecast to decline, with the percentage of students diagnosed with a disability that enroll in special needs education expected to increase from 48.0% currently to 66.1% by 2028G.

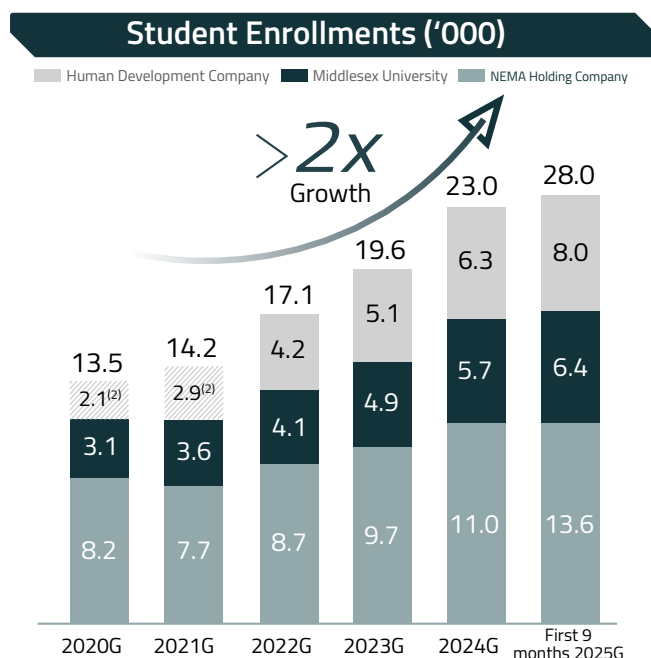
In the UAE, 181 thousand students were enrolled in higher education institutes (HEIs) in 2023G, growing by a 3.2% CAGR since 2021G, with the private sector leading the growth at a CAGR of 7.4% over the same period. The higher education market is expected to grow at a CAGR of 5.8% between 2023G-2028G, with the private sector driving growth at an expected CAGR of 9.6%. The overperformance of private players will be driven by the provision of programs closely aligned to job market needs, offering internationally accredited degrees and providing appealing mobility opportunities, thus contributing to their superiority in the education sector. Moreover, the UAE's rising status as an education hub is increasingly attracting students from abroad, thanks to strong job prospects, a buoyant business environment and flexible visa schemes. MDX Dubai, with a strong focus on international recruitment and foreign students representing almost 40% of the total student base as at 31 March 2025G, is ideally positioned to capitalize on these trends and continue to benefit from expected inflows of international students.

Furthermore, the KSA, one of the key regional higher education markets and a potential market for expansion, had a sizeable enrollment of 250 thousand students in 2023G. This student base is expected to expand further, with the private sector in the KSA forecast to grow at a 7.1% CAGR through 2028G, supported by government measures aimed at increasing the presence and penetration of private HEIs, which currently account for 5-10% of the total higher education market in the KSA by enrollment. These measures include the revision and enhancement of the regulatory framework, including, recently, the decision to allow the establishment of branch campuses of foreign universities.



Industry-leading assets with strong brand recognition and market leading positioning

As at the date of this Prospectus, the Group currently serves 28,000 students and beneficiaries in the special education and care and higher education sectors, operating across 39 special education and care centers, 14 special education and care schools, 3 universities (with 7 campuses) and 3 clinics.



Source: The Company

(1) Based on percentage of full tuition fees.

(2) HDC was acquired in October 2022G.

Focusing on quality and rigorous monitoring of outcomes, HDC, along with HRC, is the only SEC player of scale in the KSA, operating a network of top-rated centers across 8 regions with around 4,000 daycare beneficiaries as at 31 December 2023G, making it the only player with double digit market share (10.4%) amongst private sector providers. In the SEC school sector, which remains dominated by public providers, the Group enjoys a similar market-leading position amongst private players with around 1,000 students. As at 31 December 2023G, across the whole SEC segment, HDC has an estimated 5.8% market share in a highly fragmented market.

With a robust reputation and a broad range of world-class programs, MDX Dubai has the largest market share in Dubai's private higher education sector and accounts for approximately 7.4% of all private higher education students in the UAE as at 31 December 2023G. As at 31 December 2023G, the university had approximately 4,900 students, 35% of whom were international.

Similarly, driven by a reputation for academic excellence, Abu Dhabi University (ADU) is the largest private university by enrollment in the UAE, with an estimated 13.5% market share as at 31 December 2023G, which, when combined with MDX Dubai and Liwa University, results in an estimated market share of 26.1%, making the Group the largest private higher education sector player in the UAE.

The Group's market leading position means it is uniquely placed to take advantage of the strong market fundamentals and growth potential in the education market across the GCC.

For further details, please refer to Section 3 ("Market Overview") of this Prospectus.

Strong focus on positive societal impact, inclusive education and the development of human capital in the region

A commitment to empowering and delivering a positive impact for the community and empowering individuals to reach their full potential is at the core of the Group's activities.

In line with the national objectives and agendas of the KSA and UAE governments, the Group is focused on developing and contributing to future human capital in the region, across all levels, from the formation of higher education graduates with job-relevant skills to the provision of quality specialized support to children and adults with learning difficulties.



Examples of the Group's environmental, social and governance ("ESG") efforts include: (i) the launch of new programs in high-growth sectors aligned to the growth of regional economies such as health sciences, sports and tourism, as well as emerging priorities such as financial technology ("fintech") and legal technology; (ii) the establishment of the Middlesex Innovation Hub in 2024G, fostering innovation and entrepreneurship among students; and (iii) the creation of the Middlesex Institute of Sustainable Development, with the objective of advocating and promoting the Sustainable Development Goals of the United Nations through research, training and community outreach.

Further, in the KSA, approximately 80% of the Group's employees are Saudi nationals with a focus on providing employment opportunities to women.

Student- and beneficiary-centric approach, with a focus on quality of education and positive outcomes

The Group maintains a student-centric approach, with a commitment to academic excellence that is reflected in its rigorous, high quality education and special needs programs, continuously updated to align with international standards, industry demands and best practices. This approach results in positive student and beneficiary outcomes and a first-class student experience.

This dedication is evidenced by the Group's ratings. HDC's daycare centers all achieved the highest rating of A+ as awarded by MHRSD in the academic year 2024G/2025G, MDX Dubai was rated 5 stars (the highest possible rating) by the Knowledge and Human Development Authority ("KHDA") within the rankings of international higher education institutions in Dubai developed in partnership with QS Quacquarelli Symonds in 2022G (the most recent year in which the rating was conducted), and Abu Dhabi University is ranked in the top 200 in the world by Times Higher Education and the number one university in the Arab World for Business in 2025G. These international rankings demonstrate the Group's focus on academic quality and its ability to deliver a top-tier educational experience. Ongoing accreditations and rankings not only validate the quality of the Group's educational offerings but also enhance the employability of graduates, as degrees from institutions with a reputation for academic quality and outcomes are highly regarded by employers. According to surveys conducted by MDX Dubai, 76% of all graduates in 2024G received a job offer within 6 months of graduation.

Scalable business model capitalizing on industry-leading positions and strong brand positioning

The Group's businesses benefit from being both highly scalable and capex-light, providing a strong platform for further growth.

Growth at HDC is supported by a scalable capex-light business model, facilitating rapid expansion through integrated systems, standardized programs, a robust progress monitoring framework and tailored workforce training programs that ensure consistency in education delivery, quality of services and cost-effective scaling. HDC is also uniquely positioned to contribute to emerging market opportunities such as the development of the residential special education needs sector as beneficiaries return to the KSA from overseas and provision transfers to the private sector.

In the SEC sector, HDC has expanded rapidly, with the number of operating daycare centers increasing by four in 2022G and six in 2023G, driving an increase in total daycare center beneficiaries from approximately 2,200 in 2021G to 4,000 in 2023G. As at the date of this Prospectus, a further four centers were launched in 2025G, with an additional 11 centers currently under development, that can be operated as either daycare or residential centers, as part of an approved capital expansion program of SAR 115 million, with the goal of growing center numbers in the following years. Launching the residential centers will further grow the Group's scalable operations in the KSA, tapping into a largely government-dominated sector (please see Section 4.5.2.4 ("Expansion of Existing Service Lines") of this Prospectus for further information).

Expansion is underpinned by affordability, a market leading student recruitment team, a holistic approach to student experience, quality of outcomes and an alumni network that now boasts over 10,000 students from over 120 countries. This approach is reflected in academic outcomes, with 69% of undergraduate students and 50% of postgraduate students achieving a first- or upper-second-class degree.

Domestic student recruitment is driven by in-market campaigns and partnerships with school networks, whilst internationally MDX Dubai focuses on agency partnerships, in-country events and attendance of education trade fairs across its core international markets. Consequently, enrollments have grown from 4,131 in 2022G to 5,652 in 2024G and stand at over 6,165 as at 31 March 2025G.

Importantly, 46% of the intake is from the international market as at 31 March 2025G, increasing from 29% as at 31 December 2022G. New students constitute 48% of the overall student body, providing organic growth via undergraduate students progressing through the three years of study as well as International Foundation Programme ("IFP") students feeding into university student programs.



Strong financial track record demonstrating growth with attractive margins and high return on capital invested

Driven by a clear growth strategy, scalable business model and experienced management, the Group has delivered strong and consistent financial performance, underpinned by a diversified geographic and service line revenue base.

Revenue has grown over the last three years, from SAR 181 million in 2022G to SAR 437.1 million in 2024G, a CAGR of 55.4% with underlying growth significantly outpacing overall sector growth. This growth has been driven by the expansion and ramp-up of daycare centers at HDC and increasing domestic and international student enrollments at MDX Dubai.

EBITDA increased to SAR 215.6 million in 2024G, from SAR 96.7 million in 2022G, implying a CAGR of 49%, with EBITDA margins decreasing from 53.4% in 2022G to 49.3% in 2024G. Historically, growth in enrollments and beneficiaries has helped drive financial performance and profitability. Academic year 2024G/2025G enrollments grew from 5,022 on 31 March 2024G to 6,436 beneficiaries at HDC on 31 March 2025G, and from 5,384 on 31 March 2024G to 6,165 students at MDX Dubai on 31 March 2025G, with an implied year-over-year growth of 28% and 15%, respectively. Strong growth and a high return on investment, given the limited capital requirements for organic expansion, translate into a high return on assets (“ROA”) for the Group.

Strong cash flow generation conducive to future dividend payouts whilst preserving growth, with available debt capacity for future acquisitions and growth initiatives

The Group has delivered strong and consistent cash flows in the last three years driven by a disciplined capital allocation policy with minimal reliance on external debt financing.

MDX Dubai demonstrated strong cash flow generation, with an EBITDA to free cash flow conversion of 121% in 2024G. MDX Dubai’s cash flow generation is supported by the negative operating working capital cycle and by the asset-light nature of the business, with capex mainly limited to fit-out of new campus space to expand capacity and accommodate enrollment growth. HDC’s operating cash flow conversion was 56% during 2024G, with free cash flow conversion reduced due to the impact of expansion projects to drive future growth.

Strong cash flow generation allows the Group to grow through internal cash flows whilst its profitability and unlevered capital structure offer the opportunity to access debt to finance potential inorganic growth opportunities.

Seasoned leadership team with a strong track record, supported by a highly experienced Board of Directors

The Group boasts a highly experienced and seasoned executive team with strong expertise in the education sector and a proven track record of growth. The executive team’s experience is demonstrated in their successful strategy planning, oversight and execution that led to strong growth, out-pacing the market’s. These competencies and skillset boosted the Group’s leading position in both sectors. Moreover, the executive team is well equipped to lead the Group in its strategy for growth (for further information on the members of the Group’s executive leadership, please refer to Section 5.5 (“**Senior Executives**”) of this Prospectus).

The executive management team is supported by a Board of Directors with extensive experience in the education sector, both locally and regionally.

Strategy

The Group has a clearly defined strategy, aimed at delivering growth and shareholder value, whilst at the same time achieving a positive social impact. This strategy positions the Group as an end-to-end education player, serving students and beneficiaries across multiple demographics and age groups.

The strategy is based on a number of pillars, as follows:

Launch of further daycare centers across the KSA and expansion of school partnerships

The Group plans to continue expanding its network via opening new daycare centers and entering into new partnerships with existing schools.

The Group’s strategy for opening new daycare centers focuses on expanding into underserved markets while maintaining high standards of educational quality, by replicating a proven model in new locations. Each center is strategically planned to ensure optimal resource use, cost efficiency and optimal impact. These centers are equipped with advanced facilities, technology and staff, tailored to meet local demands.

Since 2021G, the Group opened 22 new centers (4 of which launched in 2025G). Supported by a strong financial position, additional centers are to be developed and funded by an approved SAR 115 million capital expansion plan, aiming to increase the capacity of morning shifts in daycare centers to approximately 8,000 in the near term.



Ramp-up of recently launched daycare centers in the KSA to capacity

The Group plans to ramp up recently launched daycare centers and focus on maximizing capacity utilization, enhancing program offerings and delivering consistent quality. A key element of the ramp-up strategy involves optimizing the staffing model to ensure that each center is fully supported by a qualified and well-trained workforce. This includes ongoing professional development for staff to maintain high standards of care and education. Additionally, the Group will offer customized programs tailored to the needs of local families, focusing on early childhood development and special needs support, while ensuring these offerings align with the cultural and educational expectations of the KSA.

HDC launched 4 daycare centers in 2022G, 6 in 2023G and 8 in 2024G. Newly launched daycare centers require 24 months or more to ramp up and draw in a sufficient number of beneficiaries. Nonetheless, an average of 12 months of operation is typically enough to give a reliable picture of the center's performance for accounting purposes. In 2023G, centers opened prior to 2021G reached an average morning-shift capacity utilization of 99%. On the other hand, centers launched more recently, in 2021G, 2022G and 2023G, have an average utilization of 86%, 76% and 32%, respectively, demonstrating average ramp-up trajectory for centers.

Seeking to grow student enrollments at MDX Dubai through ongoing international recruitment efforts, further consolidation in the domestic student base and expansion of the program offering

At MDX Dubai, the Group will continue to target international students through its international outreach efforts and highly effective student recruitment strategy to drive growth whilst continuing to expand domestic enrollments, noting that in the academic year 2024G/2025G, there were 2,945 student enrollments, of which 46% were international students.

Enrollment growth has been supported by the one-year IFP, which provides students from international backgrounds who do not have the requirements to enroll directly in MDX Dubai's university student programs with the necessary tools and a pathway to be admitted to university student programs upon completion of the IFP. The IFP has further growth potential, for example through the launch of in-country IFP programs in core target recruitment markets, such as Pakistan.

MDX Dubai continues to introduce new programs geared towards the needs of the job market and new trends, comprising programs across health sciences and sports (e.g., MSc in Sports Performance Analysis, offered from September 2024G), cybersecurity, data analytics and digital media. In line with its focus on innovation, the university also launched programs in emerging sectors such as fintech and legal technology starting from academic year 2024G/2025G.

Additionally, MDX Dubai continues to introduce new in-demand courses aligned to regional trends within its core offering, mirroring current and future job market needs, such as the newly launched full-time Master of Business Administration (MBA) and Bachelor of Arts (BA) in Business Management (Tourism and Events).

Expansion of Existing Service Lines

The Group is in the process of expanding its SEC business by developing centers capable of offering 24-hour residential services ("**Residential Services for SEC**") for individuals with higher acuity. Such centers will be capable of catering to beneficiaries with a variety of complex special needs requiring residential inpatient services, while at the same time offering daycare services at the same location. The Group anticipates this will be an important step in improving the quality of the services provided, especially by serving beneficiaries close to their families, as well as transferring beneficiaries from the public to the private sector.

The Group is also considering the expansion of its service lines in the KSA and UAE to provide mainstream public K-12 education in schools ("**K-12**"), thereby positioning the Group as an end-to-end education provider across all education levels, supported by an integrated approach to SEC across all business lines. This approach mirrors, in the case of the KSA, the national strategy to increase private sector enrollments from 13% currently to 25% by 2030G.

MDX Dubai is assessing the possible launch of several new in-demand programs to be offered to students, aligned with the current and future job market. In addition, the Group is currently considering opportunities to establish universities in other GCC countries, including in the KSA. Therefore, the Group may enter into non-binding documentation for the purposes of exploring and assessing the expansion opportunities in the higher education sector.



Overview of Market

Saudi Arabia

Saudi Arabia's favourable macroeconomic and demographic trends are boosting awareness and driving demand for high-quality special needs education

Saudi Arabia's robust economic performance and Vision 2030 initiatives have significantly impacted its special needs education market. With a nominal GDP CAGR of 10.5% from 2021G to 2023G, surpassing the GCC average of 10.1%, the Kingdom's economic expansion and diversification are increasing consumer spending on education, including special needs services. The country's youthful population, with 43.8% aged under 30 as of 2023G, changing household demographics towards smaller families, and rising female employment are further driving demand for quality education, including specialised programmes. In addition, the government's focus on inclusivity and empowering people with disabilities, along with the adoption of inclusive educational practices, is creating opportunities for private players in special needs education services.

Saudi Arabia's special needs education sector is growing strongly, with a shift towards private institutions, particularly those specialising in cognitive and behavioural disabilities

Saudi Arabia's special needs education sector is experiencing strong growth, with enrolment reaching 86,875 students in 2023G, reflecting a 7.4% CAGR since 2021G. This growth is fuelled by increased awareness and government initiatives promoting inclusivity. The sector caters to broad range of individuals with varying degrees of severity, offering formal education through schools with specialized curricula for those with mild conditions. In addition, daycare centers focus on individuals with moderate severity, providing both educational and rehabilitation services, while comprehensive long-term care and boarding are available for more severe cases. While public institutions are dominant, there is a rising preference for private facilities due to their perceived higher quality and specialised services. The sector is also diversifying its services and programmes, particularly in private institutions, with a growing emphasis on cognitive and behavioural disabilities such as autism and ADHD. E-learning remains underdeveloped due to the need for individualised attention. However, institutes are increasingly incorporating online sessions for parents and digital pre-admission consulting sessions. Looking ahead, enrolment is projected to reach 131,381 by 2028G, growing at an 8.6% CAGR, with special education programmes expected to grow faster than full integration education. The private sector is poised to play an expanding role, driven by increased investment and the government's privatisation efforts, potentially including residential units in the future.

Saudi Arabia's fragmented special needs education is increasingly shaped by private operators like HDC, leveraging rising demand from increased awareness and diagnosis

Saudi Arabia's special needs education sector is highly fragmented, with a predominance of government-funded facilities and numerous private single-branch operators. However, the sector has seen an increasing role for private operators, particularly in the daycare centre segment, driven by the government's privatisation initiatives and rising demand from expatriates. Between 2022G and 2023G, students enrolled in private special needs education increased their share from 25.6% to 34.3%.

Competition revolves around proximity to households, the diversity of services provided, and the quality of programmes. Human Development Company (HDC) is the only player of scale, leading the market in terms of both size and specialisation, holding a 5.8% share of the total enrolled students with disabilities in 2023G far outpacing smaller competitors like Tatweer Education Holding, which had only a 1.2% share within the overall market.

As the largest player, HDC operates a network of 28 daycare centres and nine schools, as of 2023G. Established in 2007G, HDC has experienced significant growth, doubling its beneficiaries to over 5,000 in the past three years. This expansion is fuelled by high-quality services, government privatisation initiatives, and a focus on programmes for cognitive and behavioural disabilities.

United Arab Emirates

The UAE's robust macroeconomic conditions and favourable demographics significantly benefit its higher education market

As the second largest GCC economy with a nominal GDP of USD 514.1 billion in 2023G and a strong 11.3% CAGR from 2021G to 2023G, the UAE's economic diversification into non-oil sectors has bolstered disposable incomes to USD 27,879.4 per capita, nearly double the GCC average. This has spurred a 16.9% CAGR in education spending from 2021G to 2023G, with continued growth projected at 5.9% annually until 2028G. Demographically, the UAE benefits from high income levels, a growing expatriate population, and shifting household structures, such as smaller household sizes, which enable higher educational spending. With a population of nearly 9.7 million and over 40% of those earning over USD 30,000 annually,



coupled with increasing female workforce participation, the UAE's higher education market is well positioned for continued expansion and investment. By prioritising education through significant government spending, smart learning programmes, and enhanced curricula, the UAE is positioning itself as a global education hub, attracting international institutions and students, with the added benefit of offering a strong job market for graduating students seeking employment.

The UAE's higher education features a strong undergraduate base, growing postgraduate programmes, and a booming IFP market, reflecting rising demand for quality education and specialised skills

The undergraduate segment has seen a steady increase, with the number of enrolled students growing from 131,955 in 2021G to 139,144 in 2023G. This growth is fuelled by the UAE's push towards a diverse and attractive economy and improvements in education quality. The penetration of private institutions is increasing further, reflecting a preference for the flexibility, international exposure and industry-relevant programmes offered by private universities. Private institutions are gaining popularity, and the rise in enrolment has driven revenue growth. While hybrid learning models (a mix between e-learning and in-person education) are growing, on-campus education remains the primary focus due to the value placed on in-person experiences and campus life, especially at undergraduate level. During the same period, the UAE's IFP segment has surged due to increased demand from both local and international students, with the number of enrolled students rising from 1,786 in 2021G to 2,003 in 2023G. Initially led by UK institutions, IFPs are now also offered by a range of universities from the US, Australia and India. These one-year programmes, while still largely focusing on English proficiency, are becoming more specialised to align with undergraduate degrees. Tuition fees have generally increased since 2021G in line with broader inflation and growing demand. In the meantime, the postgraduate segment is experiencing significant growth, with enrolments reaching 39,808 in 2023G from 36,064 in 2021G. This rise is attributed to the growing demand for specialised knowledge and expertise (technical or subject-specific skills that usually require higher levels of education) in a competitive job market, in line with the UAE's emphasis on becoming a global business hub. Private institutions are drawing more students by providing globally accredited degrees, which include international-standard programs, opportunities for international mobility, English-medium teaching, extensive research facilities and flexible learning options.

Almasar Alshamil Education has the leading position in the UAE's higher education market through its diverse programme portfolio, presence across different price points, campus locations in Dubai, Abu Dhabi and Al Ain, as well as compelling value proposition to its target student segments

The UAE's private higher education market remained relatively concentrated, with the top five institutions capturing 46.6% of students in 2023G. Abu Dhabi University (13.5%) followed by Al Ain University (10.8%) lead the market, followed by Ajman University (8.3%), Middlesex University Dubai (7.4%) and Heriot-Watt University (6.7%). The market is highly competitive, with an array of local and international institutions offering diverse programmes, pursuing global accreditations, and investing in research to attract students.

Almasar Alshamil Education stands out as a prominent player, with its shares in Middlesex University Dubai, Abu Dhabi University and Liwa College collectively representing about 26.1% of private higher education student enrolments in the UAE in 2023G. Middlesex University Dubai has reputation for its affordable, high-quality UK degrees and excellent student experience. As of 2023G, the university enrolled 4,878 students, making it the largest private university in Dubai by number of students. Middlesex University Dubai has a diverse student body, which is also a result of the strong focus on recruitment of students from overseas. Abu Dhabi University enrolls 8,876 students as of 2023G; it is recognised for its academic quality and standards, which is reflected in the university's position in international rankings. Meanwhile, compared to Abu Dhabi University, Liwa College offers a generally more affordable undergraduate education, contributing to Almasar Alshamil Education's broad market coverage across price points and breadth of offering.

Summary of Financial Information

The summary of financial information presented below should be read in conjunction with The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, the consolidated financial statements for the year ended 31 December 2024G, and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2024G and 2025G.

Almasar Alshamil Education Company (the "Company") is a single shareholder closed joint stock company (formerly known as Amanat Special Education and Care Investments LLC) registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010831769 dated 6 October 2022G and under Saudi Arabian Ministry of Investment license number 102114402166741 dated 1 September 2022G.

The Company is a wholly owned subsidiary of Amanat Special Education and Care Holdings LTD registered as Private Company Limited by shares within the Abu Dhabi Global Market in the United Arab Emirates and ultimately owned by Amanat Holdings PJSC (the "Ultimate Parent Company" or "Amanat").



The principal activities of Amanat are to invest in companies and enterprises in the fields of education and healthcare as well as managing, developing and operating such companies and enterprises. Amanat is registered as a Public Joint Stock Company listed on the Dubai Financial Market, United Arab Emirates.

The operational performance and financial position presented in this section are the first set of consolidated financial statements of the Company and its subsidiaries which include Middlesex Associates FZ-LLC (“Middlesex University”, or “MDX”), Human Development Company LLC (“HDC”) and Human Rehabilitation Company LLC (“HRC”) (which is an investment held via HDC) (HDC and HRC together the “HDC Group”) (collectively the “Group”) following the reorganization of Amanat group (the “reorganization”) on 27 June 2024G for the purpose of an initial public offering to be filed with the Capital Market Authority in the Kingdom of Saudi Arabia on the Tadawul.

Following the completion of the restructuring at Amanat on 27 June 2024G, the ownership of Middlesex Associates FZ-LLC and NEMA Holding Company LLC “NEMA” investees was transferred to the Company through transfer of shares. The special purpose consolidated financial statements, the consolidated financial statements and the unaudited interim condensed consolidated financial statements reflect the financial performance and position of the Company and its subsidiaries as well as the carrying amount and the share of results of its associate as if the combination had occurred from the beginning of the earliest period presented in this section.

The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the attached notes have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (here in after referred to as “International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia”) and have been audited by Deloitte and Touche & Co. Chartered Accountants (hereinafter referred to as the “Auditor”). The unaudited interim condensed consolidated financial statements for the three-month periods ended 31 March 2024G and 31 March 2025G have been prepared in accordance with the International Accounting Standard 34: Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

The financial information for the financial years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 31 March 2025G were extracted from the financial statements for the financial year ended 31 December 2024G (and its comparative period 31 December 2023G), and from The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, and from the unaudited interim condensed consolidated financial statements for the three-month periods ended 31 March 2025G (and its comparative period 31 March 2024G).

SAR in 000s	Year ended 31 Decem- ber 2022G	Year ended 31 Decem- ber 2023G	Year ended 31 Decem- ber 2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G
Consolidated statement of comprehensive income data					
Revenue	181,011	342,557	437,065	124,792	153,797
Cost of revenue	(88,346)	(175,383)	(234,001)	(60,727)	(80,918)
Gross profit	92,665	167,174	203,064	64,065	72,879
General, selling and administrative expenses	(48,134)	(74,814)	(98,630)	(24,710)	(33,989)
Share of results of an associate	24,163	18,080	29,885	3,222	5,425
Other operating income	3,825	18,696	33,378	7,632	9,486
Operating profit	72,519	129,136	167,697	50,209	53,801
Finance income	344	1,913	3,664	1,023	1,200
Finance costs	(2,689)	(8,380)	(9,192)	(1,792)	(2,263)
Profit before zakat and income tax	70,174	122,669	162,169	49,440	52,738
Zakat and income taxes	(440)	(2,728)	(14,051)	(3,516)	(3,968)
Deferred taxes	-	(51,051)	-	-	-
Profit for the year/period	69,734	68,890	148,118	45,924	48,770
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement loss on employees’ benefit obligations	(130)	1,315	1,375	-	-
Total comprehensive income for the year/period	69,604	70,205	149,493	45,924	48,770
Consolidated statement of financial position data					
Total non-current assets	1,147,830	1,158,518	1,228,243	1,160,875	1,248,898



SAR in 000s	Year ended 31 Decem- ber 2022G	Year ended 31 Decem- ber 2023G	Year ended 31 Decem- ber 2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G
Total current assets	181,190	235,559	366,276	316,211	443,496
Total assets	1,329,020	1,394,077	1,594,519	1,477,086	1,692,394
Total equity	1,053,410	1,098,680	1,222,419	1,177,058	1,271,189
Total non-current liabilities	112,746	128,701	161,800	135,009	170,613
Total current liabilities	162,864	166,696	210,300	165,019	250,592
Total liabilities	275,610	295,397	372,100	300,028	421,205
Total liabilities and equity	1,329,020	1,394,077	1,594,519	1,477,086	1,692,394
Consolidated statement of cash flows data					
Net cash flows from operating activities	51,698	95,544	146,947	71,507	24,498
Net cash flows from / (used in) investing activities	(4,920)	(13,161)	(93,108)	(41,372)	(2,438)
Net cash flows from / (used in) financing activities	(24,293)	(42,985)	14,776	9,360	(179)
Ending cash and cash equivalents balance for the year/period	66,159	105,557	174,172	145,052	196,053

Source: The special purpose consolidated financial statements for the years ended 31 December 2022G, the consolidated financial statements for the years ended 31 December 2024G, and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Key performance indicators	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
Middlesex University				
Average number of domestic students	3,056	3,263	3,447	3,459
Average number of international students	1,319	1,779	2,382	3,019
Average number of students	4,374	5,041	5,828	6,478
Utilization %⁽¹⁾	100.0%	90.4%	92.5%	98.2%
Scholarship awarded as a % of total MDX revenue	27.3%	28.9%	28.6%	28.4%
Average revenue per student (in SAR) ⁽²⁾	34,227	35,218	39,237	38,331
HDC Group				
Average number of beneficiaries – centres	2,653	3,541	4,491	5,163
Average number of students – schools	327	351	335	345
Average number of students – schools under joint services agreements	639	743	803	888
Average number of students/ beneficiaries – total	3,619	4,635	5,629	6,396
Number of operating centres at year/ period end	21	27	35	36
Number of operating schools at year/ period end	4	4	3	3
Number of operating schools at year/ period end – Joint services agreements	6	6	7	7
Centres' morning shift utilization %⁽³⁾	55.9%	60.5%	59.0%	69.9%
Centres' total utilization %⁽³⁾	55.2%	50.5%	52.8%	59.8%
Average revenue per beneficiary (in SAR) ⁽⁴⁾	39,071	40,009	41,999	40,038
Average revenue per student (in SAR) ⁽⁴⁾	30,554	32,658	34,061	43,307
Average revenue per student (in SAR) –Joint services agreements ⁽⁴⁾	17,792	16,027	17,638	14,342
Average revenue per student/ beneficiary(in SAR)⁽⁴⁾	34,664	35,603	38,245	36,258
Key financial indicators				
EBITDA ⁽⁵⁾	96,718	168,353	215,561	66,738
Gross profit margin ⁽⁶⁾	51.2%	48.8%	46.5%	47.4%
General, selling and administrative expenses margin ⁽⁷⁾	26.6%	21.8%	22.6%	22.1%
Operating profit margin ⁽⁸⁾	40.1%	37.7%	38.4%	35.0%
EBITDA margin ⁽⁹⁾	53.4%	49.1%	49.3%	43.4%
Net profit margin ⁽¹⁰⁾	38.5%	20.1%	33.9%	31.7%



Key performance indicators	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
Group Days sales outstanding (DSO) ⁽¹¹⁾	233	143	133	132
Pro-forma Days sales outstanding (DSO) ⁽¹²⁾	153	143	133	132
Days inventory outstanding (DIO) ⁽¹³⁾	8	7	10	6
Days payables outstanding (DPO) ⁽¹⁴⁾	47	10	29	28
Cash conversion cycle (CCC) ⁽¹⁵⁾	194	140	114	110
Return on assets ⁽¹⁶⁾	5.2%	5.0%	9.4%	11.5%
Return on equity ⁽¹⁷⁾	6.6%	6.4%	12.2%	15.3%
Debt to equity ratio ⁽¹⁸⁾	10.9%	9.3%	14.3%	14.5%

Source: Management information

⁽¹⁾ Utilization % is computed based on the average number of students / the physical capacity of MDX (i.e 6,600 students).

⁽²⁾ Average revenue per student for the three-month periods ended 31 March 2024G and 2025G were annualized based on 3-months of revenue for comparative basis.

⁽³⁾ HDC Group's daycare centres operate either through a morning shift, evening shift or both morning and evening shifts (with the majority of the centres operating through morning and evening shifts). Accordingly, the utilization of each day care centre is dependent on the shifts they operate for. Management monitors the utilization of the centres based on the following:

- Morning shift utilization: This refers to the morning average number of beneficiaries / morning shift capacity.
- Total utilization: This refers to the total average number of beneficiaries / the total (morning + evening) capacities.

It is worth noting that 26 of HDC's daycare centres (total of 36 daycare centres as at 31 March 2025G) operate on both morning and evening shifts to accommodate the varying needs of the beneficiaries. The morning shift capacity represents the physical capacity of each center. Evening shifts were introduced to accommodate the needs of certain beneficiaries but remains less popular than the morning shifts, hence the morning shift is the primary driver of utilization, serving the majority of the enrolled beneficiaries. The introduction of the evening shift serves as a strategic enhancement and results in a total capacity that exceeds the physical capacity of the center to account for the additional shift.

Accordingly, it is important to note that the evening shift's inclusion in the calculation of total capacity reduces the resultant total capacity utilization figures, however, does not imply that such centres are underutilized, but rather that the availability of a second shift in those centers allows for the enrolment of beneficiaries, across both morning and evening shifts, that may total in excess of the physical capacity of such centres, hence improving efficiency of the facilities. By leveraging the infrastructure and resources available during the day, HDC tries to maximize operational efficiency through the evening shift, offering additional enrolment opportunities without incurring significant incremental fixed costs.

⁽⁴⁾ Average revenue per beneficiary / student in 2022G has been annualized (based on the actual 2 month of revenue that was consolidated and annualized for the full year). Average revenue per beneficiary / student for the three-month periods ended 31 March 2024G and 2025G were annualized based on 12-months of revenue for comparative basis.

⁽⁵⁾ Earnings before interest, tax, depreciation and amortization (EBITDA) is computed as profit for the year / period + deferred taxes + zakat and income tax + finance costs + depreciation of right of use assets + amortization of intangible assets + depreciation of property and equipment + amortization of PPA assets - finance income.

⁽⁶⁾ Gross profit margin is computed as gross profit / revenue.

⁽⁷⁾ General, selling and administrative expenses margin is computed as General, selling and administrative expenses / revenue.

⁽⁸⁾ Operating profit margin is computed as operating profit / revenue.

⁽⁹⁾ Earnings before interest, tax, depreciation and amortization (EBITDA) margin is computed as earnings before interest, tax, depreciation and amortization (EBITDA) / revenue.

⁽¹⁰⁾ Net profit margin is computed as net profit for the year / period / revenue.

⁽¹¹⁾ Group DSO was calculated using gross receivables / revenue * 365 days (90 days for the three-month period ended 31 March 2024G and 2025G).

⁽¹²⁾ Pro forma DSO was calculated using the full-year impact of HDC Group's revenue for 2022G, along with its receivables as at 31 December 2022G. This is an indicative illustration of the average DSO days the Group would have recorded if the HDC Group acquisition had occurred before 2022G and to provide an analytical view of the DSO trends throughout the historical period.

⁽¹³⁾ DIO was calculated using inventory / direct costs (excluding salaries and depreciation) * 365 days (90 days for the three-month period ended 31 March 2024G and 2025G).

⁽¹⁴⁾ DPO was calculated using trade payables / direct costs (excluding salaries and depreciation) * 365 days (90 days for the three-month period ended 31 March 2024G and 2025G).

⁽¹⁵⁾ CCC was calculated using Group DSO + DIO - DPO.

⁽¹⁶⁾ ROA was calculated using profit for the year / total assets; (net income / 3 * 12 / total assets for the three-month period ended 31 March 2024G and 2025G).

⁽¹⁷⁾ ROE was calculated using profit for the year / total equity; (net income / 3 * 12 / total equity for the three-month period ended 31 March 2024G and 2025G).

⁽¹⁸⁾ Debt to equity ratio was calculated using bank financing and lease contract liabilities / total equity.



Summary of Risk Factors

Before deciding to subscribe for the Offer Shares, prospective Subscribers should carefully review all of the information contained in this Prospectus, particularly the risks described below. These risks are detailed in Section 2 (“**Risk Factors**”) of this Prospectus.

2.1 Risks Related to the Group’s Activities and Operations

- 2.1.1 Risks Related to the Concentration of Revenue on Payments from Government Entities and Reliance on their Sponsorship Programs
- 2.1.2 Risks Related to Retaining Current Students and Attracting New Students
- 2.1.3 Risks Related to the Quality of Services Provided and Determining Tuition Fees in Schools and Daycare Centers
- 2.1.4 Risks Related to the Academic Offerings of the Group
- 2.1.5 Risks Related to the Group’s Interests in NEMA Holding Company
- 2.1.6 Risks Related to the Use of Service Providers or Similar Relationships with Third Parties
- 2.1.7 Risks Related to the Company’s Ability to Distribute Dividends and its Reliance on the Performance of its Subsidiaries
- 2.1.8 Risks Related to Reliance on Joint Venture and Partnership Agreements and Related Operations
- 2.1.9 Risks Related to the Concentration of Revenues in Specific Campuses and Educational Programs
- 2.1.10 Risks Related to Reliance on the Group’s IT Infrastructure, Operating Systems and Other Systems
- 2.1.11 Risks Related to Data Loss or Damage Due to Malfunctions in the Group’s Systems and Data Centers
- 2.1.12 Risks Related to Pricing Restrictions on Educational Services
- 2.1.13 Risks Related to the Group’s Reliance on Senior Executives, Key Employees and Educational Staff
- 2.1.14 Risks Related to the Newness of the Company’s Management and its Limited Experience in Managing a Listed Company and the Vacancy of Executive Positions Therein
- 2.1.15 Risks Related to Achieving the Group’s Strategy
- 2.1.16 Risks Related to the Company Being Recently Established
- 2.1.17 Risks Related to Potential Future Acquisitions
- 2.1.18 Risks Related to Management Decisions
- 2.1.19 Risks Related to Financing
- 2.1.20 Risks Related to Inadequacy of Insurance Coverage
- 2.1.21 Risks Related to Capex and Maintenance Requirements for Educational Complexes and Depreciation
- 2.1.22 Risks Related to the Impact of Impairment of Goodwill and Intangible Assets of the Group
- 2.1.23 Risks Related to the Group’s Reliance on Leased Sites
- 2.1.24 Risks Related to the Inability to Implement Expansion Plans through Leasing or Building Educational Complexes
- 2.1.25 Risks Related to Local and International Curricula Requirements
- 2.1.26 Risks Related to Employees’ Misconduct and Errors
- 2.1.27 Risks Related to the Company’s Trademarks and Intellectual Property Rights
- 2.1.28 Risks Related to Transactions and Contracts with Related Parties and the Company’s Directors and Senior Executives Competing with the Group’s Business and Activities
- 2.1.29 Risks Related to Judicial Disputes
- 2.1.30 Risks Related to the Seasonality of the Group’s Business



- 2.1.31 Risks Related to the Group's Compliance with the Companies Law
- 2.1.32 Risks Related to the Opening and Closure of Centers, Schools and University Campuses

2.2 Risks Related to the Market, Sector and Regulatory Environment

- 2.2.1 Risks Related to the Licenses and Permits Under Which the Group Operates
- 2.2.2 Risks Related to Changes in the Regulatory Environment of the Group and the Sectors in which it Operates
- 2.2.3 Risks Related to Failure to Consistently Abide by the Regulations and Instructions of MOE KSA and MHRSD and Other Relevant Authorities in Other Jurisdictions
- 2.2.4 Risks Related to the Concentration of the Group's Business in One Geographical Area
- 2.2.5 Risks Related to the Support Provided by the Ministry of Human Resources and Social Development
- 2.2.6 Risks Related to the Application of Financial Reporting Standards, Accounting Estimates, Assumptions and Revenue Recognition
- 2.2.7 Risks Related to Taxes and Potential Zakat Entitlements
- 2.2.8 Risks Related to Interest Rate Fluctuations
- 2.2.9 Risks Related to the Competition and Antitrust Law
- 2.2.10 Risks Related to the Group's Compliance with the Corporate Governance Regulations and Continuing Obligations
- 2.2.11 Risks Related to Compliance with the Requirements of the Labor Law and Saudization Requirements
- 2.2.12 Risks Related to Rising Inflation Rates Worldwide
- 2.2.13 Risks Related to Natural Disasters and Outbreaks of Infectious Diseases

2.3 Risks Related to the Offer Shares

- 2.3.1 Risks Related to Effective Control by the Current Shareholder Post-Offering
- 2.3.2 Risks Related to Liquidity and the Absence of a Prior Market for the Shares
- 2.3.3 Risks Related to the Sale of a Large Number of Shares Post-Offering
- 2.3.4 Risks Related to Fluctuations in the Market Price of the Shares
- 2.3.5 Risks Related to Foreign Exchange Rates when Investing in the Offer Shares
- 2.3.6 Risks Related to a Delay in Closing the Offering and Listing the Shares
- 2.3.7 Risks Related to Research Published about the Group
- 2.3.8 Risks Related to Unqualified Foreign Investors Not Being Able to Directly Hold Shares
- 2.3.9 Risks Related to Prospects and Related Forward-Looking Statements



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The image features a dark blue background with light blue geometric elements. At the top, there are several horizontal and vertical lines forming a frame. Below these, a series of light blue shapes resembling a stylized city skyline or a series of connected triangles and rectangles are arranged. A solid light blue horizontal band spans the width of the page, containing the text "Definitions and Abbreviations". Below this band, there is another set of light blue lines forming a frame, and a large, light blue number "1" is centered in the lower half of the page.

Definitions and Abbreviations

1



1. Definitions and Abbreviations

The key definitions and abbreviations used in this Prospectus are set out below:

Admission	Admission of the shares, including the Offer Shares, to trading on the Exchange in accordance with the Rules on the Offer of Securities and Continuing Obligations (“ OSCOs ”) and the Listing Rules.
Advisors	The Company’s advisors in relation to the Offering, whose names appear on pages (vi) to (vii) of this Prospectus.
Affiliate	Any person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Amanat Holdings	The ultimate owner of all Company shares pre-Offering.
Attention Deficit Hyperactivity Disorder (ADHD)	A common mental health condition that begins in childhood and can continue into adolescence and adulthood. A child with this disorder has trouble paying attention and is hyperactive and impulsive or both, which makes it difficult to perform daily tasks and can slow growth.
Auditor	Deloitte and Touche & Co., Chartered Accountants and Auditors.
Authority or CMA	The Capital Market Authority of the Kingdom of Saudi Arabia. Any reference to the Authority’s resolutions is a reference to the resolutions of its board.
Bid Form	The bid form that Participating Parties use to apply for participation in the Book Building Process.
Board of Directors	The Board of Directors of the Company.
Book Building Instructions	The Instructions for Book Building Process and Allocation Method in Initial Public Offerings issued pursuant to CMA Board Resolution No. 2-94-2016 dated 15/10/1437H (corresponding to 20/07/2016G), as amended pursuant to CMA Board Resolution No. 1-103-2022 dated 02/03/1444H (corresponding to 28/09/2022G).
Bookrunners	SNB Capital and EFG Hermes KSA.
Business Day	Any day (with the exception of Fridays, Saturdays and official holidays) on which the Receiving Agents are open for business in the KSA.
Bylaws	The Company’s Bylaws as summarized in Section 11.14 (“ Summary of Bylaws ”).
CAGR	The mean annual rate of return of growth between two specified years, assuming that growth occurs at a compound rate and in multiples.
Capital Market Law (CML)	The Capital Market Law issued under Royal Decree M/30 dated 02/06/1424H (corresponding to 31/07/2003G), as amended.
CEO	The chief executive officer of the Company.
CFO	The chief financial officer of the Company.
CGRs	The Corporate Governance Regulations issued pursuant to CMA Board Resolution No. 8-16-2017 dated 16/05/1438H (corresponding to 13/02/2017G), as amended pursuant to CMA Board Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G), based on the Companies Law.
Chairman	The chairman of the Company’s Board of Directors.
Companies Law	The Companies Law issued under Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G), as amended.
Competition Law	The Competition Law issued under Royal Decree No. M/75 dated 29/06/1440H (corresponding to 06/03/2019G).
Control	Pursuant to the definition stated in the Glossary of Defined Terms used in the CMA Regulations, “control” means the ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (1) holding 30% or more of the voting rights in a company or (2) having the right to appoint 30% or more of the members of the governing body. The term “controlling party” shall be construed accordingly.
Daycare Centers	Centers that are subject to the supervision and regulation of the Ministry of Human Resources concerned with providing education, care, training and rehabilitation services for people with moderate, severe and multiple mental disabilities from the age of 12 to 45 years during morning or evening shifts.



Department of Education and Knowledge (ADEK)	Abu Dhabi's Department of Education and Knowledge, responsible for its education sector.
Depository Center (Edaa)	A securities depository center licensed to engage in the activities of depositing, transferring, settling and registering ownership of securities traded on the Exchange in the KSA in accordance with the provisions of the Capital Market Law and the Securities Exchanges and Depository Centers Regulations.
Directors	Members of the Company's Board of Directors.
Eight Lines	Eight Lines Holding Investments.
ESG Practices	A set of standards that companies apply in their operations and that socially conscious investors follow to screen potential investments.
Exchange	The Saudi Exchange or Saudi Tadawul Company, as the context requires, including any committee, subcommittee, employee, officer, affiliate or agent who may, for the time being, be assigned to perform any of the functions of the Exchange. The term "on the Exchange" means any activity that takes place through the facilities provided by the Exchange. In addition, any reference to the Saudi Exchange is a reference to the Exchange.
Exchange Rules	A set of rules, regulations, procedures and instructions proposed by the Board of Directors of the Exchange and approved by the CMA Board.
Extraordinary General Assembly	The Extraordinary General Assembly of Shareholders convened in accordance with the Company's Bylaws.
Financial Advisor	SNB Capital.
Financial and Tax Due Diligence Advisor	PricewaterhouseCoopers Chartered Accountants.
Financial Year	The Company's financial year.
Foreign Investors	Qualified Foreign Investors (QFIs) and Foreign Strategic Investors (FSIs).
Foreign Strategic Investors (FSIs)	A foreign legal entity aiming to acquire a direct percentage of a listed company's shares for a period of no less than two years, in order to contribute to enhancing the financial or operating performance of such listed company.
G	Gregorian calendar.
GCC	The Cooperation Council for the Arab States of the Gulf.
GCC Investor with Legal Personality	A legal entity with a majority of its share capital owned by citizens of GCC countries or their governments, which have the nationality of a GCC country in accordance with the definition set out in the Resolution of the Supreme Council of the Gulf Cooperation Council (GCC) issued in its fifteenth session and approved by Council of Ministers' Resolution No. 16 dated 20/01/1418H, as well as corporate investment funds established in a GCC country whose units are publicly offered to investors in those countries in accordance with their respective applicable laws and the majority of their share capital is owned by citizens of GCC countries or their governments.
GDP	The total value of goods produced and services provided in a country during a single year.
General Assembly	An Extraordinary General Assembly or Ordinary General Assembly of the Company.
Glossary of Defined Terms used in CMA Regulations	The Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued pursuant to CMA Board Resolution No. 4-11-2004 dated 20/08/1425H (corresponding to 04/10/2004G), as amended by CMA Board Resolution No. 1-54-2025 dated 23/11/1446H (corresponding to 21/05/2025G).
GOSI	The General Organization for Social Insurance in the Kingdom of Saudi Arabia.
Government	The Government of the Kingdom of Saudi Arabia.
Group	The Company and its Subsidiaries.
Group Companies	The Company or any of its Subsidiaries.
H	Hijri calendar.
HDC	Human Development Company LLC.
Higher Education	Higher education refers to education provided by universities, colleges and other institutions that award academic degrees or professional certifications. Higher education comes after secondary education and includes university student programs (such as bachelor's degrees), graduate programs (such as master's and doctorate degrees) and International Foundation Programmes ("IFPs").



Higher Education Program	A higher education program is an advanced educational program that can only be taken after completing an undergraduate/bachelor's degree. These programs lead to the award of higher academic qualifications such as master's degrees, doctoral degrees (PhDs), and postgraduate diplomas or certificates. Higher education programs typically involve a more specialized and in-depth focus on a particular field or discipline, and may include a combination of coursework, research, and practical training. The duration of these programs varies, with master's programs usually lasting 1-2 years and PhD programs usually taking 4-7 years to complete. Non-academic higher education programs are excluded.
HRC	Human Rehabilitation Company LLC.
Human Development Group or HDC Group	HDC and HRC.
Hybrid Learning Models	Refers to education delivered through a mixture of e-learning and in-person classes.
IASB	The International Accounting Standards Board affiliated to International Accounting Standards Committee, which is mandated with the development of the international accounting standards.
IFRS	The International Financial Reporting Standards issued by IASB.
IFRS-KSA	The International Financial Reporting Standards endorsed in the KSA, and other standards and pronouncements endorsed by SOCPA.
Implementing Regulations of the Companies Law	The Implementing Regulations of the Companies Law for Listed Joint Stock Companies issued by CMA Board Resolution No. 8-127-2016 dated 16/01/1438H (corresponding to 17/10/2016G) pursuant to the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G), as amended pursuant to CMA Board Resolution No. 2-26-2023 dated 05/09/1444H (corresponding to 27/03/2023G), pursuant to the Companies Law issued by Royal Decree M/132 dated 01/12/1443H (corresponding to 30/06/2022G).
Implementing Regulations of the Companies Law for Listed Joint Stock Companies	The Implementing Regulations of the Companies Law for Listed Joint Stock Companies issued by CMA Board Resolution No. 8-127-2016 dated 16/01/1438H (corresponding to 17/10/2016G), as amended pursuant to CMA Board Resolution No. 2-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G), pursuant to the Companies Law.
Individual Subscribers	This tranche comprises Saudi natural persons including any divorced or widowed Saudi woman with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in her name and/or in the names of her minor children, provided that she proves that she is divorced or widowed and the mother of her Saudi minor children, any non-Saudi natural person who is resident in the KSA or GCC nationals who have a bank account with one of the Receiving Agents and an active investment portfolio at a Capital Market Institution affiliated with the Receiving Agent through which the subscription is to be made. Subscriptions will be considered invalid in the absence of an active share portfolio account with a Capital Market Institution affiliated with the Receiving Agent through which the subscription is to be made.
Individual Subscription Application Form	The subscription application form that Individual Subscribers must fill out to subscribe to the Offer Shares during the Offering Period for Individual Subscribers.
Integration Education	Integrating special needs students into general education programs and schools.
Internal Corporate Governance Manual	The Company's Internal Corporate Governance Manual approved on 27/04/1446H (corresponding to 30/10/2024G).
International Foundation Programme (IFP)	An International Foundation Programme (also sometimes referred to as a university foundation program) is a preparatory course for students when their previous education does not meet the entry requirements of the target institution or country. These programs aim to bridge the gap between the student's current qualifications and the academic standards of the university and are usually for a period of one year.
Kingdom or KSA	The Kingdom of Saudi Arabia.
Labor Law	The Saudi Labor Law issued under Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Legal Advisor	Fahad Abuhimed, Majid Alsheikh, Mansoor Alhagbani and Clifford Chance Law Firm.
Listing	The listing of securities on the Exchange in accordance with the Listing Rules.
Listing Rules	The Listing Rules approved by CMA Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), as amended pursuant to CMA Board Resolution No. 4-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G).
Lock-up Period	The period during which the Substantial Shareholder may not dispose of its shares, which ends six (6) months after commencement of trading of the Company's shares on the Exchange.



Main Market	The market on which shares that have been registered and offered under Part 4 of the Rules on the Offer of Securities and Continuing Obligations (“ OSCOs ”) are traded and accepted for listing under Part 3 of the Listing Rules.
Market Consultant or Euromonitor International	Euromonitor International.
Material Subsidiaries	The Material Subsidiaries of the Company, namely: 1. MDX Associates. 2. HRC. 3. HDC. 4. NEMA Holding Company. 5. NEMA Education.
MDX Associates	Middlesex Associates FZ-LLC, a subsidiary company established under the regulations of the Dubai Free Zone.
MDX Dubai	Middlesex University Dubai.
MDX UK	Middlesex University in London.
MHRSD	The Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia.
Middle East and Africa (MEA)	The MEA region is composed of 68 countries: Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Congo-Brazzaville, Côte d’Ivoire, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Iran, Iraq, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Réunion, Rwanda, Sao Tomé e Príncipe, Kingdom of Saudi Arabia, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Eswatini, Syria, Tanzania, Togo, Tunisia, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe.
MOC	The Ministry of Commerce in the Kingdom of Saudi Arabia.
NEMA Education	NEMA Education Company, a limited liability company established under Abu Dhabi regulations in the UAE, on 31/10/2013G.
NEMA Group	NEMA Holding Company, a Group Subsidiary, and its subsidiaries.
Net Offering Proceeds	The Offering proceeds after deduction of all expenses related to the Offering.
Number of Students	The total count of individuals enrolled in an educational institution at a given time. This includes newly enrolled students as well as continued enrollments.
Offer Price	SAR (19.5) per Offer Share.
Offer Shares	Thirty million, seven hundred and twenty thousand, four hundred (30,720,400) of the Company’s current share capital that will be offered.
Offering	The initial public offering of the Company’s shares under the terms set forth in this Prospectus.
Offering Period for Individual Subscribers	The period that shall commence on Tuesday, 27/05/1447H (corresponding to 18/11/2025G), and shall continue for three days, including the final day for closing the subscription, ending at 2:00 PM. KSA time on Thursday, 29/05/1447H (corresponding to 20/11/2025G).
Ordinary General Assembly	An Ordinary General Assembly of Shareholders convened in accordance with the Company’s Bylaws.
Participating Parties	This tranche comprises the categories that are entitled to participate in the Book Building Process under the Book Building Instructions, namely: 1. Public and private funds that invest in securities listed on the Saudi Exchange if the fund’s terms and conditions permit such, while adhering to the provisions and restrictions stipulated in the Investment Funds Regulations and the Book Building Instructions. 2. Capital Market Institutions licensed to deal as a principal, while adhering to the provisions set out in the Prudential Rules when submitting a Bid Form. 3. Clients of a Capital Market Institution authorized by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book Building Instructions. 4. Any legal persons entitled to open an investment account in the KSA and an account with Edaa, including foreign legal persons who may invest on the Exchange where the Issuer’s shares will be listed, subject to the controls on listed companies’ investment in listed securities set out in CMA Circular No. 6/05158 dated 11/08/1435H (corresponding to 09/06/2014G) issued pursuant to CMA Board Resolution No. 9-28-2014 dated 20/07/1435H (corresponding to 19/05/2014G). 5. Government entities, any international authority recognized by the CMA or the Exchange, or any other stock exchange recognized by the CMA or Edaa. 6. Government-owned companies, whether investing directly or through a portfolio manager. 7. GCC companies and GCC funds, if permissible according to the terms and conditions of such funds.



Physiotherapy	Physical health care provided to patients with the aim of relieving pain, improving mobility, preventing disability or avoiding the need for surgery.
Prospectus	This prospectus, which has been prepared by the Company in connection with the Offering in accordance with the Rules on the Offer of Securities and Continuing Obligations (OSCOs).
Public	Persons other than the following: 1. Affiliates of the Issuer; 2. the Selling Shareholder of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. directors and senior executives of the Affiliates of the Issuer; 5. directors and senior executives of the Selling Shareholder of the Issuer; 6. any Relatives of the persons referred to in 1, 2, 3, 4 or 5 above; 7. any company controlled by any person referred to in 1, 2, 3, 4, 5 or 6 above; or 8. persons acting in concert with a collective shareholding of 5% or more of the class of shares to be listed.
Qualified Foreign Investors (QFIs)	A foreign investor, in accordance with the provisions of Part 3 of the Rules for Foreign Investment in Securities, qualified to invest in shares listed on the Main Market.
Receiving Agents	The Receiving Agents whose names are mentioned on page (viii) of this Prospectus.
Related Party/Parties	The term “Related Party/Parties” in this Prospectus and pursuant to the Glossary of Defined Terms Used in the CMA Regulations includes the following entities: 1. Subsidiaries of the Company, except for companies wholly owned by the Company; 2. the Selling Shareholder of the Company; 3. Directors and Senior Executives of the Company; 4. directors of the Affiliates of the Company; 5. directors and senior executives of the Selling Shareholder of the Company; 6. any Relatives of the persons referred to in 1, 2, 3, or 5 above; and 7. any other company or facility controlled by any person referred to in 1, 2, 3, 5 or 6 above. For the purposes of paragraph 6 above, “relatives” shall mean parents, husband, wife, and children.
Relatives	Husband, wives and minor children. For the purposes of the CGRs, this term includes the following: – parents, grandparents and their ancestors; – children, grandchildren and their descendants; – siblings and maternal and paternal half-siblings; and – husbands and wives.
Returning Students	Students enrolled at university and returning to complete their studies for another academic year.
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued pursuant to CMA Board Resolution No. 2-26-2023 dated 05/09/1444H (corresponding to 27/03/2023G) under the Capital Market Law, as amended by CMA Board Resolution No.2-57-2025 dated 28/11/1446H (corresponding to 26/05/2025G).
Rules on the Offer of Securities and Continuing Obligations (OSCOs)	The Rules on the Offer of Securities and Continuing Obligations issued by the CMA Board pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law, as amended by CMA Board Resolution No. 1-53-2025 dated 21/11/1446H (corresponding to 19/05/2025G).
SAR	The official currency of the Kingdom of Saudi Arabia.
Saudi Central Bank	The Central Bank of Saudi Arabia (formerly the “Saudi Arabian Monetary Authority”).
Secretary	The Secretary of the Board of Directors.
Selling Shareholder	Amanat Special Education and Care Holdings Ltd, a private company limited by shares registered in the Abu Dhabi Global Market, operating under License No. 000007870 issued on 01/08/2022G.
Senior Executives	The senior executives whose names appear in Section 5.5 (“ Senior Executives ”), who are members of the Company’s Executive Management.
Shareholder	Any holder of shares in the Company.
Shares	Any ordinary Share in the Company’s share capital with a nominal value of ten Saudi riyals (SAR 10) per share.



SOCPA	The Saudi Organization for Chartered and Professional Accountants.
Special Needs Education and Care (SEC)	A special needs education and care program is an educational and rehabilitation program designed to support students with disabilities or learning difficulties. These programs provide tailored instruction, resources and accommodations to meet the unique needs of each student. Their goal is to help students with special needs achieve their full academic potential and develop essential life skills. Special needs programs can be implemented in various educational settings, including mainstream classrooms, specialized schools, or through individualized education plans (IEPs). They often involve collaboration between educators, specialists, and families to establish a supportive learning environment.
Subscribers or Investors	Individual Subscribers and Participating Parties.
Subscription Application Form	The application form that Individual Subscribers and Participating Parties (as applicable) must fill out in order to subscribe for the Offer Shares.
SWAP Agreements	Non-GCC nationals who are not residents of the Kingdom and non-GCC institutions registered outside the Kingdom shall be permitted to invest indirectly to acquire an economic interest in the shares by entering into SWAP agreements with Capital Market Institutions authorized by the CMA. Under such SWAP agreements, the Capital Market Institutions shall be registered as the legal owner of such shares.
Tuition Expenses	Tuition expenses are the fees that educational institutions charge to students. Tuition expenses are the primary source of revenue for such institutions (unless publicly funded). Tuition expenses can vary widely depending on the type of institution, the level of education, the field of study, and the country or region.
UAE	The United Arab Emirates.
Underwriter	SNB Capital.
Underwriting Agreement	The underwriting agreement entered into between the Company, the Selling Shareholder and the Underwriter in accordance with the terms described in Section 12 (“ Underwriting ”).
University Student Program	A university student program (often referred to as a “bachelor’s”) is a college or university program that provides the student with a bachelor’s degree upon completion. Such programs typically last 3-4 years, depending on the country and institution, and include a combination of general education courses, major-specific courses, and elective courses. The purpose of a university student program is to provide students with a broad-based education while also allowing them to specialize in a particular field of study.
USD	The official currency of the United States of America.
ZATCA	The Zakat, Tax and Customs Authority of the Kingdom of Saudi Arabia.





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2. Risk Factors

Before deciding whether to invest in the Offer Shares, all prospective investors are advised to carefully consider all the information contained in this Prospectus, particularly the risk factors described below. These risk factors may not include all the risks that the Group may encounter, and additional risks may exist that are not currently known by the Group, or that may be deemed immaterial but may nevertheless affect the Group's business, results of operations, financial position and prospects.

The Group's business, financial position, results of operations and prospects could be adversely and materially affected if any of the risks below, or any other risks that the Directors have not identified or that are not considered to be material, actually occur or become material. As a result of such risks or other factors that may affect the Group, the forward-looking events and circumstances presented in this Prospectus might not occur in the way the Group and/or the Directors expect, or at all. When evaluating the risks described below, a prospective investor should also consider, among other information set out in this Prospectus, the information on the Group and the relevant agreements described in Section 4 ("**Company Section**") and Section 11 ("**Legal Information**") of this Prospectus.

The Directors declare that, to the best of their knowledge and belief, there are no other material risks as at the date of this Prospectus, other than those disclosed in this section, whose non-disclosure could affect an investor's decision to invest in the Offer Shares.

An investment in the Offer Shares is only appropriate for investors who are capable of assessing the risks and merits of such an investment and who have sufficient resources to bear any loss that might result from this investment. Any prospective investor who has any doubts concerning the appropriate action to be taken should consult a financial advisor licensed by the CMA for advice in connection with any investment in the Offer Shares.

The occurrence of any of the risk factors specified below, or the occurrence of any other risks which the Directors have not identified or those which they do not consider to be material as at the date of this Prospectus, may result in the reduction of the price of the shares on the market and an investor could lose all or some of the value of their investment in the Offer Shares.

The risks described below are not presented in an order that reflects their importance, likelihood, or anticipated effect on the Group. The risks set out in this Section 2 ("**Risk Factors**") do not purport to be: (a) a complete list of all risks which may affect the Group or its operations, activities, assets or markets in which it operates; or (b) all the risks involved in investing in the Offer Shares.

2.1 Risks Related to the Group's Activities and Operations

2.1.1 Risks Related to the Concentration of Revenue on Payments from Government Entities and Reliance on their Sponsorship Programs

The Group is exposed to risks associated with the concentration of revenue generated mainly from the services offered to special needs education and care ("**SEC**") students sponsored by the KSA government. These services are provided in the KSA through HDC and HRC through 6 owned schools and 8 managed schools under partnership agreements with existing schools, and through 39 daycare centers operated by the Group under the "Obour" brand (for further information, please refer to Section 4.6.3 ("**Special Needs Education and Care**") of this Prospectus). As at the date of this Prospectus, more than 90% of the special needs students at the Group's schools and centers are sponsored by the Saudi Ministry of Education (MOE KSA) and the Saudi Ministry of Human Resources and Social Development (MHRSD). MHRSD covers the education and care fees for special needs students in daycare centers, in addition to other related services fees, such as therapeutic, transportation and other services, as applicable to each case. Pursuant to the applicable regulations, the KSA government covers the education, care and rehabilitation expenses of special needs students, subject to certain conditions and requirements in daycare centers. MOE KSA covers the tuition fees of special needs students in schools operated by the Group as part of its initiative to integrate students with mild to moderate disabilities into mainstream schools. Tuition fees for students in SEC schools are usually proposed for each semester by HDC and submitted to MOE KSA, which evaluates and approves them. Any change in tuition fees must be approved by MOE KSA (for further information, please refer to Section 4.6.3.4 ("**SEC Fees**") of this Prospectus). The revenues received by the Group from the KSA government as part of the above-mentioned sponsorship programs amounted to approximately SAR 150.8 million for the financial year ended 31 December 2023G, SAR 197.6 million for the financial year ended 31 December 2024G, and SAR 64.5 million for the three-month period ended 31 March 2025G. These amounts represented 91.8% of the Group's revenue in the KSA for the financial years ended 31 December 2023G and 2024G, and 92.5%



for the three-month period ended 31 March 2025G. On a consolidated basis, the revenues received by HDC and HRC from MOE KSA and MHRSD constituted 45% of the Group's total revenue for the financial year ended 31 December 2024G and 44% of the Group's total revenues for the financial year ended 31 December 2023G, and 42% for the three-month period ended 31 March 2025G. It should be noted that these sponsorships were included in the calculations for the financial years ended 31 December 2023G and 2024G and the three-month period ended 31 March 2025G, due to the Group's acquisition of HDC at the end of 2022G.

Given that over 90% of the Group's revenue in the KSA during the past three financial years through HDC and HRC was generated primarily from fees paid by MOE KSA and MHRSD, the Group's operations in the KSA rely significantly on the continuation of these sponsorships. The Group cannot guarantee the continuation of this sponsorship. If it is reduced or discontinued, it could significantly impact the number of students enrolled in the Group's programs within the KSA. Furthermore, MHRSD has a degree of discretion in determining the terms and conditions for sponsoring special needs students in daycare centers. This could result in the imposition of onerous conditions and requirements that the Group may not be able to comply with at all, or which it may not be able to comply with without incurring considerable expenses, or which may no longer be applicable to the Group (for example if such sponsorships were only applicable to government daycare centers and not the Group). Moreover, MOE KSA, through its education voucher initiative administered by the "Madares" platform of Tatweer Educational Technologies Company ("**Tatweer**"), a company wholly owned by Tatweer Holding Company, which in turn is a subsidiary of MOE KSA, mandates that schools enter into template agreements with Tatweer to provide services for SEC students. These agreements include obligations and requirements that the school must meet in order to provide services to special needs students and receive educational voucher payments. These requirements, policies, and funding allocations may change based on the priorities of the Saudi government, financial constraints, economic changes, or the failure of schools to maintain MOE KSA's requirements (for more details on agreements with Tatweer Educational Technologies Company, please refer to Section 11.6.2 ("**Summary of Material Agreements Related to Contracts between HRC through its Affiliated Schools and Tatweer Educational Technologies Company**") of this Prospectus). Furthermore, Tatweer has the right to terminate the contract at its own discretion and without cause by providing the contracted school with a 15-day written notice. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

Furthermore, any reduction, delay, or suspension of such sponsorships could materially impact the Group's financial performance, reducing its ability to maintain current operating levels and profitability, as SEC students may be unable to pay tuition fees and may choose to seek services at other schools or daycare centers with lower costs. In addition, the Group's reliance on these subsidies and sponsorships exposes it to the risk of adverse changes in the Saudi government's policies or the availability of funding, which could lead to significant instability in its financial position. If the Group is unable to secure alternative funding sources, attract and retain students and align its operations to compensate for reduced subsidies, this would have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

The collection period for sponsorships from these government entities is relatively long, and the acquisition of HDC has impacted the Group's average collection period. The collection period stood at 233 days as at 31 December 2022G (it should be noted that this period includes only two months of revenue from HDC, as the acquisition was completed in October 2022G), 143 days as at 31 December 2023G and 133 days as at 31 December 2024G, before increasing to 132 days as at 31 March 2025G. The majority of HDC's accounts receivable are from MHRSD and MOE KSA. Consequently, the expected collection period is longer.

Accounts receivable from government customers of HDC represented 69.2%, 67.8% and 78.8% of the Group's total accounts receivable as at 31 December 2022G, 2023G and 2024G, and 85.2% as at 31 March 2025G. Accounts receivable from MHRSD comprised 60.2%, 67.6% and 90.5% of HDC's total accounts receivable as at 31 December 2022G, 2023G and 2024G, and 94.3% as at 31 March 2025G. These receivables constituted 47.0%, 52.2% and 74.6% of the Group's total accounts receivable as at 31 December 2022G, 2023G and 2024G, and 82.1% as at 31 March 2025G.

This delay has impacted the Group's cash flows, leading both HDC and HRC to seek short-term financing facilities to meet their working capital requirements during such period. Furthermore, this delay impacts the Group's cash flows and financial position, as the financing facilities carry additional costs that negatively affect its net income. The Group may not be able to secure such financing in the future to meet its working capital requirements, which could have a material adverse effect on its business, profitability and financial position.

It should be noted that both MHRSD and MOE KSA may from time to time refuse to pay amounts owed to the Group, representing the value of sponsorships for beneficiaries and students of the Group's daycare centers and schools. The Company has filed lawsuits to claim these receivables before the administrative courts of the KSA, and some of these cases are still pending as at 21/05/2025G. The value of these claims is SAR 226,358, and there is no guarantee that the Group will succeed in these claims. For example, MOE KSA refused to pay SAR 1.36 million as amounts owed to the Group, representing the value of sponsorships for school beneficiaries and students. Consequently, MOE KSA filed a claim with the Administrative Court, and



a final ruling was issued dismissing the lawsuit. The Group appealed the judgment by way of cassation through the Supreme Court, with the appeal still pending (for further information, please refer to Section 11.12 (“**Claims and Litigation**”) of this Prospectus). For further details regarding the Group’s claims and legal proceedings, please refer to Section 11.12 (“**Claims and Litigation**”) of this Prospectus.

Furthermore, in connection with its 35% holding in NEMA Holding Company, one of the largest providers of higher education services in Abu Dhabi, Al Ain and Dubai, the Group is exposed to risks associated with certain revenues arising from contracts with the government of the UAE. Alongside traditional enrollment of full-time students in its universities, NEMA Group’s business performance also relies on the provision of academic programs and courses to military colleges in the UAE (e.g., Joint Command and Staff College and Zayed II Military College). These are paid for by the UAE government under short-term contracts (such as annual contracts) and are subject to risks of not being renewed. Additionally, even if renewed, these contracts may vary in terms of value and duration. The government may decide whether to terminate or not renew these contracts based on changes in its internal policies, which could have a material adverse effect on the revenues generated therefrom. Government contract revenues in the UAE represented approximately 12.6%, 9.3%, and 7.6% of NEMA Group’s consolidated total revenues for the financial years ended 31 December 2022G, 2023G and 2024G, respectively, and approximately 7.9% for the three-month period ended 31 March 2025G. The Group does not guarantee the continuity of these arrangements with the government, as the termination or amendment of such agreements in a manner that is not in the best interests of the Group could have a material adverse effect on the Group’s business, profitability, financial conditions, results of operations or prospects, and therefore the Company’s share price.

Additionally, any reduction, modification or termination of compensation policies by these government entities, failure to renew NEMA Group’s government contracts, or the realization of any of the risks mentioned above, could have a material adverse effect on the Group’s business, profitability, financial position, results of operations or prospects, and therefore the Company’s share price.

2.1.2 Risks Related to Retaining Current Students and Attracting New Students

The Group’s success largely depends on its ability to retain existing students enrolled in its schools, universities and daycare centers and to attract new students. Enrollment rates in the Group’s schools, universities and centers are fundamental to the Group’s financial performance. Several factors could contribute to a decline in student enrollment at the Group’s schools, universities and daycare centers, including reduction or termination of government sponsorship programs; competition from other service providers; an economic downturn; a rapid increase in the cost of living; political instability; expatriate relocation; potential changes to immigration policies and restrictions on the issuance of student visas (including where these are temporary in nature and/or limited to specific countries); decline in student performance or academic outcomes or parent satisfaction; poor performance in accreditation or regulatory inspection; curricula that are no longer attractive to students and parents; deterioration of the Group’s reputation or that of any of its schools, universities or centers or any disruptive events that could cause the temporary or permanent closure of any of the Group’s schools, universities or daycare centers. Additionally, in the SEC business, the Group’s ability to maintain and grow a student base may be negatively impacted by the inability to enroll new students due to a lack of proper diagnosis of certain syndromes.

Moreover, student and parent preferences regarding curricula or teaching methods may change and may be oriented towards different curricula or teaching methods other than those offered by the Group’s schools, universities and daycare centers. If the Group fails to maintain the quality of its educational services or is unable to introduce new services and programs to keep pace with developments and appropriately utilize new technologies, parents may decide not to enroll or re-enroll their children or may decide to withdraw them from the Group’s schools, universities and centers. If the Group is unable to attract or retain students in its schools, universities and centers, its business, results of operations, financial position and prospects could be materially and adversely affected. Any decrease in the number of students enrolled in the Group’s schools, universities and daycare centers would have a material adverse effect on the Group’s business, profitability, financial conditions, results of operations or prospects, and therefore the Company’s share price.

2.1.3 Risks Related to the Quality of Services Provided and Determining Tuition Fees in Schools and Daycare Centers

The quality of services provided by the Group is key to ensure profitability. Specifically, the quality of service provided in the Group’s SEC business could have a direct impact on the government sponsorship programs offered by MHRSD and MOE KSA. Through HDC and HRC, the Group operates daycare centers that are evaluated and rated by MHRSD on a scale ranging from A+ (which corresponds to “excellent”), with a total score between 95 and 100, the highest achievable rating, which, in turn, entitles a SEC provider to charge the highest possible fees approved by the Ministry, to D (which corresponds to “acceptable”) with a total score below 70, the lowest achievable rating. These ratings are based on an assessment of the quality of the daycare centers’ infrastructure, facilities, programs and other criteria that directly affect the fees the Group can charge. These ratings were specified in the Regulations on Non-Governmental Rehabilitation Centers for Persons with



Disabilities issued by Council of Ministers Resolution No. 291 dated 04/09/1433H (the “**Previous Regulations**”), which have been replaced by the Regulations on Non-Governmental Social Facilities for Persons with Disabilities issued by Council of Ministers Resolution No. 691 dated 17/08/1445H and its implementing regulations (the “**New Regulations**”) (for further details, please refer to Section 4.6.3.4 (“**SEC Fees**”) of this Prospectus). The New Regulations do not address how service quality is evaluated, the evaluation criteria for daycare centers, or whether the previous ratings are still applicable. If MHRSD imposes a new evaluation mechanism, the Company cannot guarantee the Group’s ability to meet the relevant standards or maintain the same level of classification, which could have a material adverse effect on the Company’s reputation, operations, and consequently its earnings and prospects. As at the date of this Prospectus, HDC and HRC provide SEC services in 14 schools. Of these, six schools are owned by the Group while eight are operated by the Group through partnership agreements with existing schools. MOE KSA is responsible for evaluating these schools to ensure their compliance with its requirements and to approve any increase in tuition fees requested by HDC or HRC. For further information, please refer to Section 4.6.3.4 (“**SEC Fees**”) of this Prospectus. Providing a high level of services in the SEC business is essential for increasing student enrollment rates and maintaining government-subsidized fee rates.

Tuition fees are determined based on the ratings assigned by MHRSD and MOE KSA’s assessment during their inspections. If there are changes in these ratings, such as a decline in the quality scores of existing centers or newly established centers, it could have significant financial consequences. Lower ratings can lead to a decrease in tuition fees, negatively impacting the average revenue generated per student. Additionally, lower ratings or a decline in the quality of services provided may lead to a decrease in the number of beneficiaries choosing the Group’s services, further impacting revenues. There is no guarantee that the regulatory framework governing the assessment process for determining tuition fees will not be changed or amended in the near future in a manner that could negatively impact the Group’s profits. For example, the relevant authorities may impose stricter standards for classifying institutions and centers at higher levels, which the Group may not meet or may only be able to meet at additional costs.

Any failure to maintain service quality, staff development, and operational improvements, or a decline in the Group’s rating, could harm the Group’s profitability and ability to attract and retain beneficiaries, affecting revenue and market position, which would have a material adverse effect on the Group’s business, profitability, financial conditions, results of operations or prospects, and therefore the Company’s share price.

2.1.4 Risks Related to the Academic Offerings of the Group

The Group could face significant risks related to the quality of its academic offerings, which are critical for maintaining student satisfaction and stable enrollment levels. If the Group fails to conduct adequate market research, engage with industry experts, or adapt to rapid market and regulatory changes, its academic programs may not align with current industry demands. This misalignment could potentially result in lower graduation rates, which would likely harm the Group’s reputation and, in turn, negatively affect student enrollment and retention. Furthermore, factors such as perceived quality and value of the Group’s academic offerings, as well as graduation rates, could adversely impact the perceived global or local rankings and/or reputation of the Group’s academic programs, especially for MDX Dubai. A drop in such rankings or otherwise negative coverage of the Group’s academic programs could adversely affect its reputation, future enrollment levels or tuition fees, as students’ educational choices may be influenced by these rankings.

If the Group fails to anticipate changes in higher education legislation or the broader regulatory environment due to insufficient engagement with government entities, sector agencies or relevant data, it may face operational challenges and hindrances, as well as potential issues in developing and updating its academic offerings. Should there be any deterioration in the reputation of the Group’s institutions, whether from declining service quality, inadequate infrastructure, or poor student academic performance, student enrollment rates would likely be affected.

Moreover, should the turnover of the academic staff increase without an effective succession plan, there could be significant disruptions to teaching continuity. If staff development is insufficient, the adoption of the most recent educational practices may be hindered, further compromising the quality of instruction and student satisfaction levels.

Should any of the above risks materialize, it could have a material adverse effect on the Group’s business, profitability, financial conditions, results of operations or prospects, and therefore the Company’s share price.



2.1.5 Risks Related to the Group's Interests in NEMA Holding Company

The Group holds its interest in NEMA Holding Company through a trust structure governed by a trust deed executed in March 2018G (the “**Trust Deed**”) between AH Alpha Investments Holdings 2 LTD (“**AH2**”) and AH Alpha Investments Holdings 3 LTD (“**AH3**”) and other trustees (the “**Trust Structure**”). For further information regarding the structuring of these arrangements, please refer to Section 11.4 (“**Subsidiaries**”) of this Prospectus.

The Trust Structure generally involves specific complexities and risks in comparison to ordinary legal ownership in relation to control, governance and transparency, as the Group's interest in NEMA Holding Company arises from rights granted thereto under the Trust Deed (i.e., the Group relies on contractual arrangements to exercise its rights). As an example of these specific risks, the Trust Structure includes specific terms and conditions regarding the exercise of voting rights by the trustees, the nomination of directors and officers of NEMA Holding Company, and the ability to appoint new or additional trustees or replace existing trustees, which are, in each case, subject to the direction of AH3 (a wholly-owned subsidiary of the Company) pursuant to the rights granted thereto under the Trust Deed. This arrangement may impact the Group's ability to freely exercise its economic rights in NEMA Holding Company due to the extent of the Group's reliance on the trustees' compliance with AH3's directives in this regard.

Additionally, in the event of any non-compliance by the investment trustees with their duties, or in the event of any disputes arising in relation to the Trust Structure, this could result in delays in decision-making, legal challenges, or restrictions on the Group's ability to access the revenues or profits generated by NEMA Holding Company.

If any complexities arise in relation to the legal ownership or management of AH2 (for example, if new laws or regulations are issued that may change the interpretation of UAE regulators in relation to trust arrangements in general), or in the trust arrangements themselves and the trustees' compliance with their duties towards the Group, the Group's ability to protect its interests in NEMA Holding Company may be adversely affected. This could, in turn, have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.6 Risks Related to the Use of Service Providers or Similar Relationships with Third Parties

The Group engages third party service providers from time to time to provide certain services, including learning technologies, ed-tech platforms, and other online services complementary to its educational offering. The Group also collaborates with third parties to provide services for the development and maintenance of its information technology systems and other support services. This includes contracting with other parties such as agencies and consultants to assist in recruiting international students. It should be noted that the Company utilized third-party service providers to conduct works related to risk and compliance management and to support the Company's Internal Audit Department. Therefore, service providers may, at their own discretion, cease to provide the services agreed upon under the agreements concluded with them, or, if the Group breaches any of its contractual obligations, the Group may not be able to receive any compensation for the losses incurred as a result of the interruption of the relevant services.

The Group does not guarantee that the quality or manner in which services are provided by third parties will meet its students' standards and expectations and the Group may be held liable for any deficiency of services on the part of such service providers. Additionally, if any third-party service providers faces cybersecurity incidents or disruptions to business operations caused by non-compliance with legislative or regulatory procedures or otherwise, has insufficient capacity to manage the volume of required services, fails to comply with its contractual duties towards the Group or becomes subject to any other unforeseen factors (most of which are outside the control of the Group), the Group may face operational difficulties and increased compliance costs. These challenges could lead to higher expenses for services provided by third parties, particularly if legislative actions or contractual limitations restrict the Group's ability to utilize other service providers in certain countries. Consequently, the Group may incur additional costs, potentially face contractual or regulatory penalties for non-compliance, and be liable towards its own students for the deficiency of its services as a result of these challenges, which may have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

The Group will be directly impacted if any student recruitment agencies breach their contractual obligations or fail to provide services as required. Furthermore, if the Group is unable to renew these agreements with service providers on terms acceptable to the Group, or if it cannot enter into new agreements with other service providers, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.7 Risks Related to the Company's Ability to Distribute Dividends and its Reliance on the Performance of its Subsidiaries

Future distribution of dividends will depend on several factors including, among other things, the Company's future earnings, financial positions, cash flows, working capital requirements, capex and distributable reserves. In addition to other factors, the Company may not be able to pay dividends, and the Directors may not recommend, and the shareholders may not approve, the payment of dividends. The Company may incur expenses or liabilities that would reduce or eliminate the cash available for the distribution of dividends.

The Company conducts its business through its Subsidiaries and branches in the KSA and the UAE. The Company's ability to generate profit and distribute dividends relies heavily on the financial performance of its Subsidiaries, including their capacity to declare and distribute dividends. As at the date of this Prospectus, the Group's structure consists of 17 directly and indirectly owned Subsidiaries in the KSA and the UAE, of which only 13 are operating companies. The remaining Subsidiaries are special purpose vehicles ("SPVs") through which the Company holds its shares in the operating Subsidiaries. For further information on the Group's structure, please refer to Section 11.4 ("**Subsidiaries**") of this Prospectus.

However, the effective distribution of current or future profits by the Group Companies, and consequently by the Company, depends on several factors, including but not limited to, the amount of distributable profits and reserves, investment plans, profitability levels, and regulatory requirements, including minimum capital requirements and statutory reserves imposed, or which may be imposed, by regulatory authorities. Additionally, covenants in the existing financing agreements and other circumstances that the Company's Board of Directors or the board or management of the respective subsidiary may deem relevant from time to time may affect the distribution of dividends. For example, HDC (the Group's subsidiary in the KSA) is prohibited from distributing dividends without the prior approval of Al Rajhi Banking and Investment Corporation pursuant to its facility agreement. If HDC distributes future dividends without the prior approval of Al Rajhi Banking and Investment Corporation, HDC will be in breach of its obligations under the facility agreement, and consequently, Al Rajhi Banking and Investment Corporation will be entitled to demand repayment of all amounts due with immediate effect. Therefore, HDC's ability to distribute dividends to the Company in the future may be limited. This may affect the Company's profitability, financial position and ability to distribute dividends to its shareholders, resulting in shareholders receiving no return on their investment unless they sell their shares at a price higher than the purchase price (for more information on the Company's dividend distribution policy, please refer to Section 7 ("**Dividend Distribution Policy**") of this Prospectus.)

The Company continuously monitors and ensures that its Subsidiaries comply with all applicable legal, financial, and administrative requirements. Furthermore, any breach of these requirements, including non-compliance with regulations or license conditions by the Subsidiaries, could adversely affect their revenues, resulting in the Company not receiving profits, which would hinder its financial flows and ability to meet its obligations. Similarly, legal liability arising from any breach by the Group's branches of their statutory or contractual obligations will directly affect the subsidiary that established the relevant branch, also taking into account that branch liabilities are generally unlimited.

Furthermore, the Group's 35% share in NEMA Holding Company, which was acquired on 06/03/2018G, is treated as an investment in an associate for accounting purposes. The Group's share in NEMA Holding Company is accounted for using the equity method in the consolidated financial statements, and the returns generated therefrom are its share of the profits generated by NEMA Holding Company. The Group's share of profits from NEMA Holding Company decreased by 25.2%, from SAR 24.2 million in 2022G to SAR 18.1 million in 2023G. This was due to a decrease in NEMA Holding Company's profits from SAR 77.7 million in 2022G to SAR 60.3 million in 2023G, resulting from complexities arising from the COVID-19 pandemic, partially attributable to the introduction of a corporate tax in the UAE in June 2023G and increased financing costs. The Group's share of profits in NEMA Holding Company increased by 65%, from SAR 18.1 million as at 2023G to SAR 29.9 million as at 2024G, with NEMA Holding Company recording profits of SAR 94.1 million in 2024G. Moreover, NEMA Holding Company recorded a profit of SAR 11.4 million for the financial period ended 31 March 2024G, and its profits increased to SAR 17.7 million for the financial period ended 31 March 2025G, thus increasing the Group's share of profits in NEMA Holding Company by 69% from SAR 3.2 million as at 31 March 2024G to SAR 5.4 million as at 31 March 2025G. The Group does not have control over the operations of NEMA Group, and therefore any fluctuation in the results of NEMA Group may have a direct impact on the Group's net income.

Any decline in the profitability of Subsidiaries may affect their ability to distribute dividends, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.8 Risks of Reliance on Joint Venture and Partnership Agreements and Related Operations

A portion of the Group's private higher education business is conducted through Middlesex University Dubai ("MDX Dubai") and operates under the terms of a joint venture agreement dated 12/09/2005G, entered into between MDX Associates (a wholly-owned subsidiary of the Company that manages MDX Dubai) and MDX UK (through its branch Middlesex University Higher Education Corporation ("MDX HEC")) as amended on 24/10/2012G (the "MDX Dubai JV Agreement"). The revenue of MDX Associates amounted to SAR 149.7 million, SAR 177.5 million, SAR 221.8 million and SAR 84.2 million for the periods ended 31 December 2022G, 2023G and 2024G and the period ended 31 March 2025G, respectively, representing 83%, 52%, 51% and 55% of the Group's total revenue for the same periods. The MDX Dubai JV Agreement is for an indefinite term and sets out the provisions, obligations and rights related to both governance and commercial aspects between the parties. According to the arrangements of the MDX Dubai JV Agreement, MDX UK receives annual royalty fees from MDX Associates. Additionally, it receives a share of net profits as compensation for the right to use the trademark and services related to the academic aspects of MDX UK's operations by MDX Dubai.

Certain decisions regarding key activities of MDX Dubai are subject to the joint agreement of MDX Associates and MDX UK, which means that the Group does not have full control over certain strategic and critical decisions, which may impact the Group's ability to make decisions that it believes to be in the best interests of MDX Dubai or the Group in general. Further, MDX Dubai relies on MDX UK for its brand, the introduction of new programs (including new majors and concentrations), know-how, certain student record keeping, and other services. The success of MDX Dubai operations is not fully independent from factors outside of the control of the Group, such as the financial and operational health of MDX UK. Additionally, MDX UK may terminate the agreement if, by reason of any change in the regulations or the religious, political or security environment in Dubai not reasonably foreseeable, it ceases to be reasonably able to continue to provide the academic services contemplated by the agreement. These matters are beyond the Group's control, and any termination of this agreement will have a material adverse effect on the Group and its profitability.

The Group is party to a shareholders' agreement with Eight Lines Holding Investments Company ("Eight Lines") that governs the relationship between the shareholders in HDC (please refer to Section 11.6 ("Material Agreements") of this Prospectus for a summary of the agreement). This agreement includes provisions that restrict the Group's ability to sell its shares in HDC, whereby the agreement stipulates that if either party wishes to sell its shares, the other party has the right of first refusal. Furthermore, if the Group decides to sell shares representing 50% or more of the share capital of HDC to a third party, Eight Lines has the right to require the Group or such third party (wishing to purchase these shares) to submit an offer to purchase Eight Lines' shares in HDC on the same terms and conditions as the offer made to the Group. These restrictions may affect the Group's ability to dispose of its shares in a manner consistent with its strategy.

As at the date of this Prospectus, the Group is party to ten partnership agreements (the Group was a party to a further two agreements, one of which was suspended in the middle of 2023G, while the other was suspended in September 2024G and terminated by mutual agreement for ordinary commercial reasons). Furthermore, there are two agreements that have not been implemented as at the date of this Prospectus, and the schools related to such agreements have not been operated. Although an agreement between the Group and the related school has been reached and the agreements have been signed, work under these agreements has not yet commenced, nor have any services been provided thereunder by the Group nor has any income been received therefrom in addition to one agreement entered into at the beginning of the academic year 2025/2026. All such agreements have been entered into by HDC and HRC with private school companies in the KSA, whereby the Group provides SEC services within these schools. Seven of these agreements (operations under one of these agreements ceased in mid-2023G) contributed SAR 4.3 million, SAR 11.9 million, SAR 15.3 million and SAR 3.8 million as at 31 December 2022G, 2023G and 2024G and 31 March 2025G, respectively, representing 2.4%, 3.5%, 3.5% and 2.5% of the Group's revenue as at 31 December 2022G, 2023G and 2024G and 31 March 2025G, respectively. No revenue was generated from the other agreements as at 31 March 2025G, as these agreements had not yet come into effect or commenced operations. These agreements include arrangements for distribution of profits and costs between the parties, as well as governing the management structure for the operations of the SEC departments within the schools. Please refer to Section 11.6 ("Material Agreements") of this Prospectus for summaries of the material partnership agreements entered into by the Group. One of these agreements has a term of only one year and is automatically renewed unless either party notifies the other of its intention not to renew the agreement three months prior to its expiration. Given the short duration of this agreement, its non-renewal could have an adverse impact on the Group's business, financial position and results of operations. For further information regarding this agreement, please refer to Table 11.10 ("Partnership Agreement between HRC and School No. 6") of this Prospectus.

Furthermore, the Group cannot recognize its revenue from these partnerships until the academic year ends and the schools prepare their financial statements. However, the Group records its expected income from these revenues on a monthly basis based on its projections of the schools' performance. This may result in a discrepancy between its projections and the actual revenues based on the financial statements issued at the end of the academic year. Therefore, the Company records these revenues from its partnerships on its financial statements as receivables based on invoices issued to the schools. These amounts



totaled SAR 6.3 million, SAR 2.3 million, SAR 5.3 million and SAR 5.7 million as at 31 December 2022G, 2023G and 2024G and 31 March 2025G, respectively. It should be noted that the credit terms in the school partnerships extend for 45 days after the completion of the academic year (except for one school whose credit terms extend for 30 days after the end of the academic year) and the issuance of the school's financial statements. Since the issuance of these school financial statements is relatively delayed, this has an impact on the collection of amounts due from such schools. The average collection period from school partnerships was 311 days and 488 days as at 31 December 2023G and 2024G, and 616 days as at 31 March 2025G. The Group has not been involved in any disputes with any of its partner schools regarding credit terms. Therefore, the length of time between the issuance of the schools' financial statements and the Group's management estimates may lead to discrepancies or inconsistencies in its reports. Furthermore, if the partner schools fail to adhere to the credit terms, this could have a material adverse impact on the Group's working capital and financial position.

In general, the Group's objectives may not align with those of its partners, and these partners may fail to comply with their obligations under the agreements entered into with the Group. Consequently, the Group's reliance on joint ventures, strategic partnerships and cooperation agreements to conduct its business operations and achieve its strategic objectives exposes it to a range of inherent risks. These risks include, but are not limited to, the possibility of one or more investors or partners in the Group's investments breaching the relevant regulations or failing to fulfill their obligations, which could adversely affect the Group. The success of these ventures and partnerships depends on the performance and cooperation of external parties, which are beyond the Group's direct control. If a licensor or partner fails to fulfill their obligations, faces financial difficulties, or encounters operational challenges, this could adversely affect the Group's business, financial condition and results of operations.

Moreover, the Group's reputation could be adversely affected if a partner breaches regulations or the terms of any agreements. Additionally, the Group may be required to provide additional cash contributions if its partners are unable to meet their financial obligations. Additionally, conflicts of interest or strategic misalignments between the Group and its partners could hinder effective decision-making and impact the overall success of the project. Furthermore, strategic investments and partnerships require significant time and effort from the Group's management, and there can be no assurance that any of these investments or partnerships will be successful. In addition, these investments may result in the Group incurring unforeseen liabilities and being compelled to collaborate with another strategic partner who may not be cooperative with the Group. Moreover, the Group's dependence on these external entities for key aspects of its operations may limit its ability to respond swiftly to market changes and competitive pressures, potentially affecting its market position and profitability.

Should any of the above risks materialize, it could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.9 Risks Related to the Concentration of Revenues in Specific Campuses and Educational Programs

Although the Group operates 14 private schools, 39 daycare centers and 3 universities as at the date of this Prospectus, and offers various educational programs through these entities, a significant portion of the Group's revenue is concentrated in a relatively small number of specific programs, daycare centers and universities. Revenue from a single university, MDX Dubai, constituted 82.7%, 51.8%, 50.7% and 54.8% of the Group's total revenue as at 31 December 2022G, 2023G and 2024G and 31 March 2025G, respectively. Furthermore, the revenue generated from MDX Dubai is primarily derived from tuition fees paid by students enrolled in its foundation, university student and higher education programs. However, the bulk of the university's revenue was generated from university student programs after deducting scholarships, accounting for 72.8%, 70.9%, 68.6% and 67.7% of MDX Dubai's total revenue as at 31 December 2022G, 2023G and 2024G and 31 March 2025G, respectively. These, in turn, accounted for 60.2%, 36.8%, 34.8% and 37.1% of the Group's revenue as at 31 December 2022G, 2023G and 2024G and 31 March 2025G, respectively. In addition, the bulk of MDX Dubai's revenue from university student programs was concentrated in its Business Administration program, which accounted for approximately 26.5% of MDX Dubai's revenue during the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, and approximately 16.0% of the Group's revenue during the financial years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2025G, respectively. Accordingly, it should be noted that any loss of, or adverse impact on, any of these programs could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

Additionally, it should be noted that the inclusion of HDC and HRC in the Group's financial statements commenced in November 2022G, and therefore the impact of the operations of these two companies on the Group's consolidated income statements for the financial year ended 31 December 2022G is for two months only. The revenues of HDC and HRC accounted for 17.3%, 48.2%, 49.3% and 45.2% of the Group's revenues for the financial years ended 31 December 2022G, 2023G and 2024G and for the period ended 31 March 2025G, respectively.

The special needs education, care and rehabilitation sector, through daycare centers, in addition to services provided through clinics, accounted for 75.9% of the total revenue of HRC and HDC during the financial years ended 31 December 2023G and 2024G and the period ended 31 March 2025G. The Group is heavily reliant on the revenue generated from certain daycare



centers operated by HDC and its subsidiary, HRC. Although the Group operates 39 daycare centers and 14 private schools, it primarily relies on 10 daycare centers. These 10 centers accounted for 46.2% and 41.2% and 38.6% of HDC's revenue as of 31 December 2023G and 2024G and the period ended 31 March 2025G, respectively, which in turn represented 22.1%, 20.3% and 17.6% of the Group's total revenue for the same periods. Any loss of or adverse impact on any of these centers could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.10 Risks Related to Reliance on the Group's IT Infrastructure, Operating Systems and Other Systems

The Group largely relies on IT technologies, systems and networks to manage most of its operations, including student record management, the provision of certain e-learning services through university portals and the processing of payroll and payments to employees and specialists, most of which are managed by the Group's internal IT Department. For example, MDX Dubai manages its IT infrastructure internally, including the operation and maintenance of its servers, backup facilities and security and protection protocols. It also relies on MDX UK's IT infrastructure for certain academic services, such as learning management systems and student records. HDC and HRC manage most of their IT infrastructure internally while relying on third-party service providers to host their servers. Risks associated with cyber incidents and attacks on the Group's IT systems may lead to failure or disruption of some of the Group's servers, learning portals and services, student record management systems, and other deficiencies in the Group's ability to conduct its operations, as well as the loss of intellectual property, private information or data and leakage of personal information (for further information, please refer to Section 2.1.11 ("**Risks Related to Data Loss or Damage Due to Malfunctions in the Group's Systems and Data Centers**") of this Prospectus). These incidents may result in disruptions to operations and increased costs to prevent or mitigate cybersecurity incidents. For example, MDX Dubai's infrastructure was subjected to a cyberattack on 03/11/2021G. An investigation revealed that the attack targeted MDX Dubai's data using ransomware, and that this attempt did not result in any loss or damage to the data. The Group incurred costs of SAR 2.7 million, SAR 3.3 million, SAR 3.6 million and SAR 1.2 million for the years 2022G, 2023G and 2024G and the period ended 31 March 2025G, respectively, in connection with updating and maintaining MDX Dubai's IT systems. These costs increased by SAR 530 thousand, or 27.7%, in 2022G due to the cyberattack.

The Group relies on both its internally developed systems and the external systems of service providers, including operating systems, servers, and telecommunications equipment, to conduct its business and deliver services. However, some of these services lack emergency data recovery systems or backup facilities. If a cyberattack or a similar disruptive event affects the Group's IT systems, facilities or infrastructure or those of any of these providers, systems, or facilities, the Group could face prolonged service interruptions, potentially impacting the Group's operations, causing delays and the necessity of rescheduling some or all the activities scheduled over a certain period of time, ultimately harming its relationship with users. Therefore, both the Group and its service providers must prevent risks such as fires, power outages, natural disasters, communication failures, software and hardware malfunctions, cyberattacks, viruses, malware, and security system breaches to ensure continuous operations.

Moreover, the Group may decide to migrate these third-party systems internally, but it may not be able to manage or utilize them with the same capacity or at all. Furthermore, internalizing these capabilities and undertaking these activities may incur significant costs for the Group to establish or migrate any systems.

Similarly, any interruption in access to the network, communications or other electronic services provided by the service providers or any failure of their systems or the Group's own systems to deal with the current volume of usage can materially impair the Group's operations and cause temporary malfunctions and stoppages. The Group also exercises limited control over these service providers, increasing the likelihood of problems related to the services provided by them. Any errors, failures, interruptions or delays in relation to the service providers' technologies or the Group's private systems, or its inability to operate these systems, or any increase in the costs incurred in operating and maintaining them, could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.11 Risks Related to Data Loss or Damage Due to Malfunctions in the Group's Systems and Data Centers

Due to the nature of its activities, the Group handles a significant amount of highly sensitive personal information and key data of its students and personnel, including medical records, psychological assessments, and other data pertaining to students and children with special care needs, in addition to information pertaining to university students and beneficiaries of higher education and training programs. Any breach of the safety or confidentiality of this information could have severe consequences, ranging from financial damages to significant reputational harm. Given the vulnerability of the population it serves, such breaches could also lead to a loss of trust and potentially endanger the well-being of the Group's beneficiaries, resulting in a loss of student numbers and further liabilities for the Group.



The Group is subject to data protection regulations, such as the Saudi Personal Data Protection Law (PDPL), which came into force on 17/02/1443H (corresponding to 24/09/2021G) and whose implementation was postponed until 25/08/1444H (corresponding to 17/03/2023G), and the UAE Personal Data Protection Law. The Group may be exposed to non-compliance with these laws and regulations due to it being subject to continuous change by legislators. The Group is required to update its systems and practices to comply with these regulatory updates and changes as soon as they are issued. It should be noted that the Group has not yet taken the necessary steps to ensure compliance with the provisions of these regulations. If the Group decides to implement these regulations, it cannot guarantee that such implementation will not have a material adverse effect on the Group. For example, the implementation of these regulations may result in additional costs or changes in the nature of the Group's operations to comply with such regulations, which may have a material adverse effect on its business or financial position.

The sensitive nature of the data involved demands the highest degree of caution in its storage and protection to prevent such adverse outcomes. Although these platforms are chosen for their stability, security capabilities, and ability to activate backup systems in case of malfunctions at the primary centers, the Group does not have direct control over the continuous or uninterrupted availability of each platform, as it relies on third-party service providers for the provision thereof.

The personal data held by the Group may be breached from time to time. In addition, the Group may face legal claims, fines, or regulatory penalties as a result of such breaches. The costs and liabilities associated with any data breach may have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price. As a result of the attempted data breach targeting MDX Dubai in the financial year ended 31 December 2022G, the Group incurred costs amounting to SAR 530 thousand in order to improve infrastructure and data protection.

Both on-site and third party cloud facilities are vulnerable to damage or interruption due to natural disasters, fires, power outages, communication failures, acts of terrorism, war, sabotage, cyberattacks, and similar events. Despite measures taken to ensure continuity, unforeseen occurrences could result in data loss affecting the Group, its students, and its suppliers, leading to potential claims for compensation and adversely impacting its ability to retain clients and attract new clients.

Any loss or leak of data could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.12 Risks Related to Pricing Restrictions on Educational Services

The Group may face risks related to the pricing of its educational services, particularly if economic conditions worsen. Because the Group is primarily a service business, inflationary factors and regulatory changes that contribute to increases in wage and benefit costs result in significant increases in the cost of running the business. Additionally, competition for teachers and staff, as well as costs associated with hiring, compensating, and retaining employees, could significantly increase operational costs, including the costs to enhance employee compensation and benefit programs as incentives and retention tools. In addition to growing student numbers, the Group's success also depends on its ability to continue passing these costs through in tuition fees. Unfavorable economic circumstances might lead students or parents to enroll their children in public or Governmental schools and universities or private schools with lower fees. Equally, such circumstances might drive higher education students to choose lower-priced alternatives or cause an increase in students delaying or foregoing their undergraduate and postgraduate education, as well as an increase in attrition rates. Additionally, the Group's operations through HDC and HRC in daycare centers and SEC schools are subject to restrictions regarding the determination of tuition fees, as these fees are governed by MOE KSA and MHRSD and are not at the discretion of the Group. The Group's ability to adjust the fees of HDC and HRC is based on the assessment of MOE KSA and MHRSD, and is dependent on several factors, such as the quality of the buildings where the daycare centers and schools operate, and the number of qualified teachers and employees. Consequently, HDC and HRC may not be able to increase their fees to accommodate any increases in operational expenditure and expenses over time. Furthermore, new regulations could be issued requiring private schools to reduce their fees, especially in relation to the operations of HDC and HRC (for further information, please refer to Section 2.1.3 ("**Risks Related to the Quality of Services Provided and Determining Tuition Fees in Schools and Daycare Centers**") of this Prospectus). In such cases, the Group may be compelled to lower its tuition fees or adjust its pricing and discount policies to maintain or develop its market share in response to changing market conditions and the evolving environment in which the Group operates, thus reducing its profitability. The Group may also incur additional costs in complying with any new requirements set by new regulations.

As a result, the Group could find it challenging to retain current students, attract new students at the same tuition fees, or maintain its existing pricing and discount strategies. These challenges could be further intensified by factors such as the issuance of new regulations reducing barriers to entry so that investors can directly enter the education sector, competitors introducing new services that compete with those offered by the Group, or a decline in spending on education by the Group's clients, along with shifts in their preferences.

The Group's inability to adjust tuition fees in response to market changes and regulatory constraints could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.13 Risks Related to the Group's Reliance on Senior Executives, Key Employees and Educational Staff

The Group's current operations and success depend on the continued services and performance of senior personnel, specialists and teaching staff and their ability to find, recruit, develop, motivate and retain qualified individuals in the future. The Group relies on a number of key employees who have extensive experience in the relevant sectors with valuable scientific and practical experience and skills.

For example, HDC is led by its founder Dr. Omar Al-Mudaifer, who is critical for HDC and HRC operations. Eight Lines, the 40% owner of HDC, is controlled by the Al-Mudaifer family. Dr. Omar Al-Mudaifer is the chairman and a senior consultant psychiatrist specialized in child and adolescent psychiatry and family therapy. Therefore, Dr. Omar Al-Mudaifer has valuable expertise, skills and a network of business contacts within the SEC sector that are crucial to the development of HDC's operations and further development of the SEC sector.

Additionally, Prof. Dr. Cedwyn Fernandes, Pro-Vice Chancellor of MDX Dubai, brings over 20 years of experience within executive and leadership in the UAE higher education sector, including over 10 years at MDX Dubai. He played a pivotal role in expanding MDX Dubai to become one of the largest private universities in the Emirate of Dubai. He possesses valuable experience, skills and a robust network in the higher education sector, which are essential for the continued success and expansion of the Group's higher education segment. Although Prof. Cedwyn carries out his duties in MDX Dubai, he is currently not employed by MDX Associates but rather by MDX UK (through its subsidiary Middlesex International). Consequently, the Group cannot guarantee that he can be retained should MDX UK (MDX Associates' partner in relation to MDX Dubai) decide to transfer or dismiss him from his position for any reason.

MDX Dubai relies heavily on its part-time faculty, as the number of part-time faculty members for the years 2022G, 2023G and 2024G was 80 (out of 144), 80 (out of 149), and 107 (out of 181) respectively. This number increased to 116 (out of 189) as at 31 March 2025G. This increase is attributed to the Group's decision to rely more heavily on part-time faculty as a cost-saving measure. Accordingly, part-time teachers averaged 54.6% of MDX Dubai's total teaching staff during the financial years ended 31 December 2022G to 2023G, with such average increasing to 60.2% during the financial year ended 31 December 2024G and the period ended 31 March 2025G. The average monthly cost per teacher decreased from SAR 21 thousand as at 31 December 2023G to SAR 19.6 thousand as at 31 December 2024G, and from SAR 23 thousand as at 31 March 2024G to SAR 22 thousand as at 31 March 2025G. However, it should be noted that the university must appoint three part-time faculty members to cover one full-time faculty member, which may pose a challenge in recruiting a sufficient number of faculty while maintaining the quality of outputs and services. If the Group is unable to meet increasing student demand by recruiting qualified part-time faculty, its ability to grow and expand as desired will be impacted.

There is no guarantee that the Group will be able to retain its qualified personnel or continue to develop their skills. The Group may need to invest significant financial and human resources to attract and retain new senior management members and/or qualified employees.

Additionally, the provision of childcare services is personnel intensive, and the Group must maintain a highly disciplined cost structure as it operates as a price taker, with its revenues, notably for the SEC business, dependent on government sponsorship. As a consequence, the Group's profit margin may significantly decline if staff costs rise due to inflation or increased demand for similar roles. As at 31 March 2025G, the Group has 3,352 employees and relies heavily on a steady influx of graduates from special education, speech therapy, occupational therapy and physiotherapy programs for the SEC segment, and qualified professors for the higher education segment. Fluctuations in the number of professionals available for its business segments could significantly impact the Group's hiring capabilities and/or the cost to hire and retain the required staff and, consequently, the Group's operational effectiveness. Difficulty hiring or retaining appropriately qualified staff may have a disproportionate impact on the Group's business compared to other companies that depend less on the in-person provision of services and do not directly provide care and education to their students.

Therefore, if the Group were to lose any of its Senior Executives and qualified employees and was unable to recruit alternates with the same level of experience and qualifications for a reasonable cost, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.14 Risks Related to the Newness of the Company's Management and its Limited Experience in Managing a Listed Company and the Vacancy of Executive Positions Therein

As at the date of this Prospectus, the Company has appointed six Senior Executives. The Company began recruiting for these vacancies in mid-2024G (for further information regarding the Company's employees, please refer to Section 4.10.1 ("Employees") of this Prospectus). It should be noted that the financial statements for the previous financial periods ended 31 December 2022G and 2023G did not include any costs related to Senior Executives, as the Company, since its incorporation and as at 30 June 2024G, had not appointed any executive employees. Instead, the Company relied on the employees of its ultimate shareholder, Amanat Holdings, for the oversight of the Group's operations, as well as on the management staff of each of its Material Subsidiaries for its day-to-day operations. During Q4 of 2024G, the Company appointed the central team. Employee-related costs amounted to SAR 2.1 million during 2024G and SAR 2.8 million as at 31 March 2025G.

It should be noted that the Senior Executives appointed as of the date of this Prospectus and the Board of Directors appointed on 24/09/2024G have limited experience managing a publicly listed company and complying with the regulations applicable to such companies. Post-Offering, the Company will be subject to strict regulatory supervision by the CMA and Tadawul and will be required to comply with continuing disclosure obligations under their rules and regulations. The Company will also be subject to continuous monitoring by financial analysts. Specifically, the Senior Executives will need to develop their expertise in managing publicly listed companies in the KSA, coupled with the regulatory oversight and reporting obligations imposed on listed companies. This will require substantial attention from the Senior Executives, which may divert their focus from the day-to-day management of the Company.

Furthermore, given that the Company's Senior Executives, Board of Directors and Board committees are newly appointed, this may hinder the Company's ability to operate effectively or may impede their ability to meet the demands of day-to-day operations due to their unfamiliarity with the Group's operations, systems and policies, and their lack of in-depth understanding of the Group's operations, which is necessary for making informed decisions. Consequently, if the newly appointed management is unable to quickly grasp the requirements and details of the Group's operations or align with its strategies and business plan, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

If the Company is unable to attract qualified and competent individuals to fill its executive positions in the event they become vacant in the future, if it is unable to attract them within the budgeted amount or if it fails to comply with the regulations or disclosure requirements imposed on listed companies, this could expose the Company to penalties, fines, and public censure. It could also result in the Company incurring additional costs and expenses, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.15 Risks Related to Achieving the Group's Strategy

The Group's future performance depends on its ability to implement its strategic and long-term business plans, such as expansion plans in the KSA and the UAE, entering new markets, providing new services, and increasing the number of students and beneficiaries. The Group's ability to grow these businesses will depend on several factors, including the recruitment and retention of qualified individuals with the necessary knowledge and skills. As at the date of this Prospectus, the Group provides its services in the higher education sector through private companies and universities in the UAE, and provides special needs education, care and rehabilitation services through schools and daycare centers for special needs individuals in the KSA. As part of its strategy, the Group seeks to expand its geographical presence in the UAE and also into the KSA, and acquire a larger market share, in addition to maintaining the quality of its services, either by acquiring existing companies or by establishing new centers, schools and universities.

The Group's ability to develop its business also depends on the utilization of opportunities for growth, whether in the existing areas where the Group operates or in new areas. Growth opportunities are highly influenced by the level of market competition, the Group's ability to expand its current geographical presence, the availability of material and human resources, the Group's management team's abilities, legal systems and other factors. Therefore, there is no guarantee for maintaining a sustained growth level, as the Group may face difficulties in expanding its activity, promoting its market share, and increasing its revenues. In addition, the Group may encounter difficulties expanding if the number of those who wish to enroll in the schools exceeds the schools' capacity. Accordingly, if the Group fails to positively manage its growth, this will affect its ability to scale up its activity, increase its profits, and implement its strategy.

Moreover, the Group may target the acquisition of new entities to expedite its growth strategies which could result in a number of financial or operational challenges or difficulties (for more details please refer to Section 2.1.17 ("**Risks Related to Potential Future Acquisitions**") of this Prospectus).



In addition, if the Group is unable to finance the capex necessary to implement its strategy through its available cash resources and cash flows generated from its operations, it may be required to either obtain additional external financing, issue debt instruments (Sukuk or bonds), raise capital or scale back its strategy. The Group's access to financial markets may be restricted by its financial position at that time, or due to changes in laws and regulations or in their interpretation, or as a result of adverse market conditions arising out of, inter alia, the general economic, political and social conditions prevailing in the jurisdiction in which the Group operates and in other jurisdictions, or in view of contingent expenses. Any failure to obtain the financing required to cover the necessary future capex on acceptable terms or failure to obtain financing at all may result in the Group not achieving its strategy, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.16 Risks Related to the Company Being Recently Established

The Company was formed in October 2022G and subsequently became the parent of the other Material Subsidiaries in June 2024G. All of the Company's Senior Executives were appointed by the Company in 2024G. The Company's ability to generate revenues and profits will largely be dependent on the continued successful operations of Material Subsidiaries that the Company has to manage as the new holding company (for further details on the Company's Material Subsidiaries, please refer to Section 11.4 ("**Subsidiaries**") of the Prospectus).

Furthermore, the Company has expanded its headcount and internal compliance systems significantly since June 2024G and anticipates that further expansion will be required. This may place a continuous and potentially significant strain on the Company's management resources and operational and compliance requirements and requires effective coordination throughout the entire Group. Additionally, the Company may need to expand its information technology, compliance and financial infrastructure and operating and administrative systems and controls. If the Company does not implement these systems, functions and processes in a timely manner or is not able to effectively scale its employee headcount, this could result in additional operating inefficiencies or delays and could cause increased costs or reduce profitability. Such risks could thus have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and therefore the Company's share price.

2.1.17 Risks Related to Potential Future Acquisitions

As part of its growth strategy, the Group may assess new growth opportunities through acquisitions or investments in other companies, assets or technologies that are complementary to and fit within the Group's strategic goals or otherwise elect to develop greenfield projects itself in order to capitalize on perceived growth opportunities.

Acquisitions and investments in general involve a number of risks related to the appropriate selection of target schools, institutions or other acquisition targets, the availability of the necessary liquidity for the Group to finance the transaction, the Group's ability to obtain the necessary funding or prior approvals, or the risks associated with the evaluation process of these acquisitions, in addition to the Group's ability to adequately address the effects of the acquisition, including its ability to effectively manage the integration of newly acquired assets, human capital and other risks. Greenfield investments carry similar risks as well as increased funding requirements for the Group.

Linking the operational and administrative processes related to the new assets with the existing procedures requires increasing the volume of supervision and daily follow-up by the management and ensuring the availability of qualified staff to maintain the Group's reputation and the quality of educational services it provides.

As a consequence, the Group may incur additional operating expenses to execute these operations. Additionally, acquisitions involve significant risks, including the need to comply with regulatory requirements. If the Group fails to obtain the necessary regulatory approval or experiences delays, the acquisition may become unfeasible or excessively burdensome. Additionally, proceeding without the required approvals could result in financial and statutory penalties (for further information, please refer to Section 2.2.9 ("**Risks Related to the Competition and Antitrust Law**") of this Prospectus).

Should any of the above risks materialize, it could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.18 Risks Related to Management Decisions

The results of the Group's business depend mainly on the members of the Board of Directors, who make strategic decisions regarding the Company's business and activities, and also on the ability of its Executive Management to implement these decisions in an adequate and appropriate manner. Failure of the Company's management in making adequate decisions regarding its business could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.19 Risks Related to Financing

The Group may be unable to provide the necessary financial resources to meet its financial obligations arising from operating activities, capex, and liabilities in a timely manner. The Group does not guarantee the non-occurrence of any emergency or sudden events that may require immediate liquidity, which could adversely affect the Group's operating performance, financial position and results of operations. Additionally, the Group may have obligations associated with potential capex, future investments, or the implementation of its growth and expansion plans. There is no guarantee or assurance that the Group will be able to secure such expenditures or obtain adequate financing from financiers in a timely manner or on favorable terms, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

The Group may seek financing or assistance from third parties in securing financial resources for its strategic plans, expanding into new markets or for other reasons. Any failure to obtain sufficient financing could adversely impact the Group's operations, financial condition and growth prospects. Additionally, the terms and conditions of any future financing may not be as favorable as the Group's existing arrangements, which could result in increased costs of capital or impose restrictions on the Group's operational flexibility.

As of the date of this Prospectus, the Group is a party to five financing agreements. HDC has entered into three facility agreements (including revolving credit facilities that can be withdrawn and repaid as needed and a loan to finance the acquisition of property) with Al Rajhi Banking and Investment Corporation, Arab National Bank, and Riyadh Bank. The total of these facilities as at 31 March 2025G, amounts to one hundred and sixty-one million, eight hundred thousand Saudi riyals (SAR 161,800,000), of which one hundred and thirty-three million Saudi riyals (SAR 133,000,000) are credit facilities, from which sixty-three million, one hundred and thirty-six thousand, two hundred and thirty-three Saudi riyals (SAR 63,136,233) have been drawn, leaving sixty-nine million, eight hundred and sixty-three thousand, seven hundred and sixty-seven Saudi riyals (SAR 69,863,767) available from this financing. The second part of these financings consists of a long-term loan of twenty-eight million, eight hundred thousand Saudi riyals (SAR 28,800,000), with the Group's outstanding balance as at 31 March 2025G being fifteen million, four hundred and sixty-seven thousand Saudi riyals (SAR 15,467,000). It is worth noting that NEMA Holding Company has entered into two facility agreements (including loans and revolving credit facilities) with Abu Dhabi Islamic Bank and Emirates Islamic Bank. The total of these facilities as at 31 March 2025G amounts to nine hundred and five million, nine hundred and twenty-five thousand, four hundred and seventy-six Saudi riyals (SAR 905,925,476), of which eight hundred and four million, eight hundred and thirteen thousand, two hundred and forty-one Saudi riyals (SAR 804,813,241) are loans, with the outstanding balance as at 31 March 2025G being two hundred and fifty-two million, two hundred and thirty-eight thousand, four hundred and forty-seven Saudi riyals (SAR 252,238,447). Additionally, revolving credit facilities amount to one hundred and one million, one hundred and twelve thousand, two hundred and thirty-five Saudi riyals (SAR 101,112,235), with the outstanding balance as at 31 March 2025G being nil Saudi riyals (SAR 0).

The following table details the facilities provided to the group:

Table (2.1): Facilities Provided to the Group:

#	Borrower	Facility Provider	Facilities Limit	Balance as at 31 December 2022G*	Balance as at 31 December 2023G*	Balance as at 31 December 2024G*	Balance as at 31 March 2025G**	Repaid Amount as at 31 March 2025G
1	HDC	Al Rajhi Banking & Investment Corporation	SAR 69,000,000	SAR 10,922,000	Nil	SAR 15,428,400	SAR 15,605,635	SAR 10,651,000
2	HDC	Arab National Bank	SAR 79,800,000	SAR 12,663,000	SAR 12,029,000	SAR 47,236,151	SAR 47,530,568	Nil
3	HDC	Riyadh Bank	SAR 13,000,000	Nil	Nil	Nil	Nil	Nil

* The details of the financings provided to NEMA Holding Company are not included as it is classified as an investment in a associate based on accounting standards. Therefore, these financings are not included in the consolidated financial statements of the Group.

** Balance represents the due amounts on the company.

Source: The Company

For further information regarding facility agreements, please refer to Section 11.8 ("Credit Facilities and Loans") of this Prospectus.



Some of these credit facility agreements contain financial and non-financial restrictions, such as restrictions on dividend distribution and limitations on providing guarantees (such as issuing guarantees on behalf of third parties and mortgages). For example, pursuant to credit facility agreements entered into with Al Rajhi Banking and Investment Corporation, Arab National Bank and Riyadh Bank, Eight Lines provided a financial guarantee to these lenders. Furthermore, the same aforementioned agreements related to HDC include restrictions on changes in the ownership structure of HDC, whereby the Company cannot dispose of its interest in the HDC without obtaining no-objection letters from the lenders. These restrictions also may apply to any changes in the ownership of the Company (including any changes as a result of the Offering). However, the Company has not obtained the necessary waivers and approvals in respect of this restriction for the Offering. The credit facility agreement with Al Rajhi Banking and Investment Corporation includes restrictions prohibiting both the HDC and its guarantors from distributing any dividends without obtaining the bank's written consent. However, the Company has not obtained the necessary waivers from Al Rajhi Banking and Investment Corporation in respect of this restriction. The credit facility agreement with Arab National Bank, on the other hand, includes restrictions prohibiting HDC from distributing any dividends without obtaining the bank's consent if HDC was in default. All of these agreements with HDC grant the lenders the right to settle any amounts due to them against the accounts of HDC held therewith. In addition to the foregoing, pursuant to the credit facility agreement with Al Rajhi Banking and Investment Corporation, none of the parties related to this financing, including the Company, HDC, Eight Lines, Omar Al-Mudaifer and Abdullah Al-Mudaifer, may grant any other guarantee or mortgage in favor of any other party without obtaining the written consent of Al Rajhi Banking and Investment Corporation. Such parties have obtained an exemption from this restriction from Al Rajhi Banking and Investment Corporation, on the condition that Al Rajhi Banking and Investment Corporation is treated on an arm's-length basis similar to any other party to whom the same guarantees or pledges have been provided. Furthermore, the credit facility agreement with Riyadh Bank includes a restriction prohibiting HDC from disposing of or mortgaging any of its assets prior to the full repayment of the financing. The credit facility agreement with Arab National Bank includes a restriction prohibiting HDC from providing any guarantees to any other party except in cases of necessity that are considered part of the ordinary course of business. The credit facility agreement with Riyadh Bank includes provisions requiring HDC to pay a financial penalty of up to 10% of all amounts due and unpaid by HDC on any late payments that remain unpaid for a period of one year. Each of the foregoing matters may adversely affect HDC's ability to distribute dividends or obtain future financing or may result in the accelerated repayment or enforcement of any guarantees or mortgages provided in the event of default. Additionally, such matters could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

The Company, Eight Lines, Mr. Omar Al-Mudaifer and Mr. Abdullah Al-Mudaifer have provided unconditional guarantees for the obligations of HDC under the credit facility agreement between HDC and Al Rajhi Banking & Investment Corporation. Additionally, the Company, Omar Al-Mudaifer and Abdullah Al-Mudaifer have provided guarantees for the obligations of HDC under the credit facility agreements between HDC and Arab National Bank. Furthermore, the Company, Eight Lines, Omar Al-Mudaifer and Abdullah Al-Mudaifer have provided unconditional guarantees for the obligations of HDC under the credit facility agreement between HDC and Riyadh Bank. In the event that HDC defaults or breaches any of the provisions of the aforementioned credit facility agreements, and the lenders exercise their right to enforce these guarantees, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

NEMA Holding Company has entered into credit facility agreements with Abu Dhabi Islamic Bank (ADIB) and Emirates Islamic Bank. These agreements include financial and non-financial restrictions, as well as restrictions on providing guarantees and mortgages. Additionally, the agreements impose late payment penalties. For example, all of these agreements contain restrictions prohibiting any change in the ownership of NEMA Holding Company without obtaining written consent. The credit facility agreement with Emirates Islamic Bank includes restrictions prohibiting any change in the ownership, control, form or legal structure of NEMA Holding Company without the written consent of Emirates Islamic Bank. The Company has obtained the written consent of both of the aforementioned banks for the Offering. Furthermore, all agreements include a late payment penalty. Under the credit facility agreement with Emirates Islamic Bank, the penalty is a cumulative annual rate of 2% in addition to any applicable profit rate on the overdue amounts, which will be paid to a charitable organization. Under the credit facility agreements with ADIB, NEMA Holding Company is required to pay a specific amount determined by ADIB to a charitable organization. Furthermore, all these agreements with NEMA Holding Company grant the lenders the right to settle any amounts due thereto against any accounts held by NEMA Holding Company therewith. Under the credit facility agreement with Emirates Islamic Bank, as collateral provided by NEMA Holding Company, all of NEMA Holding Company's receivables and returns must be assigned to the bank, free from any restrictions or interest, and must all be transferred and collected through NEMA Holding Company's account with the bank. Furthermore, NEMA Holding Company is prohibited from obtaining any other facilities or financing or from providing any guarantees or mortgages to any other party without the written consent of the bank. Additionally, unconditional guarantees have been provided to the bank by the guarantors. NEMA Holding Company has provided guarantees to ADIB under the credit facility agreements entered into therewith. These guarantees include an obligation not to mortgage or dispose of any of the assets mortgaged to ADIB to any third party. Additionally, NEMA Holding Company has provided a set of guarantees and undertakings, including a promissory note for the full amount of the financing, a mortgage on a property and guarantees from subsidiary companies. As per the financing agreement with ADIB, one of the guarantees was that NEMA Group should pledge its shares in Liwa University, but this guarantee has been waived by the bank.



The availability of future financing may be affected by factors outside the Group's control, such as fluctuations in interest rates, changes in investor sentiment, or broader economic conditions. Market conditions, particularly in the financial and credit markets, can rapidly deteriorate, limiting the Group's access to financing or leading to higher costs. If the Group is unable to refinance its existing debt on favorable terms or at all, it could be forced to seek alternative financing on less favorable terms or to curtail its operations, which could have a material adverse effect on its business and financial performance.

The Group's financing arrangements, including those it may enter into in the future, are subject to many terms, obligations and restrictions that could impact the Company's ability to distribute profits, dispose of assets and restructure its finances (including obtaining additional loans). Any breach of its financing arrangements could restrict the Group's ability to distribute dividends to Shareholders, trigger fines from financiers, accelerate repayments or require the Group to pay the full amounts financed, which could cause other adverse financial consequences such as seizure or enforcement against the Group's mortgaged assets. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.20 Risks Related to Inadequacy of Insurance Coverage

The Group has a number of insurance policies to cover its business operations and its assets (for further details, please refer to Section 11.10 ("**Insurance**") of this Prospectus). However, the Group may be exposed to several risks against which it may not be adequately insured, or which cannot be fully insured against or cannot be insured against at reasonable commercial rates. The Group cannot guarantee that its current insurance coverage is adequate to protect it from the abovementioned risks, which may result in significant financial losses, third-party claims for personal injury, accidents in the course of operations or losses resulting from property damage.

The Company has obtained directors and officers liability insurance coverage for the Company, as well as for HDC, HRC and MDX Associates. This coverage extends to all companies within the Group, except for NEMA Holding Company and its subsidiaries. If the Subsidiaries were to lose the benefit of the insurance policies, the insurance coverage provided by the Group's insurance policies, which has a maximum limit of SAR 30 million and is applied as a maximum indemnity for any one claim or as an aggregate for more than one claim, may be discontinued, and future insurance coverage may not be available at reasonable commercial prices. If the insurance policies are not renewed within the current scope of coverage and under commercially acceptable terms, or if they are not renewed at all, or if there is no insurance or insufficient insurance for the different fields of the Group's business, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.21 Risks Related to Capex and Maintenance Requirements for Educational Complexes and Depreciation

The quality of educational buildings and the level of maintenance of these buildings are one of the key aspects that students or parents consider when enrolling in schools, daycare centers and universities. The quality of educational buildings affects the rate of student turnout and enrollment, and the Group will be required to invest in maintenance and refurbishment requirements in order to preserve the attractiveness of its facilities. This is the case for Group-owned property and could also be the case for leased educational centers such as the MDX Dubai campus, where the Group may face increased lease costs and may need the assistance of the owner of the property if it decides to refurbish the educational complexes. For further information, please refer to Section 2.1.3 ("**Risks Related to the Quality of Services Provided and Determining Tuition Fees in Schools and Daycare Centers**") of this Prospectus.

Additionally, the quality and maintenance of educational buildings are crucial to the Group's service standards. Any failure in building quality or inadequate maintenance could lead to accelerated depreciation of such assets, diminishing the overall quality of services, which could indirectly result in lower ratings from MHRSD and a loss of asset value for the Group. The Group had fully depreciated assets still in use valued at SAR 13.4 million as at 31 December 2022G (15.6% of the total book value), SAR 19.6 million as at 31 December 2023G (17.6% of the total book value), SAR 24.1 million as at 31 December 2024G (14% of the total book value), and SAR 26.8 million as at 31 March 2025G (21.8% of the total book value). These lower ratings could, in turn, lead to increased operational burdens and costs to meet the required standards and improve ratings, and reduced tuition fees, negatively affecting the average revenue per student and potentially harming the Group's financial performance. For further information, please refer to Section 2.1.23 ("**Risks Related to the Group's Reliance on Leased Sites**") of this Prospectus.

If the Group does not provide, or is unable to provide, the necessary maintenance for its current or future educational complexes for any reason or if they become obsolete with time, this would affect the quality of these complexes, which may lead to student aversion because of their current state, which will negatively and fundamentally affect the Group's business, financial position, results of operations and prospects.



Furthermore, if maintenance costs are higher than expected for any reason as a result of increased labor costs, contract costs with third parties or repair and maintenance costs, this also could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.22 Risks Related to the Impact of Impairment of Goodwill and Intangible Assets of the Group

The Group held goodwill and intangible assets of approximately SAR 626.7 million, SAR 620.8 million and SAR 615 million as at 31 December 2022G, 2023G and 2024G, respectively, and SAR 613.6 million as at 31 March 2025G, representing 47.2%, 44.5% and 38.6% of the total assets for the financial years ended 31 December 2022G, 2023G and 2024G, and 36.3% as at 31 March 2025G. The Group carries out an impairment test on an annual basis to reassess the recorded value of goodwill and intangible assets.

As at 31 March 2025G, goodwill and intangible assets consisted of: (a) goodwill (SAR 500.3 million), (b) student agreements and relationships (SAR 110 million), and (c) trade names (SAR 3.3 million). The value of goodwill increased to SAR 500.3 million as at 31 December 2022G following the acquisition of 60% of the share capital of HDC and its subsidiary, HRC, on 27 October 2022G for a consideration of SAR 220.4 million in addition to a contingent consideration of up to SAR 47.1 million, payable in two installments, of which the goodwill value was SAR 220.4 million. The value of the Group's goodwill remained unchanged as at 31 December 2023G and 2024G and 31 March 2025G. Intangible assets have been valued by an independent expert to provide valuation support services in order to determine the fair value of assets acquired and liabilities assumed under IFRS3 and are being amortized over their estimated useful lives. No conditions have been identified that indicate that the value of goodwill may be impaired as at 31 March 2025G. Therefore, no impairment test was conducted at that date. It should be noted that student agreements and relationships, which have finite useful lives, have been valued by an independent expert and are being amortized over their respective useful lives. Similarly, trade names with finite useful lives are being amortized annually over their 25-year useful life.

Intangible assets include agreements with MDX UK, partnership agreements with private schools, and student relationships with international students, all of which are being amortized over their estimated useful lives. The value of these student agreements and relationships amounted to SAR 119.4 million for the JV Agreement with MDX Dubai. This value increased to SAR 122.6 million as at 31 December 2022G, as a result of the acquisition of HDC. The balance decreased to SAR 116.9 million, SAR 111.4 million and SAR 110 million as at 31 December 2023G and 2024G and 31 March 2025G, respectively, due to amortization expenses. The value of the JV Agreement with MDX Dubai was determined to be SAR 134.8 million at the acquisition date and is being amortized over a 30-year period. The value of student relationships with international students was determined to be SAR 7.8 million at the date of acquisition of HDC and is being amortized over 14 and 4 years, respectively. Intangible assets also include trade names associated with daycare centers from the date the Group acquired a 60% stake in HDC. The carrying amount of these trade names was SAR 3.8 million, SAR 3.6 million, SAR 3.4 million and SAR 3.3 million as at 31 December 2022G, 2023G and 2024G and 31 March 2025G, respectively. Amortization expenses for these trade names were SAR 224 thousand, SAR 224 thousand and SAR 56 thousand as at 31 December 2023G and 2024G and 31 March 2025G, respectively.

Intangible assets with finite useful lives are amortized over their useful lives and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and amortization method for intangible assets with finite useful lives are reviewed at least once annually. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

While the Group performs goodwill and intangible asset impairment tests internally, it should be noted that if an independent advisor performs an impairment test on 31 March 2025G, it may require an impairment in the goodwill and intangible assets balance, which could have a material adverse effect on the value of goodwill and intangible assets and thus on the net assets of the Company, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.23 Risks Related to the Group's Reliance on Leased Sites

Through HRC, the Group owns four properties in the KSA for the purpose of establishing daycare centers. In the UAE, NEMA Group owns 9 real estate properties that house the campuses of its affiliated universities, such as the Abu Dhabi University (ADU) campus. However, the majority of the real estate properties used by the Group in its operations are not owned by the Group Companies but are leased from third parties. The Group relies on leased sites where a number of educational complexes are built. As at the date of this Prospectus, the majority of the Group's educational complexes are established on fully leased sites (over 64 real estate properties out of 77 properties). Additionally, the Group leases 11 real estate properties on which MDX Dubai is located. All of these lease agreements expire in 2026G and have no automatic renewal clauses. The Group's total lease payments (on a consolidated basis) amounted to approximately SAR 12.1 million, SAR 29.4 million and SAR 30.9 million for the financial years ended 31 December 2022G, 2023G and 2024G, respectively, and SAR 9 million for the three-month



period ended 31 March 2025G. As at 31 March 2025G, the Group has committed to lease payments totaling SAR 33.3 million, due in less than three years. Some of these contracts contain clauses stipulating annual or periodic lease amount increases. For instance, four of the MDX Dubai lease agreements include a provision for an annual increase of 1.6% of the lease amount at specific intervals during the lease term. Similarly, certain lease agreements for daycare centers affiliated with HDC and HRC include provisions for specific increases at certain intervals within these contracts. Given that some of these lease agreements are short-term (expiring around 2026G), there is a risk that these contracts may not be renewed at all or may not be renewed on the same terms. Additionally, the contracts may be terminated at any time due to circumstances beyond the Group's control. For example, two of the lease agreements related to ADU, which is part of NEMA Group, stipulate the lessor's right to terminate the contract for public interest (for further information, please refer to Section 11.9.2 ("Material Lease Agreements") of this Prospectus). Since the leases have a fixed term and are renewed at the request of the parties to the contract, any rental increase imposed by the landlords on the Group upon renewal will cause the Company to incur additional unforeseen liabilities, which will have a material adverse effect on the Company's business, financial position, results of operations and prospects. For further information on the Group's material lease agreements, please refer to Section 11.9.2 ("Material Lease Agreements") of this Prospectus.

Council of Ministers Resolution No. 292, dated 16/05/1438H (corresponding to 13/02/2017G), stipulates that a lease agreement not registered on the Ejar platform is not considered a valid contract and shall not be recognized in court. As at the date of this Prospectus, the Group, through HDC and HRC, has two lease agreements that are not registered on the Ejar platform, namely HDC's lease agreement with an annual rent of SAR 105,000 and HRC's lease agreement with an annual rent of SAR 700,000 (for further information, please refer to Section 11.9.2 ("Material Lease Agreements") of this Prospectus). Consequently, in the event of any dispute between the Group and the landlords regarding these lease agreements, such disputes may not be considered by the courts in the KSA. Consequently, the Group may not be able to claim or protect its rights in the event that the landlords breach any of their contractual obligations. Furthermore, failure to register lease agreements on the Ejar platform may result in the Group's inability to obtain or renew municipal licenses. Consequently, failure to electronically register the Group's contracts could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

In addition, the Group may not be able to renew all leases, or such contracts may be renewed under different terms and conditions that may not be commensurate with the Group's plans and strategic objectives. The Group may, in some instances, be required to vacate all or a number of the leased properties upon short notice due to the termination of lease agreements in accordance with their terms or failure to renew such contracts. As a consequence, the Group may incur additional costs to find other suitable sites to lease and to transfer operations and activities to such new sites. In this case, the Group does not guarantee that all parents will consent to transfer their children to the new sites. Equally, higher education students might decide to withdraw or transfer to other institutions as a result of moving the operations of MDX Dubai away from the space currently leased in Dubai Knowledge Park. Additionally, the Group may not be able to recover any costs incurred in buildings that have been constructed, renovated or otherwise improved at significant expense to meet the expected standards of its students and government authorities when vacating properties upon lease termination, especially if the leases are terminated earlier than anticipated. This could, in turn, have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

Leases in Abu Dhabi must be registered and documented through the "Tawtheeq" platform. Khawarizmi Company, a subsidiary of NEMA Group, is a lessee under the Tawtheeq certificate. However, the Tawtheeq certificate does not include detailed and clear provisions outlining the obligations and rights of the parties and the related provisions. For example, the Tawtheeq certificate does not include provisions for contract assignment, subletting or confidentiality provisions related to the contract terms.

NEMA Group entered into two Musataha agreements whereby NEMA Education and Liwa University have been granted a Musataha right (i.e., a right in rem conferring upon the Musataha holder the right to construct a building or plan on land owned by another) in Abu Dhabi. These two agreements have been in place for approximately 30 years (for further information on the Musataha agreements, please refer to Table 11.24 ("Summary of the Group's Material Leases") of this Prospectus). Under the Musataha agreements, the Group is obligated to comply with the obligations stipulated in the Musataha agreements. In the event of any breach of these agreements by the Group, the landlord has the right to terminate the agreement. The Group has not yet commenced construction on these real estate properties but is in the process of planning to build. If the Musataha agreement is terminated due to a breach by the Group, or if the Musataha agreement is not renewed upon its expiration, the Group may not be able to negotiate similar terms or may not be able to reach an agreement at all. In such a case, the Group will not be compensated for the amounts incurred for construction on the real estate property.

Should any of the above risks materialize, it could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.24 Risks Related to the Inability to Implement Expansion Plans through Leasing or Building Educational Complexes

If demand for the Group's services, student numbers and enrollments increase in the future, the Group, particularly the MDX Dubai campus, will need to lease or develop new educational complexes. The MDX Dubai campus is located in Dubai Knowledge Park and Dubai Academic City, and MDX Dubai leases space there as needed from existing units shared with other tenants. As such, vacant spaces may not be available to MDX Dubai due to them being occupied by other tenants (for further information, please refer to Section 4.6.4.1.3 ("MDX Dubai's Facilities") of this Prospectus). The Group may not be able to lease additional space on commercially favorable terms or at all, which will affect its ability to grow. Furthermore, sites chosen for the establishment of the new complexes through construction projects may not be suitable and may not match the expected demand. Consequently, the economic feasibility of the new projects would be negatively affected, which would also negatively and fundamentally affect the Group's business, financial position, results of operations or prospects.

Moreover, the Group may need to contract with external third parties for the construction or refurbishment of new educational complexes, and these projects are inherently subject to specific execution schedules. However, the accomplishment of these projects may be delayed or suspended temporarily or permanently due to various factors. Those factors include, but are not limited to, delays in obtaining the necessary approvals and licenses, contractors' failure to comply with the implementation schedule, negotiation with other parties regarding the execution of some project-related works or lack of necessary administrative and educational competencies and financial resources. In such case, the Company may incur additional costs as a result of delaying the accomplishment of projects beyond the specified schedule or stopping them completely. Should any of the above risks materialize, it could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.25 Risks Related to Local and International Curricula Requirements

Program offerings at the Group's universities are subject to the oversight of the relevant authorities and must comply with the regulatory requirements imposed by the relevant local authorities. In the case of MDX Dubai, the Knowledge and Human Development Authority (KHDA) in Dubai is the relevant authority (for further information, please refer to Section 3 ("Market Overview") of this Prospectus). Further, the development of the program portfolio at MDX Dubai is also subject to the inputs and oversight of MDX UK. Despite the Group's ongoing engagement and regular communication with regulators and shareholders, there is a risk that the Group may fail to implement an effective strategic plan for the development of its program portfolio in Dubai that complies with both local regulatory requirements and standards as well as MDX Dubai's obligations towards MDX UK. If these matters are not managed effectively, it could result in delays in the approval process for any new programs.

Additionally, requirements to comply with both local and international factors may hinder the Group's potential international expansion plans and affect its ability to execute its strategic objectives. Moreover, this may result in an inability to adapt to shifts in local market demand for graduates and raise potential challenges in meeting quality assurance and regulatory requirements, negatively impacting the Group's reputation and rankings. Moreover, if the Group does not comply with applicable regulatory requirements, the Group's licenses may be revoked. Issues with curricula might also lead to operational disruptions and create financial challenges for the Group. Collectively, these factors could materially affect the Group's capacity to sustain and advance its academic offerings, with consequences for both its current operations and future growth prospects.

The activities undertaken by HDC and HRC rely on international learning tools and curricula as part of their education services, which are subject to the supervision and potential usage requirements of MOE KSA and MHRSD in the KSA, which may hinder the Group's ability to fully benefit from such international learning tools and curricula.

Any challenges faced by the Group with implementing or updating its curricula could, in turn, have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.26 Risks Related to Employees' Misconduct and Errors

The Group is exposed to errors, fraud and misconduct by its employees, which could subject the Group to financial claims for negligence or other reputational damages as well as regulatory actions. The Company does not guarantee that there will be no employee misconduct or errors, including but not limited to misuse of information, disclosure of confidential information, involvement in the dissemination of misleading information, non-compliance with Company's internal controls, or negligence in their educational and supervisory roles towards male and female students under their supervision.

If any of the Group's employees commit such acts, it could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.27 Risks Related to the Company's Trademarks and Intellectual Property Rights

In marketing its services, the Group relies on its reputation that is associated with its trade name and brand, which supports its business and competitive position in the market. Consequently, the success of the Group also depends on its ability to maintain and boost the strength and value of its trademark, which in turn depends on many factors, such as the Group's reputation, the services provided by the Group and the perception of its trademark. The Company and its Subsidiaries have registered eleven (11) trademarks used in its educational complexes in the KSA with the Saudi Authority for Intellectual Property and in the UAE with the Ministry of Economy (for further information on the Group's trademarks, please refer to Section 11.11 ("**Intellectual Property and Intangible Assets Owned by the Group**") of this Prospectus). In the event the intellectual property rights related to the Group's trademark are infringed, including as a result of unauthorized use or a failure to protect such rights by the competent authorities in accordance with applicable regulations, it may face costly litigation and the diversion of technical and management personnel.

On 10/10/2024G, the Company recently changed its name from "Amanat Special Education and Care Investments" to "Almasar Alshamil Education Company". The Company has registered two trademarks in its name within the KSA. In addition, the Group relies on one (1) unregistered trademark used in its MDX Dubai complexes. There is no guarantee that the Group will be able to register these trademarks in its name. As unregistered trademarks do not enjoy statutory protection against exploitation by third parties, if the Group fails to adequately register its trademarks, this would adversely affect its reputation, which in turn would have an adverse effect on the Group's business, results of operations, financial position and prospects.

The Group may, from time to time, be forced to file lawsuits to demand restitution of its commercial rights related to its commercial trademarks and other intellectual property rights. Further, third parties may claim that the Group has violated their intellectual property rights, which may lead to being subject to lawsuits (for more information, please see Section 2.1.29 ("**Risks Related to Judicial Disputes**") of this Prospectus). Litigation inherently involves a state of uncertainty and may be distracting to the Group's management, resulting in significant costs and dissipation of resources. This may adversely impact the Group's income and profits, regardless of whether the Group is able to maintain or defend intellectual property rights.

The Group may not succeed in enhancing its brand and trademark and their contribution to increased sales and profits. The value of the Group's trademark and brand may be adversely affected by internal factors, such as poor quality of services rendered by its employees and incorrect treatment of customer complaints as well as external factors such as embezzlement by third parties, infringement of or damage to the intellectual property rights of the Group, complaints, investigations or other statutory actions and illegal activities targeting the Group. In addition, negative publicity on the Group or any negative media coverage can damage the Group's reputation and brand and can result in a loss of students. Furthermore, the Group may be exposed at any time to negative comments on social media, including blogs, social networks and other types of web platforms, which could have a negative impact on the Group's reputation and image. The inability of the Group to properly manage and address these factors and events or its inability to prevent them would have a material adverse impact on its brand and trademark, which would result in fewer new students or the departure of existing students and consequently a decline in revenues. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.28 Risks Related to Transactions and Contracts with Related Parties and the Company's Directors and Senior Executives Competing with the Group's Business and Activities

Related Party transactions are identified and recorded in the Group's consolidated financial statements in accordance with the IFRS-KSA and the regulations, directives and principles applicable in the KSA. Based on the special purpose consolidated financial statements of the Group for the financial year ended 31 December 2022G, there were no amounts due from Related Parties. Amounts due from Related Parties for the financial year ended 31 December 2023G and 2024G were SAR 9.3 million (0.7% of total assets for the period) and SAR 8.8 million (0.6% of total assets for the period), respectively. The Company has collected the balance and settled the amounts due from Related Parties. As such, there were no amounts due from Related Parties as at the financial period ended 31 March 2025G. Amounts due to Related Parties for the financial years ended 31 December 2022G, 2023G and 2024G were SAR 50 thousand (0.0% of total liabilities for the period), SAR 2.3 million (0.8% of total liabilities for the period) and SAR 2.9 million (0.8% of total liabilities for the period), respectively. There were no amounts due to Related Parties for the three-month period ended 31 March 2025G. The Group also has transactions with key management members consisting of management fee expenses included in the share of results of an associate company for services provided by a key management member of Amanat Holdings to an associate company, and these transactions represent the Group's share of the said expenses. The value of the transactions amounted to SAR 2.6 million, SAR 2.3 million, SAR 2.9 million and SAR 0.9 million as at the financial years ended 31 December 2022G, 2023G and 2024G and the period ended 31 March 2025G, respectively, representing 10.7%, 12.7%, 9.8% and 16.1%, respectively, for the same periods of the share in the results of the associate. In addition, Related Party transactions consisted of expenses paid on behalf of the Group, mainly



in relation to the lease value of a building for HDC. Transactions with other Related Parties amounted to SAR 4.6 million (0.3% of total assets) as at 31 December 2023G, representing lease expenses paid on behalf of the Group by Learning Time Establishment (an associate of the Group). Transactions with other Related Parties amounted to SAR 0.6 million (0% of total assets) as at 31 December 2024G. The Company did not have any other transactions with Related Parties for the period ended 31 March 2025G. The Group also has other transactions with Related Parties for the financial years ended 31 December 2022G and 2023G amounting to SAR 2.5 million for each of the aforementioned periods, as well as transactions amounting to SAR 1.3 million for the financial year ended 31 December 2024G and nil for the three-month period ended 31 March 2025G. These transactions represent administrative fees and were entered into between MDX Associates and Amanat Holdings, with MDX Associates paying these amounts to Amanat Holdings annually until the date of MDX Associates' transfer of ownership to the Company in June 2024G. Accordingly, these amounts for the subsequent financial periods following the transfer of MDX Associates' ownership to the Company are not considered Related Party transactions in the Company's balances.

As at the date of this Prospectus, the Company is not a party to any ongoing agreements or transactions with Related Parties (as defined in the Glossary of Defined Terms used in the Regulations of the Capital Market Authority).

The Group believes that all transactions with Related Parties have been conducted on an arm's length basis. However, there is no guarantee that the terms and scope of future agreements will be similar to those that could be obtained if contracted with independent parties (i.e., non-Related Parties). This is especially true when the interests of the Group differ from those of the Related Parties who are a party to such agreements. If the Group enters into contracts with any Related Parties on an unfair basis and/or if these transactions result in an inappropriate transfer of benefits to the Related Parties of the Group, this could have an adverse effect on the Group's costs and revenues, which would have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

In accordance with Articles 27 and 71 of the Companies Law, no Director may have a direct or indirect interest in any transactions or contracts entered into on behalf of the Company without obtaining authorization from the Company's Ordinary General Assembly, nor may they participate in or vote on any decisions taken by the Board of Directors or the Ordinary General Assembly on any matter relating to such interests. As at the date of this Prospectus, none of the Directors have any interest in the transactions and contracts entered into on behalf of the Company.

It should be noted that the Director Kamal Abdullah Salem Bahamdan is currently the chairman of the board of directors of Tadrees Education Company and owns, directly and indirectly, significant shares therein as well as in Global School Management, all of which are companies and entities operating in the education sector. The Group currently provides general curriculum education services (other than those provided to special needs students) in the Group's schools, and the Company is examining the extent of expansion within this sector in the KSA in the coming years. Accordingly, the provisions of Paragraph 2 of Article 27 of the Companies Law apply, which require obtaining permission from the Company's General Assembly. The Company's Ordinary General Assembly approved Kamal Abdullah Salem Bahamdan's participation in such activities, which could compete with the Company or its Subsidiaries, in its meeting held on 27/04/1446H (corresponding to 30/10/2024G) (for further information, please refer to Section 5.9.3 ("**Business of Directors Competing with the Company**") of this Prospectus). This decision is subject to the standards on a Director competing with the Group's business or any of its activities set out in the Company's conflict of interests policy and Related Party transaction policy, including them refraining from participating in or voting on any decisions taken by the Board or the Ordinary General Assembly on any matter relating to such competing interests and updating the Company annually on the status of such competing interests and whether there have been changes in their scope or nature. However, there is no guarantee that the participation of Directors in such activities will not have an adverse effect on the interests of the Company and its Shareholders. Generally, if Directors engage in any business that competes with the Group or any of its activities, cases may arise, from time to time, where there are conflicts of interest for Directors or activities that may compete with the Company, which require the approval of the General Assembly in accordance with the provisions of Article 27 of the Companies Law. If a conflicting Director engages in any business that competes with the Company's business and activities without obtaining the approval of the Company's General Assembly, this may enable said Director to benefit from confidential inside information relating to the Group for their own benefit and for the benefit of their competing business, which could harm the Group's interests, including damaging its reputation and disclosing its confidential information, which could have a material adverse effect on the Group's business, financial position, results of operations or prospects, and therefore the Company's share price.

There are risks associated with not obtaining the approval of the Board or the General Assembly of the Company or its Subsidiaries for transactions subject to the provisions of Articles 27 and 71 of the Companies Law. In such a case, the conflicted Director must either resign or take steps to ensure that they have no interest (for example, by terminating the relevant contract or waiving the rights arising from said interest). Although the Group has implemented policies to address conflicts of interest and Related Party transactions, including specific disclosure procedures and obtaining the necessary approvals from internal committees, Directors and the General Assembly of the Company (as applicable), it cannot be guaranteed that conflicts of interest will not arise from time to time due to the relationship of these parties with the Group. The termination of these contracts or the resignation of the aforementioned Director could have a material adverse effect on the Group's business, financial position, results of operations or prospects, and therefore the Company's share price.



2.1.29 Risks Related to Judicial Disputes

Many aspects of the Group's business involve potential litigation risks. Some of the Group's risks related to liability arise under the laws and regulations relating to insurance, tax, anti-money laundering, foreign asset controls, employment, media content, intellectual property, defamation and corrupt practices. Although aspects of the Group's business may be protected by contractual arrangements providing limited or no liability clauses, the Group could still be exposed to substantial liability under applicable laws and regulations and judicial or administrative decisions or judgments, as well as rules and regulations promulgated by relevant regulators. The Group could incur significant expenses defending claims. In addition, an adverse resolution of any lawsuit or claim against the Group may require payment of substantial damages or impose restrictions on how the Group can conduct its business going forward.

As at 21 May 2025G, the Company and its Subsidiaries were parties to 14 ongoing lawsuits that arose during the normal course of operations, which include commercial and labor claims as well as other lawsuits, all filed by and against HDC and HRC. Such lawsuits include five labor cases filed against HDC by its former employees, with the total claims in these cases amounting to SAR 89,831, as well as a labor case filed against HRC, with a total claim amounting to SAR 16,313. There are also nine cases filed by HDC, with total claims amounting to SAR 226,358, all of which are before administrative courts, in relation to the recovery of unclaimed receivables from MHRSD. The Group has set aside reserves for the lawsuits filed against it. For further information on claims and lawsuits, please refer to Section 11.12 ("Claims and Litigation") of this Prospectus.

The Group cannot foresee the outcome of such proceedings, and any unfavorable outcome could have a material adverse effect on the Group's business, results of operations, financial position and prospects. In addition, the Group anticipates that it will incur costs related to such proceedings brought by or against it, including penalties and damages imposed on it. In addition, these lawsuits may result in the Group incurring high costs related to pursuing legal proceedings. Therefore, any decision that is not in the favor of the Company or its Subsidiaries may have a material adverse effect on the Group.

Should any of the above risks materialize, it could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.30 Risks Related to the Seasonality of the Group's Business

The Group operates during the annual academic calendar, which is for about nine months a year in both the Kingdom and the UAE. According to the annual academic calendars, studying stops for approximately three consecutive months during the school and university summer vacation period, which means that the Group operations during this period are decreased. Even though operations are decreased during these periods, the Group is still bound to pay fixed operating costs such as employee wages and salaries, maintenance bills and renovation and refurbishment costs. The Group may not be able to mitigate the costs incurred during this period by entering into temporary employment or service contracts, which could negatively impact the Group's cash flows. Additionally, if the number of students enrolling at the beginning of each semester is lower than expected or forecast, this number will likely continue for the remaining months of that semester (as it is uncommon for students to enroll after the start of a semester), which means that the Group will not be able to increase its revenues during the semester and will typically focus on accepting students at the beginning of each semester. In addition, the Group's financial performance may vary from time to time based on the start date of the school year and the summer vacation period, so it may be difficult to compare the financial performance of the Group between periods due to business seasonality, as MDX Dubai's tuition fees for students enrolled in January of each year are calculated over a period of 6 and a half months compared to 9 months for students enrolled in September, resulting in higher average tuition fees for students enrolled in January compared to students enrolled in September. The Group prepares quarterly reports, and the first, second, and fourth quarterly reports of the financial year do not include the impact of costs incurred during the summer season when the Group's operations decline due to school vacations. This may create an impression of higher profitability compared to the full calendar year. Conversely, the third quarter records low revenue, which may give the impression of lower profitability compared to the full calendar year.

It should be noted that the Group, through HDC and HRC, enters into nine-month employment contracts with some of its Saudi teachers in alignment with the academic year. These contracts terminate upon completion of the academic year, and new employment contracts are then entered into at the beginning of the subsequent academic year. The Group cannot guarantee its ability to rehire said teachers or recruit a sufficient number of employees for the subsequent academic year. It should be noted that the employment contracts of Saudi teachers may be classified as indefinite-term employment contracts due to the frequent termination of contracts and the signing of new contracts at the end of each academic year, in the event that this procedure is classified as a renewal of contracts if the employment period continues for four years, or the contract is renewed three consecutive times. Indefinite-term employment contracts have implications that may differ from those related to fixed-term contracts, such as those related to termination, end-of-service benefits, and the notice period. For example, if the Group terminates an employment contract after it has been converted to an indefinite-term contract, it must observe the provision of a specific period of prior written notice. If it fails to provide the notice, the termination of the contract may be classified as unlawful termination, and thus the Group will bear the liabilities resulting from the unlawful termination. Additionally, HDC



and HRC offer non-Saudi employees and some Saudi employees the opportunity to take unpaid leave for the entire summer period, subject to their written consent. End-of-service benefits for these employees are recalculated to account for such leave. A portion of the Group's expenses related to salaries and other costs is saved during this unpaid leave period. However, if an employee declines this leave, the Group cannot compel them to take it or withhold their entitlements. Consequently, the Group will continue to incur these costs despite a slowdown in operations during the summer, which may impact its cash flow and financial position.

If this seasonality affects the management of cash flows or its relationship with its academic staff and its ability to recruit them at the beginning of the academic year, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.31 Risks Related to the Group's Compliance with the Companies Law

The Group Companies are committed to complying with the provisions of the relevant laws and regulations in both the KSA and the UAE, such as the Saudi Companies Law and its Implementing Regulations issued by Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G), to which the Company and each of its Subsidiaries, HDC and HRC, are subject. This law, as well as the bylaws and memorandum of association of each of these companies, imposes requirements that they must comply with. It should be noted that the Company (prior to its conversion from a limited liability company) and the aforementioned Subsidiaries did not comply with the requirements of the Companies Law stipulated in Article 165 regarding the mandatory holding of a general assembly of shareholders at least once a year within six months following the end of the financial year, and that it must include, at a minimum, the items referred to in Article 168 of the Companies Law, which include, for example, the appointment of an external auditor. Since the Company and HRC are single shareholder companies, the shareholder has all the powers of the general assembly, and its resolutions are issued in writing. However, the shareholder did not acknowledge the items referred to in Article 168 of the Companies Law within the period specified in Article 165 following the end of the financial year ended 31 December 2023G for the Company and HRC, in addition to the aforementioned general assembly items related to the financial years ended 31 December 2021G and 2022G for HRC. Furthermore, the HDC and HRC general assemblies of shareholders did not convene within the statutory period for the financial years ended 31 December 2021G, 2022G and 2023G. The resolutions of the HDC general assembly for these years were issued on 30/03/1446H (corresponding to 03/10/2024G), while the resolutions of the HRC general assembly were issued on 28/03/1446H (corresponding to 01/10/2024G).

Each of these companies has held a general assembly of shareholders, and the shareholders of these companies have issued resolutions regarding the items referred to in Article 168 of the Companies Law. However, these resolutions and assemblies were held after the statutory period had lapsed, thereby exposing them to the regulatory violations stipulated in Article 262 of the Companies Law. The fines for such violations can reach up to five hundred thousand Saudi riyals (SAR 500,000). If the Company or any of its Subsidiaries subject to the Saudi Companies Law violate any of its provisions or its Bylaws, it will be exposed to any of the violations stipulated in the Companies Law, which may have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

From time to time, the Group Companies may be required to update and align their constitutive documents and registrations with the relevant authorities in accordance with the latest regulatory developments and internal circulars of the relevant regulatory authorities. If any Group company fails to update and align its constitutive documents or registrations within the specified period, it may be subject to warnings, fines, suspension of services or even legally enforced liquidation, which may have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.1.32 Risks Related to the Opening and Closure of Centers, Schools and University Campuses

The Group provides its services primarily through its premises and facilities, which include daycare centers, schools and university campuses. In the course of its operations, the Group undertakes the opening and closure of these premises. The Group did not close any centers in 2022G, 2023G and 2024G. Furthermore, the Group opened 5 centers in 2022G, 6 centers in 2023G, 8 centers during 2024G and 1 center during the period ended 31 March 2025G. The Group also entered into two partnership agreements to operate two schools in 2022G and two schools in 2024G and terminated one partnership agreement for two schools. For example, the Group closed one of its primary daycare centers in Riyadh in 2021G. This center contributed 16.9% to HDC's revenue in 2021G, amounting to SAR 13.2 million, and had a capacity of 332 beneficiaries. It was the highest-performing center for that period. The Group closed this center as part of its strategy to transition from large-scale daycare centers to smaller daycare centers to cover wider geographic areas. Accordingly, the Group opened four new centers in Riyadh during 2022G, which commenced operations in September 2022G. One of these centers acquired a significant share of the former beneficiaries of the closed center referred to above and recorded revenues of SAR 10.4 million as at 31 December 2022G. The total revenue of the four new centers amounted to SAR 18.4 million as at 31 December 2023G and



SAR 22.2 million as at 31 December 2024G, with an average of 472 beneficiaries and 536 beneficiaries for the same periods. Additionally, the Group concluded its operations in two schools in mid-2023G. The first school, where the Group was an operator under a partnership agreement, contributed revenues of SAR 616 thousand and SAR 497 thousand for the financial years 2022G and 2023G, respectively. The other school, which was fully owned by the Group, SAR 582 thousand and SAR 311 thousand in revenue for the financial years 2022G and 2023G, respectively. Over the past three financial years and the period ended 31 March 2025G, the Group also added three schools under partnership agreements. However, the operations of one of these schools were discontinued and the partnership agreement thereof was mutually terminated by the agreement of both parties in September 2024G, only one month after the school began operations, for ordinary business reasons. The school generated revenues of SAR 59 thousand. Another partnership agreement was terminated in mid-2023G by the mutual agreement of both parties for ordinary business reasons. The revenues from this agreement amounted to SAR 616 thousand and SAR 497 thousand for the periods ended 31 December 2022G and 2023G. The termination of these two agreements did not result in any legal consequences or claims. It is important to note that the Group may not be able to open new centers, operate them and reach their full capacity in a timely manner. Additionally, the Group may not be able to enter into new partnerships with other schools. It can take up to approximately 24 months for new daycare centers to fill to capacity and draw in a sufficient number of beneficiaries. Nonetheless, an average of 12 months of operation is typically enough to give a reliable picture of the center's performance for accounting purposes. The Group's daycare centers that were opened prior to 2021G have reached this operational level, despite incurring operating costs and expenses. Since 2022G, the Group has opened 15 centers, 9 of which were opened between 1 January 2024G and 31 March 2025G. These centers are still in the process of ramping up operations to reach the desired operational level, which has impacted the Group's profitability. The gross profit margin of HDC decreased from 45.2% in 2022G to 42.0% in 2023G, 34.8% in 2024G and further to 31.4% as at 31 March 2025G as a result of the addition of 9 new centers that have not yet reached the required operational level. The new centers may achieve a high occupancy level as they have not reached full capacity. Therefore, if the new centers or schools do not amortize the costs of closing centers or schools due to any delay in adding the new centers due to the lack of suitable alternative sites or if they are delayed in reaching the desired operational level, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

It should be noted that the Group may have to relocate one of its schools in order to meet Tadarruj program requirements, which require a school to relocate if it is located in an area identified as a designated area for redevelopment, infrastructure improvements or safety concerns. The relocation is expected to commence in September 2026G, at a cost of SAR 4 million. Any delay in this relocation could have a material adverse effect on the Group's business, profitability, financial condition, results of operations or prospects, and therefore the Company's share price.

2.1.33 Risks Related to a Decline in the Profitability of Daycare Centers

HDC relies heavily on the revenue generated from SEC services through daycare centers, in addition to services provided through clinics. These services accounted for approximately 77.4%, 78.2% and 77.3% of HDC's revenue in 2023G and 2024G and the period ended 31 March 2025G. The daycare center contribution margin decreased from 64.4% in 2022G to 62.3% in 2023G, 56.3% in 2024G and 52.7% for the three-month period ended 31 March 2025G. This is attributed to the opening of 15 new centers since 2023G, which have yet to reach their desired operational level, in addition to a decrease in the profit margin from the 13 centers opened prior to 2021G. It is worth mentioning that the utilization rate of daycare centers in the morning shift increased from 60.5% as at 31 December 2022G to 69.9% as at 31 March 2025G. This growth was driven by a higher beneficiary rate resulting from the increased operation level of recently opened centers. However, in the event of a shift in beneficiary preference toward evening shifts made available in the recently opened centers over morning shifts in centers which provide their services across both morning and evening shifts (as is the case in the centers opened in 2024G), it could have an effect on the morning shifts utilization rate at the daycare centers. Furthermore, this decline in profitability is attributed to an increase in operating costs while the fees and charges for daycare services, as set by MHRSD, have remained the same. Despite the increasing number of beneficiaries, this is not sufficient to amortize the operating costs, particularly in the centers opened prior to 2021G. In addition, the Group's incurrence of staff costs due to the decrease in the support provided by the MHRSD's Tamheer Program has affected the profitability margin as reflected in the centers operated before 2021G, which saw a decrease in profitability. Therefore, the Group has to continue to expand the centers to improve their profitability or have their fees increased by MHRSD. Consequently, the Group's inability to improve its profit margin due to the fixed value of services provided by MHRSD at its centers, its inability to increase tuition fees and the increase in operating costs, coupled with the decrease in government support from programs such as the Employment Support Program and the Tamheer Program for private sector training support, will affect the capital expenditure to finance the establishment of new centers and will have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.1.34 Risks Related to the Absence of an ERP System for the Group

Enterprise Resource Planning (ERP) systems are fundamental for managing companies, as they support all aspects of financial management, human resources, supply chain management and manufacturing using core accounting functionality. However, the Group does not currently have an ERP system that integrates the results and data of MDX Associates, HDC and HRC. Instead, the Group relies on individuals from the Company's finance team to perform the tasks associated with this system manually. The Issuer has transferred the ERP and IT systems to the Group from Amanat Holdings to be operated independently and the Company is currently working on the operation and activation of these systems. However, if the Group decides to rely on individuals to implement these systems, human errors may result, leading to inaccuracies or inconsistencies in the data provided. Furthermore, there is no guarantee that the Group will be able to implement this system manually or through customized electronic applications and systems in a suitable manner or without incurring additional costs. In addition, the Group will bear the costs of maintaining and operating these systems, which may have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2 Risks Related to the Market, Sector and Regulatory Environment

2.2.1 Risks Related to the Licenses and Permits Under Which the Group Operates

The Group is subject to a number of laws and regulations that require it to obtain a number of necessary licenses, permits and approvals from the competent regulatory authorities in the KSA and the UAE to operate its businesses. The Group Companies currently operate under a number of licenses, certificates, permits, and approvals related to their business activities. Please refer to Section 11.5 ("**Government Approvals, Licenses and Certificates**") of this Prospectus for a summary of the Group's key licenses and permits.

The Group's business and operations in connection with MDX Dubai are subject to various laws, regulations and licensing requirements in the UAE and are subject to oversight by several local regulatory bodies, including the Knowledge and Human Development Authority (KHDA) and other relevant municipalities, civil defense entities and relevant health authorities. These regulations include licensing and accreditations, including teacher licensing, and various federal and local laws and regulations related to the environment, employment and health and safety. With respect to private higher education institutes that are both owned and operated by the Group in Dubai, the Group is required to renew and maintain for each institute a valid educational services permit issued by the KHDA and a commercial license issued by the Dubai Economy and Tourism Department. The licenses contain various ongoing conditions including the payment of renewal fees by the Group, the issuance of an initial approval and a non-objection certificate by the KHDA. Although MDX Dubai is currently under the exclusive regulation of the KHDA, evolving regulations might make the university subject to the requirements of the Commission for Academic Accreditation (CAA). Compliance with CAA regulatory requirements is expected to involve a lengthy preparation and approval process, significantly increasing the academic and administrative workload. Additionally, the need to hire additional faculty with the necessary qualifications could impact the Group's financial resources and performance. Maintaining the CAA-mandated staff-to-student ratio will demand substantial investment in academic resources and classroom facilities, potentially decreasing net profit. The educational service permits are renewed individually on an annual basis through submission of an application to the KHDA's e-service system. Furthermore, MDX Dubai operates under a license to use the relevant intellectual property rights of MDX UK, and the loss of such licenses would adversely affect the MDX Dubai brand and operations.

With reference to the license issued by the KHDA, a cooperation agreement was signed between MOHESR and KHDA, under which new licenses were issued to KHDA permit holders, and pursuant to which Ministerial Resolution No. 22 of 2025G was issued on 9 January 2025G by MOHESR regarding the license of MDX Dubai to operate in the higher education sector until 9 January 2029G. It is not yet clear to the Group whether this license will replace or supplement the previous license issued by KHDA, or what the consequences of this license will be. The Group may incur additional costs to comply with any new conditions imposed under this new license or may not be able to comply with certain conditions at all.

With regards to the operations of the Group in the KSA through HDC and HRC private schools and daycare centers, the Group is subject to the oversight of MHRSD, MOE KSA, the Authority for the Care of People with Disabilities and other relevant governing bodies. These bodies ensure the implementation of the laws and regulations by private schools and daycare centers, such as MHRSD's Regulations on Non-Governmental Rehabilitation Centers for Persons with Disabilities, MOE KSA's Regulations for International and Private Schools and health and safety guides. Moreover, the Group Companies must obtain the required licenses and permits to undertake their activities in accordance with the aforementioned laws and regulations, such as MHRSD's license for non-governmental rehabilitation centers for persons with disabilities and MOE KSA's license for private schools. Obtaining such licenses and permits is subject to the Group meeting the relevant licensing terms and conditions, some of which will require substantial investments in the infrastructure of the Group's centers and schools and hiring the qualified personnel. Failing to meet said requirements will result in the Group's licenses being revoked or not renewed, which in turn will affect the Group's operations and reputation.



Additionally, a financial guarantee of one hundred thousand Saudi riyals (SAR 100,000) must be provided to MHRSD to obtain a daycare center license if the applicant is a Saudi national. If the investor is a non-Saudi, a financial guarantee of one million Saudi riyals (SAR 1,000,000) is required. Both HDC and HRC provide financial guarantees of one hundred thousand Saudi riyals (SAR 100,000) for each license issued for these centers. However, they operate under an investment license issued by MISA, as they are mixed enterprises owned by the Company. Based on MHRSD licensing requirements, the financial guarantee provided by the Group is specifically for Saudi investors. Although MHRSD currently treats mixed enterprises as Saudi entities and has not required the Company to provide the financial guarantee specified for non-Saudi companies, it may, in the future, require the Group to provide a financial guarantee as a non-Saudi investor. In such a case, the Group will provide a financial guarantee of one million Saudi riyals (SAR 1,000,000) for each daycare center license. If the Group is unable to provide this guarantee, it will not be able to obtain the necessary licenses to operate its daycare centers. If the Group fails to comply with the key licensing conditions or if MHRSD discovers that the Group provided false information in its license application, MHRSD may enforce the relevant guarantee provided by the Group.

Moreover, these licenses should remain valid continuously through the Company's compliance with the laws and regulations relating to such licenses. If the Company is unable to renew its current licenses, permits and certificates or obtain any of the necessary licenses for its business, if any of its licenses are suspended or expired, if any of those licenses are renewed on conditions that are not appropriate for the Company and its Subsidiaries, or if the Company and its Subsidiaries are unable to obtain additional licenses, permits and certificates that may be required in the future, this may expose the Company and its Subsidiaries to temporary suspension of operations and the inability to conduct their business or the imposition of financial penalties by the competent government authorities and therefore could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.2 Risks Related to Changes in the Regulatory Environment of the Group and the Sectors in which it Operates

The Group operates in both the KSA and the UAE. As a result, the Group Companies are subject to numerous laws, regulations and policies issued by the relevant authorities, including those governing education, investment, competition, taxation, corporations, customs, labor, data protection, cybersecurity and other laws and regulations applicable to the Group's business. The Group's operations rely on its Companies' ability to comply with these regulations and to obtain and maintain the necessary licenses and permits. The regulatory environment in which the Company operates is subject to constant change. Any changes to this regulatory environment will impact the Group's operations and necessitate increased effort and focus from management to ensure compliance. These changes may also result in additional financial burdens or compliance requirements for the Group. Any change in the regulatory environment in which the Group operates may result in the Group making changes to its operations in order to comply with such regulations and amendments thereto.

The Group's daycare centers in the KSA operate in accordance with the applicable regulations, namely the Regulations on Non-Governmental Rehabilitation Centers for Persons with Disabilities issued pursuant to Council of Ministers Resolution No. 291 dated 04/09/1433H (the "**Previous Regulations**"), which were replaced by the Regulations on Non-Governmental Social Facilities for Persons with Disabilities issued pursuant to Council of Ministers Resolution No. 691 dated 17/08/1445H and its Implementing Regulations (the "**New Regulations**"). The New Regulations came into effect on 08/09/2024G. These regulations impose requirements on daycare centers, stipulate provisions for the care of special needs students in these centers and define the conditions for receiving care. However, as at the date of this Prospectus, the new regulations have not specified a mechanism for caring for special needs students in daycare centers or determining the fees for their education or care. Instead, the New Regulations merely refer to a procedural guide to be issued by MHRSD to specify these details. As at the date of this Prospectus, such procedural guide has not been issued. The Group's daycare centers currently continue to operate in accordance with the provisions of the Previous Regulations until MHRSD's guide and other related directives are issued. The Group cannot guarantee that the implementation of the New Regulations will not impose additional, potentially stringent requirements on the Group, or necessitate significant additional costs in order to comply with. In addition, the New Regulations may impose new controls on service rating and pricing, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

The Group is exposed to penalties, fines or other actions imposed by the competent authorities in the event of non-compliance with or violation of applicable regulations and any amendments thereto, which would result in additional financial and operational burdens. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.2.3 Risks Related to Failure to Consistently Abide by Regulations and Instructions of MOE KSA and MHRSD and Other Relevant Authorities in Other Jurisdictions

With their operations in the education sector, the Group Companies are subject to the laws, regulations, instructions and circulars issued or approved by the relevant authorities in the KSA and the UAE or other jurisdictions regulating the functions of educational institutions and generally aiming to enhance the efficiency of the educational process. Due to the multiplicity of these laws and instructions and their coverage of various aspects of the Group's business, the Group may sometimes fail to comply with some of these instructions in whole or in part for various reasons.

The Group did not receive any material fines in the past three years. However, this does not guarantee that the Group will not be subject to any fines in the future or be exposed to penalties imposed by the competent authorities or regulatory bodies in the event of any violation of applicable laws or regulations, including the imposition of financial penalties as well as any additional costs to rectify such violations for failure to comply with any regulatory requirements in the future. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.4 Risks Related to the Concentration of the Group's Business in One Geographical Area

As at the date of this Prospectus, the Group operates at 39 daycare centers, 14 schools and 3 universities located in the KSA and the UAE. The Group's financial performance, in addition to the financial condition and strength of its student customers, is therefore dependent on the prevailing economic and political conditions in the KSA and the UAE, as well as on global economic conditions that affect the economies of the KSA and the UAE.

Furthermore, the wider Middle East region is subject to several geopolitical and security risks that may impact the geographies in which the Group operates. For example, the oil sector still constitutes the largest portion of the KSA's GDP. Oil prices may experience fluctuations that negatively impact the KSA's economy, which in turn could affect unemployment rates, consumer spending or inflation rates, thereby impacting the demand for the Group's services. This, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, the Middle East region is subject to several geopolitical and security risks that may impact the geographies in which the Group operates. Moreover, as the political, economic and social environments in the Middle East region remain subject to continuing development, investments in the Middle East region are characterized by uncertainty. There can be no assurance that the negative economic and political conditions in those countries or other countries will not have a negative impact on the economy, foreign direct investment or the private education and care sector in the KSA and the UAE in general, and on the Group's business, results of operations, financial position or prospects.

Any unforeseen changes in the political, social, economic or other conditions in the Middle East, or changes in global economic conditions, could have a material adverse effect on the private education and care sector in general and the Group's services in particular, on the markets in which the Group operates and on the Group's ability to attract and retain students in those areas, as well as on the investments that the Group has made or may make in the future. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.5 Risks Related to the Support Provided by MHRSD

HDC and HRC rely on the support provided by the Saudi Human Resources Development Fund (HRDF), a program under MHRSD, through the Employment Support Program, which aims to support the employment of Saudi nationals in the private sector. This support covers a portion of the salaries of Saudi employees for a maximum of the first 24 months of their employment, subject to specific terms and conditions. The calculation of the support provided will be determined on a case-by-case basis according to the support mechanism outlined by HRDF, with a monthly maximum of SAR 3,000 per employee. Under this support program, the Group received approximately SAR 10.9 million, SAR 15.6 million and SAR 28.2 million for the financial years ended 31 December 2022G, 2023G and 2024G, respectively, and SAR 8.1 million for the three-month period ended 31 March 2025G, as support from the Employment Support Program. The Group also benefits from another program offered by MHRSD, namely Tamheer, which supports the training of university and institute graduates in the KSA. Under this program, beneficiaries receive a financial reward of SAR 3,000 for a period ranging from 3 to 6 months from the start of their training. The number of trainees at the Group who benefited from this program was 138, 110, 111 and 142 as at 31 December 2022G, 2023G and 2024G, and the period ended 31 March 2025G. The percentage of employees at HDC and HRC who were not supported by Tamheer increased from 86.2% in 2022G to 93.3% on 31 March 2025G. Consequently, the direct costs for the two companies increased from 25.9% in 2022G to 29.9% on 31 March 2025G. Furthermore, the increase in the minimum wage by MHRSD contributed to this rise in costs. The monthly salary per employee increased from SAR 4,000 in



2023G to SAR 5,300 as of 31 March 2025G. It is worth noting that this support provided by MHRSD has a direct impact on the Group's net income as reflected in its financial statements.

The Group's other operating income, which is highly dependent on the support provided by MHRSD in relation to Saudization initiatives, increased by 388.8% from SAR 3.8 million as at 31 December 2022G to SAR 18.7 million as at 31 December 2023G, reflecting the impact over a full year following the acquisition of HDC, of which SAR 15.6 million was the support for the same period. Operating income increased by 78.5% from SAR 18.7 million as at 31 December 2023G to SAR 33.4 million as at 31 December 2024G, driven by an increase in support income from SAR 15.6 million to SAR 28.2 million as a result of an increase in the number of employees eligible for support from 733 as at 31 December 2023G to 873 as at 31 December 2024G, and an increase in the minimum wage. Operating income increased by 24.3% from SAR 7.6 million as at 31 March 2024G to SAR 9.5 million as at 31 March 2025G, due to an increase in support from SAR 6.8 million as at 31 March 2024G to SAR 8.1 million as at 31 March 2025G as a result of an increase in the number of employees eligible for support from 998 as at 31 March 2024G to 1,295 as at 31 March 2025G.

It should be noted that the Group cannot guarantee the continuity of this support in the future, or that the support will not be restructured or reduced. In the event of the cancellation or reduction of this support, the Group will bear the full amount of these expenses or will have to find alternative sources of funding to cover these amounts. This could have a material adverse effect on the Group's financial performance and working capital, which would have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.6 Risks Related to the Application of Financial Reporting Standards, Accounting Estimates, Assumptions and Revenue Recognition

The Group has prepared its special purpose consolidated financial statements in accordance with the IFRS-KSA and other standards and publications issued by SOCPA. Given the issuance of new standards, interpretations, and amendments to existing accounting standards by the IASB and their subsequent adoption by SOCPA, some of these issuances, interpretations or updates may have a material adverse effect on the Group's financial position, financial performance, cash flows and prospects, and therefore the Company's share price.

In applying the accounting policies when preparing the Group's special purpose consolidated financial statements, management is required to make judgments (other than those involving estimates) that have a material effect on the amounts recognized, and to make estimates and assumptions that affect the carrying amounts of revenues, expenses, assets and liabilities as at the date of the special purpose consolidated financial statements. The uncertainty inherent in making these assumptions and estimates could result in material adjustments to the book value of assets or liabilities in the future. These estimates and assumptions are based on experience and a number of other factors that are considered reasonable under the existing circumstances and are used to determine the carrying amounts of assets and liabilities that cannot be readily determined from other sources. The underlying estimates and assumptions are reviewed periodically. Changes in accounting estimates are recognized in the period in which the estimates are revised if the change affects only that period. If a change affects both the current period and future periods, it is recognized in the period of the change and future periods (for further information on accounting estimates and assumptions, please refer to Section 6 ("**Management Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus).

In accordance with IFRS 15 as endorsed in the KSA, the Group recognizes revenue and related customer costs when the performance obligations are satisfied, which may be before the customer payment due date or after the receipt of advance payments from the Group's customers. In consideration of recognizing such revenue in the Group's special purpose income statement, contractual assets (or contractual liabilities if the Group has received the amount due from the customer in advance) are recognized in the Group's special purpose consolidated statement of financial position until the Group satisfies the performance obligation. Consequently, the Group may encounter errors in the estimation of its revenue, assets and liabilities, whether by excess or deficiency, as assets or liabilities may be subject to impairment or future disputes. Regardless of the customer's acceptance or rejection of invoices, the Group recognizes an ECL provision in its special purpose consolidated statement of financial position, and the related expense is recognized in the special purpose consolidated statement of income (based on the expected credit loss provision policy in accordance with IFRS 9) (for further information on accounting estimates and assumptions, please refer to Section 6 ("**Management Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus). Should any of the above circumstances materialize, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.2.7 Risks Related to Taxes and Potential Zakat Entitlements

The Group operates in both the KSA and the UAE and is subject to the tax and Zakat regulations of each country, which include, but are not limited to, corporate income tax, profit tax, payroll taxes, VAT, customs duties, withholding tax, property tax and other taxes. Furthermore, the tax laws and regulations in these countries, including transfer pricing policies in relation to transactions between Group Companies, may be subject to the application of new tax laws and regulations, frequent changes, varying interpretations and inconsistent application. This is the case in the UAE, where the Law on the Taxation of Corporations and Businesses was issued in December 2022G and amended in October 2023G. Under this law, corporate tax was implemented starting from 1 June 2023G.

The Group may be subject to taxes and penalties for non-compliance with applicable laws and regulations, including for incorrect tax assessments that do not align with tax rules and regulations, non-compliance with transfer pricing rules for transactions between Group Companies, the imposition of new taxes, improper record-keeping, issuance of invoices that do not comply with VAT requirements, failure to withhold required taxes, failure to file necessary tax returns or not conducting certain Related Party transactions between Group Companies on an arm's length basis and in accordance with transfer pricing requirements. The Group estimates its exposure to potential Zakat and tax claims from relevant authorities to be up to SAR 3.8 million (constituting 0.3% of the Group's net assets as at 31 March 2025G) due to potential non-compliance with applicable laws and regulations. Additionally, the Group has estimated its exposure to a further SAR 0.9 million due to non-compliance with the applicable laws and regulations. However, the Group's management believes that this amount is immaterial and, therefore, will not be taking any corrective actions related to this exposure.

All Group Companies have submitted the required tax (and Zakat) returns on a standalone basis from their respective dates of incorporation until the end of the financial year 2024G and have paid all tax liabilities for these periods. However, the relevant tax authorities have not completed the audits and assessments of the Group Companies (both inside and outside the KSA) and have not issued final Zakat and tax assessments for the five years ended 31 December 2020G, 2021G, 2022G, 2023G and 2024G in most cases (except for HDC, where final assessments have been issued up to 2021G). None of the Group Companies have established any provisions in this regard. All prior years up to and including 2021G are considered finalized due to the expiration of the applicable statutes of limitations in respect of both HDC and HRC. Furthermore, all of the previous years up to and including 2020G are considered finalized due to the expiration of the applicable statutes of limitations in respect of all of the Group Companies registered in the UAE. ZATCA has completed its audits and assessments for HDC for the years 2019G to 2021G (for further information, please refer to Section 11.13 ("**Zakat and Tax Status of the Group**") of this Prospectus). The relevant tax authorities may impose additional Zakat or tax payments (as applicable) for the years in which assessments have not been finalized, which could result in higher Zakat and tax payments than expected. The Subsidiaries shall be responsible for any additional claims or assessments imposed by the relevant authority for those years if they are unsuccessful in appealing them. As at 31 March 2025G, the Company has recorded an amount of SAR 14.6 million as tax and Zakat provisions; however, these tax provisions may not be sufficient to cover these potential liabilities. Moreover, the Selling Shareholder has provided an undertaking to the Company on 21/10/2025G, whereby the Selling Shareholder will bear any additional payments related to zakat or tax on the company concerning the years prior to the listing date. However, if the Zakat, Tax and Customs Authority imposes additional zakat assessments related to the Company and enforces additional payments for years in which the Company has not received a final assessment, and if the selling shareholder fails to pay those additional amounts, it could have a material adverse effect on the Group's business, results of operation, financial position, or prospects, and therefore the Company's share price. There are currently no ongoing material disputes related to taxes or Zakat between the Group Companies and the relevant tax authorities.

It is important to note that SEC services are subject to a zero percent VAT rate. Accordingly, both HDC and HRC are seeking refunds for any tax payments made to ZATCA. However, there is no guarantee that these tax entitlements, which amounted to approximately SAR 13.1 million as at 31 March 2025G, will be recovered. The Group intends to pursue these claims, but they will be subject to review and examination by the relevant authority. The Group has not claimed any refunds of tax payments up to the date of this Prospectus.

In addition, the Company has received approximately SAR 16.7 million from MHRSD for the financial years ended 31 December 2022G, 2023G and 2024G, and up to 31 March 2025G, as refunds for VAT paid on advances to HDC and HRC. However, the Company has not claimed these amounts. The Group has contacted ZATCA to verify the payment of the aforementioned tax amounts, however ZATCA confirmed to the Group that VAT is not applicable to these payments according to the laws and regulations. Consequently, the Group has not recorded these amounts as revenue but has recorded them as liabilities owed to MHRSD. The Group is still communicating with MHRSD to recover these amounts. However, as at the date of this Prospectus, it has not received confirmation from MHRSD regarding the refund of these amounts.

The Group cannot predict whether ZATCA will accept its estimates for Zakat for the years that have not yet undergone the study and evaluation process by the relevant authorities, or whether it will require the Group to pay additional Zakat and tax differences in addition to what it has already paid. Accordingly, if the relevant authority were to reassess those years and



require the Group to pay additional Zakat or tax on the returns filed for those years, or if the Selling Shareholder fails to pay the additional zakat and tax assessment amounts for the years prior to the date of listing, the Group may be responsible for paying the Zakat or tax differences (as the case may be) and any additional amounts. The Group cannot predict the acceptance by the relevant authority of its Zakat and tax estimates for each future financial year or what it may impose thereon. If any of the above circumstances occur, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.8 Risks Related to Interest Rate Fluctuations

Based on the terms of the financing arrangements, the Group pays interest based on interbank offered rates such as SAIBOR (Saudi Arabian Interbank Offered Rate) plus a profit margin. As per majority of the Group's financing arrangements, the Group must ensure that it is covered, either partially or fully, against interest rate fluctuations during the operating period. The Group is exposed to interest rate fluctuations in relation to its financing arrangements when the arrangements that protect it from such fluctuations expire, if the Group is not protected from such fluctuations, or if the Group fails to successfully implement its strategies to mitigate interest rate risk. If the Group decides in the future to pursue hedging or protection arrangements, such hedging may become more costly for the Group, and certain types of economic hedges may not meet the accounting criteria for hedge accounting under the IFRS. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.9 Risks Related to the Competition and Antitrust Law

The Group is subject to various antitrust and unfair competition laws, regulations and practices in both the KSA and the UAE. These practices or conditions may restrict or hinder the Group's ability to expand, undertake new projects or pursue significant acquisitions in the future. The Group may also be subject to claims alleging involvement in unfair competition or similar practices, as well as any other investigations or regulatory proceedings. These proceedings, claims or investigations may require the allocation of significant management time and financial resources to defend the Group. If such claims are proven, substantial fines, damages and other expenses may be imposed, and the Group's reputation may be harmed, which could have a material adverse effect on its business.

The Group is subject to the KSA's Competition Law, which aims to protect fair competition in Saudi markets and to promote and establish market rules, as well as pricing freedom and transparency. Pursuant to Article 7 of the Competition Law, entities involved in any economic concentration must notify the General Authority for Competition (GAC) for approval of such concentration at least 90 days prior to the completion of the relevant transaction. "Economic concentration" is broadly defined to include, among other things, any transfer, whether total or partial, of ownership of shares or assets that could result in a change of control. The Implementing Regulations of the Competition Law have established a new threshold for transactions that require approval from the GAC. If the combined revenue of the entities involved in a merger or SPA agreement exceeds SAR 200 million, the relevant parties must submit an application to the GAC at least 90 days prior to the completion of the transaction. The GAC has issued guidelines on determining which entities should be considered when assessing whether the aforementioned threshold has been exceeded. In practical terms, the relevant parties to the transaction (along with any other controlled entity within their groups) should be considered. Given the size of the Group, many of the Group's mergers, acquisitions, and large commercial transactions may exceed the SAR 200 million threshold, thereby necessitating notification of the GAC for its approval. This applies even if the transaction is conducted outside the KSA, regardless of its size. If it is determined that the parties were required to seek approval for the transaction but proceeded with the proposed transaction without obtaining approval from the GAC, the parties may be subject to penalties imposed by the GAC, which may include fines and the risk of the entire transaction being canceled. This could have an adverse effect on the Group's future expansion plans. It should be noted that the Group assesses each case on a case-by-case basis prior to any acquisition to determine whether the transaction requires the GAC or any other relevant regulator be notified or their approval in relation to economic concentration.

In addition, the Group may decide to enter into specific transactions, such as the acquisition of new companies or businesses, both within the KSA, the UAE or abroad (for more information, please refer to Section 2.1.17 ("**Risks Related to Potential Future Acquisitions**") of this Prospectus). There is a risk that the GAC, or other authorities in the UAE or other relevant countries, may withhold approval, or issue conditional approval that the Group may not be able to meet, or reject specific transactions, or delay their completion pending a decision. Furthermore, the authorities may impose specific fines or penalties if they find that the Group has generally failed to comply with the competition and antitrust laws of the relevant countries. This could negatively impact the Group's ability to identify acquisition targets or strategic partners that align with its objectives, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

The realization of any of the risks described above could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.2.10 Risks Related to the Group's Compliance with the Corporate Governance Regulations and Continuing Obligations

The Company is subject to numerous laws and regulations, including the Companies Law, the Capital Market Law and its Implementing Regulations post-Offering, particularly the OSCOs, and the Corporate Governance Regulations (CGRs) issued by the CMA Board. These laws and regulations impose stringent regulatory requirements on the Company, which may involve adopting specific measures and new corporate governance regulations. The Company is also required to comply with the disclosure requirements applicable to listed companies post-Offering. Furthermore, the CGRs impose numerous mandatory requirements on the Company, including the adoption of specific corporate governance policies and procedures.

The Board of Directors approved the Company's Internal Corporate Governance Manual on 30/10/2024G. This Manual outlines the rules and procedures related to corporate governance, which are derived from the CGRs issued by the CMA. The Company's success in effectively implementing corporate governance rules and procedures will depend on the Board of Directors', its committees', and senior management's understanding and proper execution of these rules and procedures, particularly with regard to the composition of the Board and its committees, independence requirements and rules related to conflicts of interest and Related Party transactions.

The Board established the Audit Committee and the Nomination and Remuneration Committee on 30/10/2024G (for more information, please refer to Section 5.10 ("**Board Committees and Responsibilities**") of this Prospectus). As part of its corporate governance framework, the Company has also implemented various corporate governance policies (for further information, please refer to Section 5.11 ("**Corporate Governance**") of this Prospectus). Given the recent formation of the Board committees and the implementation of corporate governance policies, these committees or the Company's Executive Management may not yet have sufficient experience to fully implement the corporate governance and continuing disclosure requirements imposed by the CMA. If, in the future, members of these committees or management fail to perform their duties or follow a methodology that ensures the protection of the interest of the Company and its shareholders, or if the Company is unable to effectively implement its corporate governance policies, this may impact the application of governance rules and the effectiveness of the Company's Board in overseeing the Group's business operations through these committees and the Company's management. This may expose the Company to the risk of potential non-compliance with ongoing disclosure requirements post-Listing, in addition to operational, administrative and financial risks. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

If the Company fails to comply with corporate governance rules, particularly the mandatory rules set forth in the CGRs, it may be subject to regulatory penalties. Such penalties could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.11 Risks Related to Compliance with the Requirements of the Labor Law and Saudization/Emiratization

The Group adheres to labor laws and Saudization and Emiratization regulations in both the KSA and the UAE, specifically regarding employment policies, contracts and internal regulations, in full compliance with applicable laws. The Company is required to ensure its ongoing compliance with these regulations, which may be updated from time to time by the relevant authorities. If the Group fails to adhere to employment policies, regulations and contracts that align with the applicable labor laws, it may be subject to fines or labor lawsuits.

Compliance with Saudization requirements is a statutory obligation in the KSA, whereby all companies operating in the KSA, including subsidiaries, are mandated to employ a specific percentage of Saudi nationals within their workforce and to maintain this rate. The percentage of Saudi employees varies depending on the Company's activities and the specific professions of its workers. As at 21/06/2025G, the Company's Saudization rate was 64%. The Company has obtained Saudization certificates from MHRSD, attesting to its fulfillment of Saudization requirements. Under the Saudi Labor Law, foreign employees are not permitted to work unless they are sponsored by an institutional entity in the KSA or through the "Ajeer" Program (for further information regarding this, please refer to Section 4.10.3 ("**Saudization**") of this Prospectus).

However, the Saudi Subsidiaries of the Group may not be able to continue complying with Saudization and Nitaqat requirements. If the Group's Saudi companies fail to comply with Saudization and Nitaqat requirements, they will be subject to penalties imposed by government entities, such as the suspension of work visa applications and the suspension of transfer of sponsorship requests for non-Saudi employees. These companies may not be able to hire Saudi employees on favorable terms or at all or may not be able to retain their existing Saudi employees, which in turn would impact their ability to meet the required Saudization rate. There may be a significant increase in salary costs if the related Group Companies hire a larger number of Saudi employees. The occurrence of any of the foregoing events could have a material adverse effect on the Group's business, results of operations, financial conditions or prospects, and therefore the Company's share price.



HDC and HRC sign 9-month employment contracts with some of their Saudi employees to coincide with the academic year, and after the expiration of the contract, new employment contracts are signed with these employees for the next academic year. It should be noted that the employment contracts of Saudi teachers may be classified as indefinite-term employment contracts due to the frequent termination of contracts and the signing of new contracts at the end of each academic year, in the event that this procedure is classified as a renewal of contracts if the employment period continues for four years, or the contract is renewed three consecutive times. Indefinite-term employment contracts have implications that may differ from those related to fixed-term contracts, such as those related to termination, end-of-service benefits, and the notice period. For example, if the Group terminates an employment contract after it has been converted to an indefinite-term contract, it must observe the provision of a specific period of prior written notice. If it fails to provide the notice, the termination of the contract may be classified as unlawful termination, and thus the Group will bear the liabilities resulting from the unlawful termination.

It should be noted that as part of the partnership agreements entered into with existing schools through HRC, the Group transfers the sponsorship of its non-Saudi employees to the contracted schools. These agreements include a clause obligating the other party to transfer this sponsorship back to the Group upon termination of the aforementioned partnership agreement. However, this employee sponsorship transfer process requires the employee's consent to complete the transfer to and from the Group, in accordance with the Labor Law. Since the aforementioned clauses in the partnership agreements do not consider the employee's consent for the transfer or return of their sponsorship, such a transfer may not be valid if the employee does not provide their consent. Consequently, the Group may face obstacles in fulfilling its obligations under these agreements if the employee refuses to transfer their sponsorship to the contracted school. Additionally, the Group may encounter difficulties in finding suitable replacements if the employee refuses to transfer their sponsorship back to the Group, which could have a material adverse effect on the Group's business.

Additionally, the transfer of employees and their contracts to another entity for a specific period, followed by their return to the Company, may be considered a violation of the Labor Law if it is not carried out through the issuance of the appropriate Ajeer permits from MHRSD. The Group may be subject to penalties and fines as stipulated in the Labor Law, which could reach up to one hundred thousand Saudi riyals (SAR 100,000) per employee or may result in the temporary or permanent closure of the establishment that incurred the fine. Moreover, these fines may be multiplied.

Furthermore, all Saudi-based Subsidiaries of the Group must implement employment policies and contracts that comply with the Saudi Labor Law, which is subject to periodic updates by MHRSD in the KSA. The Group must ensure that the employment contracts of its Companies in the KSA comply with the Labor Law and the regulations thereof. It should be noted that the Group has updated the employment contracts for all employees in the KSA, including the CEO and CFO, to ensure compliance with the mandatory provisions stipulated in the Labor Law. The Company also has a work regulation that is mostly consistent with the MHRSD-approved template, with the exception of certain provisions that were recently updated under the amended Labor Law issued pursuant to Royal Decree No. M/444, dated 08/02/1446H (corresponding to 12 August 2024G), which entered into force on 20/08/1446H (corresponding to 19 February 2025G). Article 4(2) of the Implementing Regulations of the amended Labor Law stipulates that entities that have previously adopted their own internal work regulation as approved by MHRSD prior to implementing the provisions of the amended Labor Law shall be exempt from the requirement to amend their work regulation to conform to the template set forth in the amended Labor Law, unless the original work regulation contains provisions that conflict with the amended Labor Law or its Implementing Regulations. As the Company has previously obtained MHRSD's approval for its work regulation, the Company is considered to be in compliance with applicable laws and regulations. Moreover, HRC is currently in the process of updating its human resources policies to comply with the latest amendments to the template, as its current policy has not been aligned with the latest amendments to the template issued by MHRSD. Non-compliance with the mandatory provisions set forth in the Labor Law, including updating employment contracts and human resources policies in accordance with the requirements of MHRSD may expose the Group to the risk of fines, termination of related employment contracts and potential closure of the Company pursuant to the provisions of the law. This could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

The Group Companies in the UAE may be subject to specific Emiratisation requirements that could restrict their ability to hire the necessary qualified personnel for their operations from time to time. Furthermore, these companies may be subject to violations, fines, and other regulatory actions in the event of non-compliance with these requirements, which could impose operational and financial burdens that may negatively impact their businesses or financial positions, and consequently, the Group's business, financial condition, profitability or results of operations.

MDX Associates' contracts include a mandatory retirement clause at the age of 65. However, UAE labor laws do not stipulate a specific retirement age. Therefore, terminating an employee's contract solely based on reaching the age of 65 would not be considered a legal basis. Consequently, such an employee may claim entitlements based on wrongful termination or lack of the required notice period as stipulated in their employment contract, which, as at the date of this Prospectus, is three months.

It should be noted that, according to the work requirements in the free zones of the Emirate of Dubai, the educational entity licensed by the Knowledge and Human Development Authority (KHDA) in the Emirate of Dubai must appoint the educational and administrative staff and inform it of the names and information of these employees. However, the related license granted



by KHDA is registered in the name of MDX Dubai (through its branch, Middlesex University Higher Education Corporation). Therefore, the academic staff are appointed by MDX UK without following the aforementioned relevant regulations. If KHDA determines that the academic staff were appointed by an entity other than the licensed entity, MDX Dubai may be subject to fines under Executive Council Resolution No. 21 of 2011G regarding higher education institutions in the free zones of the Emirate of Dubai, amounting to (a) AED 100,000 (equivalent to SAR 102,000) for failure to maintain teacher and student records and files, and/or (b) AED 50,000 (equivalent to SAR 51,000) for non-compliance with the directives and decisions of KHDA. Moreover, the fine may be doubled in the event of a repeated violation within the same year.

Furthermore, MDX Associates' internal work regulations stipulate that employees who work overtime shall be compensated with breaks or leave equivalent to the overtime hours worked. This is in contravention of UAE labor laws, which mandate monetary compensation for overtime work and permit the substitution of overtime hours with leave only when such overtime falls within public holidays. Furthermore, the aforementioned regulations have set a maximum threshold for monetary compensation for overtime work, up to a maximum of two months' salary for each year of service. However, UAE labor laws do not impose a maximum threshold on any compensation or remuneration for such overtime. Therefore, if an employee were to claim any entitlements arising from overtime work, the Group may be obligated to pay any amounts exceeding the threshold set by the Group. It should be noted that MDX Associates' internal work regulations are based on previous labor laws and have not been updated or aligned with the new labor laws in the UAE. Furthermore, in the event that the Group commits any violation of UAE labor laws, it will be subject to fines ranging from AED 5,000 to AED 1,000,000 (equivalent to SAR 5,113 to SAR 1,022,623) for each violation.

It should also be noted that both the KSA and the UAE may introduce changes from time to time to their regulations concerning Saudization and Emiratization, respectively, as well as employment with the aim of increasing the participation of national employees in the labor market. This may be achieved by imposing additional fees on foreign employees and their residence permits, as well as those of their family members, which would result in increased living costs. Consequently, the attractiveness of these countries to foreign employees may be affected, potentially leading them to seek employment in other countries with lower living costs. Furthermore, an increase in living costs may make it difficult to attract and retain qualified foreign employees. Consequently, an increase in government fees and the inability to retain or attract foreign employees will have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.12 Risks Related to Rising Inflation Rates Worldwide

A rise in global inflation rates may adversely affect demand for the Group's services. Inflation rates in many countries have reached their highest levels in years, leading to expectations of tighter monetary policies, including interest rate hikes, in the near future. Any increase in global inflation rates may lead to an increase in the Group's expenses, which the Group may not be able to fully or partially pass on to students. If the Group is unable to increase its revenues sufficiently to offset the increased costs arising from inflation, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.2.13 Risks Related to Natural Disasters and Outbreaks of Infectious Diseases

The Group's services and assets are exposed to the risk of damage from certain events, including natural disasters, severe weather events such as hurricanes and wildfires, and a range of other unforeseen events such as outbreaks of infectious diseases, terrorist attacks or similar occurrences. Such events have caused, and may continue to cause, a variety of adverse effects on businesses. Their services or operations may be adversely affected or completely disrupted in the event of any of the aforementioned events, and such events may also result in damage to their property or assets. The Group's employees may be adversely affected in the event of the outbreak of an infectious disease or pandemic. Such events may also result in lost revenue and significant expenses for the repair or replacement of damaged property and services and could lead to litigation and fines, even if the Group has inadvertently contributed to the harm suffered by others. The amount and scope of insurance maintained by the Group against losses arising from these types of events may not be sufficient to fully cover the Company's losses or adequately compensate the Group for disruptions to its business. The Group expects that it will continue to face some or all of these events in the future, and there is no assurance that any such event will not have an adverse impact on its business, reputation or results of operations.

Any of the aforementioned matters could lead to a sudden decline in oil prices or have a sudden adverse impact on the economies of the countries in which the Group operates, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects. Furthermore, any outbreak of an infectious disease at the Group's offices, schools, centers, universities or facilities may result in the closure of such facilities for certain periods of time or the implementation of certain precautionary measures aimed at reducing in-person attendance. The potential closure of the Group's offices and facilities may disrupt the Group's business or result in additional costs to comply with any precautionary measures, which could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.



2.3 Risks Related to the Offer Shares

2.3.1 Risks Related to Effective Control by the Current Shareholder Post-Offering

Upon completion of the Offering, the Current Shareholder will hold at least 70% of the issued shares. Consequently, the Current Shareholder will be able to influence all matters and decisions that require the approval of the Company's General Assembly, including the election and removal of Directors, approval of key contracts and corporate activities, dividend distributions, and any amendments to the Company's share capital and Bylaws. While the Company currently believes that these arrangements are in its general financial interest, the interests of the Current Shareholder may differ from those of the Company's other shareholders, and the Current Shareholder may refrain from taking certain actions or implementing certain measures that would protect the interests of the Company's other shareholders. This may also result in a delay in, or the deferral or prevention of, a change of control or the distribution of dividends, and these powers may be exercised in a manner that has a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2.3.2 Risks Related to Liquidity and the Absence of a Prior Market for the Shares

The Company's shares have not previously been offered or traded on any stock market, and there can be no assurance that there will be, or that there will continue to be, an active and liquid market for the shares post-Offering. In the event that there is no active and liquid market for the shares, this will have an adverse effect on the Company, and a number of factors, such as the Group's financial results, general conditions, macroeconomic prosperity and the regulatory environment in which the Group operates, may cause significant variations in the ease with which the Company's shares can be traded and their price.

2.3.3 Risks Related to the Sale of a Large Number of Shares Post-Offering

The sale, or the perception of the potential sale, of a large number of shares on the Exchange following the completion of the Offering may have an adverse effect on the price of the Company's shares. Following the successful completion of the Offering, the Substantial Shareholder will be subject to a six-month Lock-up Period commencing on the date when the trading of shares on the Exchange begins, during which time they will not be permitted to dispose of the shares they hold. A sale of a large number shares by the Substantial Shareholder following the aforementioned Lock-up Period may have an adverse impact on the market for the shares, potentially resulting in a decrease in the market price of the shares.

The Company will also be subject to a six-month Lock-up Period upon the successful completion of the Offering. Following the expiration of the Lock-up Period, the Company may issue shares or other securities from time to time in consideration for or to finance acquisitions, future investments, or other capital requirements. The Company cannot predict the size of future share issuances or the extent to which future sales or issuances of shares, if any, will affect the market price of the shares. If any acquisition, investment, or substantial additional capital is required, the number of shares or other securities that the Company may issue, as the case may be, could be substantial and could result in dilution of the holdings of the Company's shareholders.

2.3.4 Risks Related to Fluctuations in the Market Price of the Shares

The Offer Price was determined based on several factors, including the Group's historical performance, prospects, the industry in which it operates, the markets in which it competes and the assessment of the Group's management, operations and financial results. Post-Offering, the Offer Price may not be the same as the price at which the shares will trade. Investors may not be able to resell the Offer Shares at the Offer Price or at a higher price, or at all.

In general, the market is subject to significant fluctuations in price and trading volume from time to time. Such market fluctuations may lead to substantial changes in the share price, which could result in a decline in the value of the shares, with increased price volatility if trading volume decreases. The share price may be adversely affected by various factors, including the Group's performance and expected results of operations, the departure of key employees, changes in earnings estimates or forecasts and the occurrence of any of the risks described in this section. Other factors include changes in applicable laws and regulations, acts of terrorism, escalation of hostilities, acts of war or widespread civil unrest, natural disasters and other catastrophes and fluctuations in the market price of the shares. The occurrence of any of these or other risks could have a material adverse impact on the expected returns of any investor or could result in the loss of all or part of their investment in the Company.



2.3.5 Risks Related to Foreign Exchange Rates when Investing in the Offer Shares

The Offer Shares are, and any dividends to be paid in respect of the Offer Shares will be, denominated in Saudi riyals. Any investment in the Offer Shares by an investor whose principal currency is not the Saudi riyal or the U.S. dollar will expose that investor to foreign currency exchange rate risks. This may adversely impact the value of such investor's investment in the Offer Shares or any dividends.

2.3.6 Risks Related to a Delay in Closing the Offering and Listing the Shares

A public offering of shares to be listed on the Exchange typically closes concurrently with the shares being admitted for trading on the Exchange, with both typically occurring more than two weeks after the announcement of the final Offer Price of the shares. During that time, the parties complete the Offering for Individual Subscribers (which in the KSA has not previously begun until after the final Offer Price is set) and complete the Subscription process and allocation of shares. However, there can be no assurance that Listing of the Offer Shares will commence as expected. As a result, closing of the Offering and Listing of the Offer Shares for trading on the Exchange could be delayed. Tadawul will announce the commencement of trading of the shares on the Exchange on its website.

2.3.7 Risks Related to Research Published About the Group

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about the Group and its business, the market price for the shares may decline. The trading price and volume of the shares will depend in part on the research that securities or industry analysts publish about the Group and its business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover the Group downgrades their recommendations on the shares or publishes inaccurate or unfavorable research about the Group's business, the market price for the shares could decline. In addition, if one or more research analysts cease to cover the Group or fail to publish reports on it regularly, it could lose visibility in the financial markets, which, in turn, could cause the market price for the shares to decline significantly.

2.3.8 Risks Relating to Unqualified Foreign Investors Not Being Able to Directly Hold Shares

Under the applicable regulations, unqualified Foreign Investors (who are not FSIs) wishing to participate in the Offering must enter into swap arrangements with a Capital Market Institution whereby they acquire an economic benefit in the Offer Shares. Unqualified Foreign Investors will be able to trade these interests through the Capital Market Institutions who will hold the legal title to the shares.

Accordingly, unqualified Foreign Investors will not hold legal title to the shares, nor will they be able to exercise the voting rights of the shares in which they hold an economic benefit. These factors could have an adverse effect on investors' anticipated returns or may result in the loss of all or portion of their investment in the Company.

2.3.9 Risks Related to Prospects and Related Forward-Looking Statements

Certain information contained in this Prospectus may constitute "forward-looking statements", including known and unknown risks and speculations that impact the Group's financial results. This information includes, for example, information relating to the financial position of the Group, its plans, strategy and future goals. The Group's future results and performance information cannot actually be predicted and may differ from what is set out in this Prospectus, as the performance and ability of the Group to develop are what determine the actual results of the Group. The inaccuracy of projections and statements is one of the risks that shareholders and investors take by investing in the shares. If the actual future results of the Group differ from those expected, this might negatively affect the share price. For further information on forward-looking statements, please refer to the "Important Notice" section of this Prospectus.





3



3. Market Overview

3.1 Introduction

Almasar Alshamil Education (“the Company”) has commissioned Euromonitor International, an independent provider of strategic market research, to prepare a market study on the education sector across KSA and the UAE: higher education in KSA and the UAE and Special Needs Education in KSA.

The information below is based on an independent market study prepared by Euromonitor International, which has given and not withdrawn its written consent for its market report to be published in (the) Prospectus as at the date of its publication. Euromonitor International does not itself, nor do any of its employees or relatives, have shares or interests of any kind in the Company or any of its Subsidiaries.

Estimates and prospects set out in this Industry and Market Data section have been prepared on the basis of a market research study prepared by Euromonitor International, which includes research estimates based on various official published sources such as Passport and trade opinion surveys conducted by Euromonitor International with a sample of key players across both core and small markets.

Therefore, Euromonitor International believes that it used suitable sources of information and methodologies for this study but due to the nature of the techniques and methodologies used in market research does not guarantee nor pledge as to the accuracy or completeness of such information. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

The Company’s Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information prepared by Euromonitor International Limited and set out in this Industry and Market Data section has not been independently verified by the Company or any other party and neither they nor Euromonitor International give any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

Research Methodology

All data, analysis and research estimates in this section are based on research work conducted between July 2024G and September 2024G, including: (i) Desk research to collect publicly available secondary sources of data including statistics on macroeconomic indicators, demographics from entities such as General Authority for Statistics (GASTAT), Saudi Central Bank, the Ministry of Education in KSA and the UAE, Euromonitor International’s internal database (Passport), and trade press on companies and third party reports; (ii) Trade survey analysis of the opinions and perspectives of a sample of leading educational institutions; and (iii) Cross-checks and analysis of all sources to build an industry consensus on the market size and historic trends.

It is noted that Almasar Alshamil Education provided their revenue data for the period 2021G-2024G (YTD) which was used to estimate their shares. Share for Almasar Alshamil Education across the two markets is calculated using the Company’s academic year data (number of students and revenues from tuition) over the total market size as estimated by Euromonitor International.

Forecasting Bases and Assumptions

Euromonitor International based the Euromonitor International Report on the following assumptions: (i) The social, economic, and political environment is expected to remain stable in the UAE and KSA during 2023G-2028G; (ii) There will be no external shock, such as financial crisis, that affects the demand and supply of the education sector during the same period; (iii) Key drivers that tend to influence growth/demand during 2021G-2023G and 2023G-2028G include growing target population, inflation, GDP, disposable income, public and private expenditure within the overall education sector, and others.



3.2 EXECUTIVE SUMMARY

3.2.1 Saudi Arabia

Saudi Arabia's favourable macroeconomic and demographic trends are boosting awareness and driving demand for high-quality special needs education

Saudi Arabia's robust economic performance and Vision 2030 initiatives have significantly impacted its special needs education market. With a nominal GDP CAGR of 10.5% from 2021G to 2023G, surpassing the GCC average of 10.1%, the Kingdom's economic expansion and diversification are increasing consumer spending on education, including special needs services. The country's youthful population, with 43.8% aged under 30 as of 2023G, changing household demographics towards smaller families, and rising female employment are further driving demand for quality education, including specialised programmes. In addition, the government's focus on inclusivity and empowering people with disabilities, along with the adoption of inclusive educational practices, is creating opportunities for private players in special needs education services.

Saudi Arabia's special needs education sector is growing strongly, with a shift towards private institutions, particularly those specialising in cognitive and behavioural disabilities

Saudi Arabia's special needs education sector is experiencing strong growth, with enrolment reaching 86,875 students in 2023G, reflecting a 7.4% CAGR since 2021G. This growth is fuelled by increased awareness and government initiatives promoting inclusivity. The sector caters to broad range of individuals with varying degrees of severity, offering formal education through schools with specialized curricula for those with mild conditions. In addition, daycare centers focus on individuals with moderate severity, providing both educational and rehabilitation services, while comprehensive long-term care and boarding are available for more severe cases. While public institutions are dominant, there is a rising preference for private facilities due to their perceived higher quality and specialised services. The sector is also diversifying its services and programmes, particularly in private institutions, with a growing emphasis on cognitive and behavioural disabilities such as autism and ADHD. E-learning remains underdeveloped due to the need for individualised attention. However, institutes are increasingly incorporating online sessions for parents and digital pre-admission consulting sessions. Looking ahead, enrolment is projected to reach 131,381 by 2028G, growing at an 8.6% CAGR, with special education programmes expected to grow faster than full integration education. The private sector is poised to play an expanding role, driven by increased investment and the government's privatisation efforts, potentially including residential units in the future.

Saudi Arabia's fragmented special needs education is increasingly shaped by private operators like HDC, leveraging rising demand from increased awareness and diagnosis

Saudi Arabia's special needs education sector is highly fragmented, with a predominance of government-funded facilities and numerous private single-branch operators. However, the sector has seen an increasing role for private operators, particularly in the daycare centre segment, driven by the government's privatisation initiatives and rising demand from expatriates. Between 2022G and 2023G, students enrolled in private special needs education increased their share from 25.6% to 34.3%.

Competition revolves around proximity to households, the diversity of services provided, and the quality of programmes. Human Development Company (HDC) is the only player of scale, leading the market in terms of both size and specialisation, holding a 5.8% share of the total enrolled students with disabilities in 2023G far outpacing smaller competitors like Tatweer Education Holding, which had only a 1.2% share within the overall market.

As the largest player, HDC operates a network of 28 daycare centres and nine schools, as of 2023G. Established in 2007G, HDC has experienced significant growth, doubling its beneficiaries to over 5,000 in the past three years. This expansion is fuelled by high-quality services, government privatisation initiatives, and a focus on programmes for cognitive and behavioural disabilities.

3.2.2 United Arab Emirates

The UAE's robust macroeconomic conditions and favourable demographics significantly benefit its higher education market

As the second largest GCC economy with a nominal GDP of USD 514.1 billion in 2023G and a strong 11.3% CAGR from 2021G to 2023G, the UAE's economic diversification into non-oil sectors has bolstered disposable incomes to USD 27,879.4 per capita, nearly double the GCC average. This has spurred a 16.9% CAGR in education spending from 2021G to 2023G, with continued growth projected at 5.9% annually until 2028G. Demographically, the UAE benefits from high income levels, a growing expatriate population, and shifting household structures, such as smaller household sizes, which enable higher educational spending. With a population of nearly 9.7 million and over 40% of those earning over USD 30,000 annually, coupled with increasing female workforce participation, the UAE's higher education market is well positioned for continued



expansion and investment. By prioritising education through significant government spending, smart learning programmes, and enhanced curricula, the UAE is positioning itself as a global education hub, attracting international institutions and students, with the added benefit of offering a strong job market for graduating students seeking employment.

The UAE's higher education features a strong undergraduate base, growing postgraduate programmes, and a booming IFP market, reflecting rising demand for quality education and specialised skills

The undergraduate segment has seen a steady increase, with the number of enrolled students growing from 131,955 in 2021G to 139,144 in 2023G. This growth is fuelled by the UAE's push towards a diverse and attractive economy and improvements in education quality. The penetration of private institutions is increasing further, reflecting a preference for the flexibility, international exposure and industry-relevant programmes offered by private universities. Private institutions are gaining popularity, and the rise in enrolment has driven revenue growth. While hybrid learning models (a mix between e-learning and in-person education) are growing, on-campus education remains the primary focus due to the value placed on in-person experiences and campus life, especially at undergraduate level. During the same period, the UAE's IFP segment has surged due to increased demand from both local and international students, with the number of enrolled students rising from 1,786 in 2021G to 2,003 in 2023G. Initially led by UK institutions, IFPs are now also offered by a range of universities from the US, Australia and India. These one-year programmes, while still largely focusing on English proficiency, are becoming more specialised to align with undergraduate degrees. Tuition fees have generally increased since 2021G in line with broader inflation and growing demand. In the meantime, the postgraduate segment is experiencing significant growth, with enrolments reaching 39,808 in 2023G from 36,064 in 2021G. This rise is attributed to the growing demand for specialised knowledge and expertise (technical or subject-specific skills that usually require higher levels of education) in a competitive job market, in line with the UAE's emphasis on becoming a global business hub. Private institutions are drawing more students by providing globally accredited degrees, which include international-standard programs, opportunities for international mobility, English-medium teaching, extensive research facilities and flexible learning options.

Almasar Alshamil Education has the leading position in the UAE's higher education market through its diverse programme portfolio, presence across different price points, campus locations in Dubai, Abu Dhabi and Al Ain, as well as compelling value proposition to its target student segments

The UAE's private higher education market remained relatively concentrated, with the top five institutions capturing 46.6% of students in 2023G. Abu Dhabi University (13.5%) followed by Al Ain University (10.8%) lead the market, followed by Ajman University (8.3%), Middlesex University Dubai (7.4%) and Heriot-Watt University (6.7%). The market is highly competitive, with an array of local and international institutions offering diverse programmes, pursuing global accreditations, and investing in research to attract students.

Almasar Alshamil Education stands out as a prominent player, with its shares in Middlesex University Dubai, Abu Dhabi University and Liwa College collectively representing about 26.1% of private higher education student enrolments in the UAE in 2023G. Middlesex University Dubai has reputation for its affordable, high-quality UK degrees and excellent student experience. As of 2023G, the university enrolled 4,878 students, making it the largest private university in Dubai by number of students. Middlesex University Dubai has a diverse student body, which is also a result of the strong focus on recruitment of students from overseas. Abu Dhabi University enrolls 8,876 students as of 2023G; it is recognised for its academic quality and standards, which is reflected in the university's position in international rankings. Meanwhile, compared to Abu Dhabi University, Liwa College offers a generally more affordable undergraduate education, contributing to Almasar Alshamil Education's broad market coverage across price points and breadth of offering.



3.3 SAUDI ARABIA

3.3.1 Macroeconomic and Demographic Dynamics

3.3.1.1 Macroeconomic Overview

Saudi Arabia's strong economic performance has driven improvements in the higher education sector, positioning the Kingdom as a regional education hub with growing international appeal

Saudi Arabia's economy, the largest in the GCC, achieved a nominal GDP exceeding SAR 4.0 trillion (USD 1.1 trillion) in 2023G, accounting for 50.5% of the region's total GDP, and expanding at a 10.5% CAGR in 2021G-2023G – outpacing the GCC average of 10.1%.⁽¹⁾⁽²⁾ This growth, driven by Vision 2030 initiatives for non-oil diversification, entails the launch of mega projects such as NEOM, ROSHN, and Diriyah Gate, as well as infrastructure developments like the National Railway Network and the Red Sea-Mediterranean Sea Rail Corridor.

The Kingdom's non-oil GDP reached a record high of SAR 1.7 trillion (USD 453.0 billion) in 2023G, representing 42.5% of the total GDP.⁽³⁾ Private-sector investment has considerably contributed to this non-oil expansion, surging by 57.0% from 2022G and reaching SAR 959.0 billion (USD 255.7 billion) in 2023G,⁽⁴⁾ as has the Kingdom's tourism sector – recording over 109 million visitors in 2023G.⁽⁵⁾ Furthermore, the overall services sector saw a 10.8% increase in GDP terms in 2021G-2023G.⁽⁷⁾

The Kingdom's robust economic performance has led to strong growth in GDP per capita, which recorded a CAGR of 7.3% from 2021G to 2023G, compared to the GCC average of 6.5%.⁽⁸⁾ As a result, overall consumer expenditure and particularly consumer expenditure on education have grown considerably, with CAGRs of 8.7% and 8.4%, respectively, between 2021G and 2023G.⁽⁹⁾ Saudi Arabia's allocated government budget on education reached SAR 189.1 billion (USD 50.4 billion) in 2023G,⁽¹⁰⁾ accounting for 17% of total government spending, surpassing the GCC average of 13.3%.⁽¹¹⁾ This investment has focally targeted the alignment of higher education with labour market needs⁽¹²⁾ and private-public collaboration.

Looking ahead, Saudi Arabia's economy is projected to grow at a CAGR of 5.6% between 2023G and 2028G, with GDP per capita expected to rise at a CAGR of 4.2% during the same period.⁽¹³⁾ In this direction, overall consumer expenditure and specifically on education are projected to grow at CAGRs of 5.9% and 6.1%, respectively, in 2023G-2028G.⁽¹⁴⁾ These trends signal the Kingdom's strengthening position as a regional education hub, also attracting more international students through initiatives like "Study in Saudi Arabia",⁽¹⁵⁾ as well as private-sector investment and new job prospects on the basis of the economic transformation and mega-projects.

Table (3.1): Key Macroeconomic Indicators in Saudi Arabia, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
GDP	SAR billion	3,278.1	4,003.4	4,159.2	5,267.6	10.5%	5.6%
GDP per Capita	SAR	106,485.8	122,573.9	125,516.0	150,667.7	7.3%	4.2%
Real GDP Growth	%	5.1%	-0.8%	1.5%	3.6%	-	-
Disposable Income per Capita	SAR	44,922.7	48,824.7	51,248.5	59,509.8	4.3%	4.0%
Inflation	%	3.1%	2.3%	1.8%	2.0%	-	-
Employment	%	61.0%	60.8%	61.9%	62.2%	-	-

¹ Euromonitor International, Economies and Consumers, 2024G.

² Ibid.

³ Asharq Al-Awsat: Saudi Arabia's Non-oil Economy Hits Record 50% Share of Real GDP as per Saudi Ministry of Economy and Planning. 2024G.

⁴ Arab News: Saudi Arabia's non-oil revenues increase by 11% in 2023G as per Saudi Ministry of Finance. 2024G.

⁵ Ibid.

⁶ Ministry of Tourism: Tourism Dashboard. 2024G.

⁷ Arab News: Saudi Arabia's non-oil revenues increase by 11% in 2023G as per Saudi Ministry of Finance. 2024G.

⁸ Euromonitor International, Economies and Consumers, 2024G.

⁹ Ibid.

¹⁰ Zawya: Saudi Arabia to lead GCC's education sector with \$50bln allocation in 2023G budget. 2023G.

¹¹ Ibid.

¹² Journal of Advances in Social Sciences and Management: The Impact of Saudi Arabia's Education Policies Under Vision 2030 on Student Performance: Saudi's Progress Benchmarked with Malaysia's Education Blueprint 2025G. 2023G.

¹³ Euromonitor International, Economies and Consumers, 2024G.

¹⁴ Ibid.

¹⁵ Asia Education Review: Saudi Arabia Unveils Educational Visa to Attract Global Talent. 2024G.



Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G- 2023G	CAGR 2023G- 2028G
Female Employment	%	34.6%	34.5%	n/a	n/a	-	-
Total Consumer Expenditure	SAR million	1,386,798.0	1,640,014.9	1,755,676.1	2,186,224.1	8.7%	5.9%
Total Consumer Expenditure on Education	SAR million	45,132.4	52,989.0	56,645.3	71,210.6	8.4%	6.1%
Rate of Urbanisation	%	84.3%	84.7%	84.8%	85.5%	-	-

Source: Euromonitor International, Economies and Consumers, 2024G

3.3.1.2 Demographic Overview

Saudi Arabia's growing and youthful population, coupled with its shifting household demographics and rising female employment, is driving increased demand for higher education

Saudi Arabia's population reached nearly 32.7 million in 2023G, representing 57.4% of the GCC total.⁽¹⁶⁾ The Kingdom's population grew at a CAGR of 3.0% from 2021G to 2023G, slightly below the GCC average of 3.4%.⁽¹⁷⁾ A significant 43.8% of the population is aged under 30, as of 2023G, surpassing the GCC average of 41.2%.⁽¹⁸⁾ The teen and young adult population alone totals 8.2 million, representing 61.0% of the GCC's total for these age groups, and offering a substantial base for higher education expansion.⁽¹⁹⁾ Household sizes are shrinking, with an average size of 3.5 in 2023G, smaller and contracting faster than the GCC average.⁽²⁰⁾ These smaller-family trends are expected to continue, with single-person households and couples without children making up 33.0% of households by 2028G.⁽²¹⁾ These trends translate into greater propensity to spend on higher education among smaller immediate families, as well as among a growing base of working women investing in their educational and career advancement.⁽²²⁾

In parallel, the Kingdom's rising female participation in education and the workforce, driven by Vision 2030, is reflected in the female employment rate growing at a CAGR of 11.1% between 2021G and 2023G.⁽²³⁾ Inclusivity is another focal area, with Saudi Vision 2030 promoting education for people with disabilities through mainstreaming and assistive technologies.⁽²⁴⁾ ⁽²⁵⁾

Table (3.2): Key Demographic Indicators in Saudi Arabia, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G- 2023G	CAGR 2023G- 2028G
Total Population	'000	30,784.4	32,661.1	33,136.8	34,961.7	3.0%	1.4%
Teens (aged 13-17)	'000	2,324.4	2,467.8	2,508.6	2,577.3	3.0%	0.9%
Young Adults (aged 18-29)	'000	5,682.9	5,684.5	5,647.7	5,833.8	0.0%	0.5%
Male Population	'000	18,569.5	19,935.2	20,185.6	21,138.3	3.6%	1.2%
Female Population	'000	12,214.8	12,725.9	12,951.2	13,823.4	2.1%	1.7%
Local Population	'000	18,380.7	19,200.2	19,588.0	21,065.3	2.2%	1.9%
Expatriate Population	'000	12,403.7	13,460.9	13,548.8	13,896.4	4.2%	0.6%
Number of Households	'000	8,196.6	9,346.6	9,739.1	10,971.0	6.8%	3.3%
Average Household Size	Number	3.8	3.5	3.4	3.2	-3.5%	-1.8%

Source: Euromonitor International, Economies and Consumers, 2024G

¹⁶ Euromonitor International, Economies and Consumers, 2024G.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² Arab News: Saudi Arabia's higher education sector to undergo transformation. 2024G.

²³ Euromonitor International, Economies and Consumers, 2024G.

²⁴ Saudi Vision 2030.

²⁵ Ibid.



3.3.1.3 Educational System overview KSA

While characterised by a dominant public sector and a centralised governance model, Saudi Arabia’s education system is witnessing the growing presence of private and international schools

Saudi Arabia’s education system counts around 30,000 schools, 60+ public and private universities, and numerous colleges and institutions.⁽²⁶⁾ The government provides free education, stipends, subsidies, and bonuses to students, with public schools dominating the landscape at 95% of the student base in 2022G.⁽²⁷⁾ Private schools, particularly international ones, are gaining popularity among Saudis, albeit from a low base – with only 10% of Saudi high school students in recent years being enrolled in private institutions.⁽²⁸⁾

Vision 2030 initiatives, like the universal teaching of English from the first grade, aim to further harmonise education with the Kingdom’s economic modernisation.⁽²⁹⁾ Higher education, historically reliant on studies abroad and dominated by public institutions domestically, is shifting towards local provision. As of 2023G, the Kingdom counts 29 public universities, 14 private universities, and 24 private colleges.⁽³⁰⁾ The MoE is actively reducing students’ reliance on government-funded studies abroad.⁽³¹⁾ In this direction, the government is making some headway in the privatisation and internalisation of its HEI landscape, albeit currently in the early stages of regulatory reform (see “**Policy and Regulatory Environment**” section).

3.3.1.4 Overview of Special Needs Education in KSA

Within the special needs education system, Saudi Arabia is exhibiting an increasingly diverse landscape and a recent shift towards private facilities

Saudi Arabia’s technical institutes began offering services to blind students as early as 1958G, and the MoE established its Special Education Unit in 1962G to enhance services for students with psychological, auditory, and visual impairments. Saudi Arabia’s special needs education system has a strong legislative foundation (see “**Policy and Regulatory Environment**” section) and is categorised into three main types: schools, daycare centres, and residential units. Schools, primarily public institutions, offer formal education with tailored curricula, focusing on either full integration or specialised classes. Daycare centres, mostly private, provide early intervention and development activities. Residential units, nearly all public and government funded, offer long-term care for individuals with complex disabilities. While public institutions dominate the Kingdom’s special needs education system, there has been a growing preference among local parents for private institutions in recent years due to their association with higher quality. The Ministry of Education (MoE) and the Ministry of Human Resources and Social Development (MHRSD) oversee all these institutions, assigning students based on their Stanford-Binet IQ test results.

3.3.1.5 Policy and Regulatory Environment

Saudi Arabia’s policy and regulatory environment for education has focused on enhanced governance for quality assurance, curricular reforms, and the privatisation of higher education

Guided by Vision 2030, Saudi Arabia’s National Transformation Program (NTP) and the MoE’s strategic plan for 2020G-2023G have outlined key long-term objectives in the education sector, including teacher training and development, increased private sector participation, and the alignment of academia with labour market and national development needs.⁽³²⁾ Moreover, the Human Capability Development Program (launched in 2021G) aims to achieve the ranking of six Saudi universities among the top 200 globally and a 40% increase in the Saudization of highly skilled jobs by 2025G, among other targets.⁽³³⁾ More critically, the MoE has been tasked with the roll-out and implementation of an Independent Schools model – which gives 2,000 public schools full management and decision-making autonomy, in turn unlocking private investment avenues.⁽³⁴⁾ In parallel, reforms towards quality education and assurance have largely centred on the introduction of new school evaluation frameworks (i.e. the National Assessment of Educational Progress and the National Assessment Program for University Achievement), performance-based teacher career paths, and modernised curricula, including new subjects.⁽³⁵⁾

²⁶ Saudi embassy (2024G) Education in Saudi Arabia

²⁷ Meed (2023G). Saudi higher education needs 900,000 new seats

²⁸ Konrad Adenauer Stiftung (2020G). Education in Saudi Arabia: Challenges and opportunities

²⁹ Ibid.

³⁰ Consultancy ME (2019G). The primary, secondary, and tertiary education sector in Saudi Arabia

³¹ Saudi embassy (2024G) Education in Saudi Arabia

³² Tamimi Law (2016G). Vision 2030 and the Transformation of Education in Saudi Arabia

³³ New Arab (2021G). Saudi Arabia announces education overhaul

³⁴ OECD (2021G). Education in Saudi Arabia and Lexology (2022G). Incorporation Requirements for Educational Institutes in Saudi Arabia

³⁵ Arab News (2022G). Education at the heart of Saudi Arabia’s progress



Table (3.3): Size and Share of Population Aged 15+ by Educational Attainment Level in Saudi Arabia, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
Primary education	Population in '000	2,968.8	3,156.6	3,209.2	3,429.6	3.1%	1.7%
Secondary education	Population in '000	13,143.3	14,170.7	14,487.9	15,732.5	3.8%	2.1%
Higher education	Population in '000	3,397.1	3,664.2	3,747.0	4,071.5	3.9%	2.1%
No education	Population in '000	4,277.5	4,515.7	4,577.5	4,850.7	2.7%	1.4%
Primary education	% of population aged 15+	12.5	12.4	12.3	12.2	-	-
Secondary education	% of population aged 15+	55.3	55.6	55.7	56.0	-	-
Higher education	% of population aged 15+	14.3	14.4	14.4	14.5	-	-
No education	% of population aged 15+	17.9	17.6	17.6	17.3	-	-

Source: Euromonitor International, Economics and Consumers, 2024G

In higher education, key developments include the establishment of the Higher Education Fund (HEF) financing tertiary institutions in the Kingdom; the Law of Universities (2020G) regulating funding, governance, and institutional and programme accreditation; and the MoE's Future Plan for University Education.⁽³⁶⁾ A landmark development has also been the approval and revision of several regulations allowing for the establishment of foreign universities in Saudi Arabia.⁽³⁷⁾ In 2023G, the Saudi Council of Universities' Affairs approved the Executive Regulation for establishing branches of foreign universities in Saudi Arabia.⁽³⁸⁾ During the same year, the MoE also said it was revising the executive and organisational rules of the Private University Education Regulations to enhance foreign investment opportunities.⁽³⁹⁾

3.3.1.6 Special Education Needs Policy & Regulatory Framework Overview

The Saudi special needs education subsector is supported by a robust regulatory and policy framework

Central to the Kingdom's efforts for inclusive and special needs education have been the Disability Code (2000G)⁽⁴⁰⁾; the RSEPI (Regulations of Special Education Programs and Institutes) Laws of 2001G;⁽⁴¹⁾ and the Special Education Policy (2016G).⁽⁴²⁾ The MoE's Education Strategy 2016G-2020G and the National Transformation Program 2030 also aimed to triple the number of students benefiting from special education. In 2023G, Saudi Arabia's Council of Ministers passed new laws providing greater protection and improved services for people with disabilities.⁽⁴³⁾ These laws mandate compliance from all governmental and non-governmental entities, establishing penalties for discrimination and privacy violations.

3.3.1.7 Overall Sector and Higher Education Governance

Saudi Arabia's educational sector exhibits a highly consolidated and centralised governance model under the MoE, albeit with increasing clout for independent bodies

The MoE in Saudi Arabia oversees and regulates all educational levels, from public and private schools to universities. The Technical and Vocational Training Corporation (TVTC) manages technical education, while the Education and Training Evaluation Commission (ETEC) is responsible for accrediting educational programmes. Tatweer Education Holding, established in 2012G, focuses on improving education quality through infrastructure and teacher training. The Council of Universities Affairs, established in 2019G, regulates universities and their educational policies, also providing regulatory and legislative support to enhance their scientific and research capabilities. Meanwhile, the Institute of Public Administration (IPA) provides civil service training. Supporting these bodies are NOOR and FARES, databases that manage education data. Governance for the Kingdom's education sector is centralised, with the MoE managing through 46 Directorates and 240 Education Offices,⁽⁴⁴⁾ though some independent entities like the National Curriculum Centre have been established to address specific needs and enable greater oversight.

³⁶ Ministry of Education. The future Plan for University Education

³⁷ Saudi Gazette (2023G) and Ministry of Education (2023G). The Ministry of Education seeks to attract the best international educational institutions to the Kingdom

³⁸ Saudi Gazette (2023G).

³⁹ Ministry of Education (2023G). The Ministry of Education seeks to attract the best international educational institutions to the Kingdom

⁴⁰ Pledges access to free educational and other services for people with disabilities

⁴¹ Define the educational rights and services for students with disabilities;

⁴² Outlines disability terms, teacher responsibilities, and early intervention services, among other provisions

⁴³ Arab News (2023G). Greater legal protection for people with disabilities lauded

⁴⁴ OECD (2021G). Education in Saudi Arabia



3.3.1.8 Key Sector Analysis: Special Needs Education in Saudi Arabia

Saudi Arabia's special needs education enrolment sees strong growth during the historical period, driven by increased awareness and pro-inclusivity governmental initiatives

In 2023G, 86,875 students were enrolled in special needs education in Saudi Arabia, growing at a CAGR of 7.4% from 2021G, driven by increased awareness and government initiatives for inclusivity.⁽⁴⁵⁾ The Human Capability Development Program identified 180,990 students with disabilities, 48% of whom were already enrolled in educational institutions.⁽⁴⁶⁾ The gap between diagnosis and prevalence is even more significant, with estimates suggesting that currently only 12.5% of incidences are diagnosed, a share up from 12.4% in 2021G and expected to reach 12.8% in 2028G. One reason for the low diagnosis and enrolment rates is the cultural stigma surrounding disabilities, which leads families to keep their children at home or choose informal care to avoid community judgment.

Among enrolled students, 47,515 were in full integration education (schools) under the MoE,⁽⁴⁷⁾ while 33,678 students with more severe disabilities were enrolled in special education programmes in Daycare centers managed by the Ministry of Human Resource and Social Development.⁽⁴⁸⁾ Notably, 5,682 students with disabilities were enrolled in universities in 2023G, accounting for about 6.5% of the total students with disabilities in educational institutions in the Kingdom.⁽⁴⁹⁾ While full integration education is still government-led, special education institutes and programs are privatized, with fees being mostly covered through a government re-imbursement subsidy system.

Government efforts like the "Inclusive Learning Journey"⁽⁵⁰⁾ and collaborations for early detection and treatment⁽⁵¹⁾ have further supported this growth, with the potential market for special needs education expected to expand as awareness and acceptance increases. These initiatives have been particularly important in addressing the social stigma among Saudi families associated with physical and even more mental disabilities, and, in turn, unlocking growth opportunity for special needs education. However, as result of government awareness campaigns and better diagnostic tools, mindsets are changing, which will likely lead to growing acceptance and in turn enrolment rates. As a result, the rate of 48.0% of students diagnosed with disabilities currently enrolled in special needs education is projected to reach 64.1% by 2028G.

Private institutions in Saudi Arabia increasingly focus on cognitive and behavioural disabilities like autism and ADHD, driven by growing demand and awareness

In Saudi Arabia, students with physical disabilities, including vision, mobility, and hearing impairments, make up the largest group in special needs education, aligning with their prevalence of 70-75% among disabled children aged 2-17 years.⁽⁵²⁾ These students predominantly attend public institutions equipped with accessible infrastructure. Meanwhile, the enrolment of students with communication, learning, and behavioural disabilities, such as autism and ADHD, is increasing due to improved diagnosis and awareness (figures from the Ministry of Education suggest that between 2022G and 2023G, the number of students with autism increased by 25.6%, while the number of students with ADHD increased by 28.6%). Private institutions like the Human Development Company, which operated 28 daycare centres and nine special education schools as of 2023G, have become prominent for offering specialised support, particularly for autism and intellectual disabilities. As of 2023G, over 80% of their students with disabilities were diagnosed with one of these two types of disabilities.⁽⁵³⁾

Public special needs institutions in Saudi Arabia offer services at no charge, while private institutions are primarily funded by government subsidies; however, fees apply for those not covered, with rates varying by institution and a government rating system

In Saudi Arabia, public institutions in the special needs education system offer government-funded programmes free of charge to Saudis and some eligible non-Saudis, who make up 12.9% of the disabled population.⁽⁵⁴⁾ For most non-Saudis, special needs education in the Kingdom incurs costs, which, while lower than in developed markets like the UK and Canada,⁽⁵⁵⁾ are still considered expensive compared to home countries in South Asia or other Arab countries. Private institutions charge fees that vary based on factors like the institution's rating, the type of disability, and additional services offered. The Saudi government supports these private options through a government subsidy system, launched in 2013G, which can cover up to SAR 29,000 (USD 7,730) for tuition fees and SAR 5,000 (USD 1,330) for transportation annually and can include additional fees for more specific services, such as speech and occupational therapy for a total amount of up to SAR 12,000 (USD 3,200) depending

⁴⁵ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Saudi Arabia's Disability Statistics 2023G

⁵³ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

⁵⁴ Saudi Census: Disabilities and Difficulties Prevalence, 2022G.

⁵⁵ House of Common: Special Educational Needs and Disability Funding, 2020G.



on the student needs. Between 2021G and 2023G, private institution fees increased significantly, driven by operational costs and infrastructure investments, supporting a quality shift that translated from institutes (daycare centers) rated “C” and “B” by the government moving to “B” and “A” ratings. These investments in quality supported higher government re-imbursements.

Parents increasingly prioritize specialised expertise for their child’s disability when selecting special education facilities, prompting many institutions to proactively strengthen their portfolio and increasing quality levels

In 2023G, the annual cost for a student with disabilities in Saudi Arabia, without government subsidies, requiring two programmes at a private institution, ranged between SAR 30,000 and SAR 60,000 (USD 10,650-16,000), with total average costs per student currently standing at around SAR 32,400 (USD 8,640).⁽⁵⁶⁾ However, basically all private centers accept government support. In meeting parent demand for more specialised expertise, many institutions are pursuing international accreditation, qualifications, and collaborations. The drive for international standards has driven the popularity of internationally affiliated institutions, recognised for their quality services and facilities. Additionally, special education institutes (daycare centres) are focusing on obtaining higher ratings to qualify for better government reimbursement through subsidies, with subsidy rates linked to the centre’s government quality rating.

Saudi Arabia’s special needs education market is set to grow further, driven by increased awareness and demand for specialised services, with an expanding role for the private sector

Between 2023G and 2028G, the number of students with disabilities enrolled in special needs education in Saudi Arabia is projected to grow at a CAGR of 8.6%, reaching 131,381.⁽⁵⁷⁾ This increase, higher than that observed in 2021G-2023G,⁽⁵⁸⁾ is driven by heightened awareness among parents and continuous improvements in the special needs education sector. The privatized segment of special education institutes and programmes are expected to see a faster growth rate of 12.9% than full integration education mostly provided by government schools, with enrolment projected to reach 61,873 by 2028G,⁽⁵⁹⁾ reflecting growing demand for tailored support and resources as well as growing awareness for intellectual disabilities, ADHD and autism, some of the leading types of disabilities in this sector. However, the number of students with disabilities enrolled in full integration education is still projected to experience a CAGR of 4.2% during the forecast period, reaching 58,248 by 2028G – driven by greater community acceptance and the government’s pro-inclusivity efforts.⁽⁶⁰⁾ During the same period, the number of students with disabilities enrolling in university is projected to reach 11,260 by 2028G, showing a CAGR of 14.7% since 2023G.⁽⁶¹⁾ Revenue from tuition fees for special education institutes and programs is also projected to rise significantly, with a CAGR of 16.6%,⁽⁶²⁾ supported by investments in facilities, customised curricula, and specialised staff supporting a continuation of the above-mentioned shift within daycare centers from B and C-Ratings towards B and A ratings. As the government reimbursement system is linked to these ratings such a migration is a significant driver of value growth. The ongoing privatisation of the sector is expected to enhance competition and attract further investment, potentially expanding to include residential units, which are estimated to cater to approximately 8,000 residents with disabilities in 2023G, in the future – with industry experts suggesting that the annual potential could reach up to SAR 200,000 (USD 53,000).

Table (3.4): Special Needs Education: Market Size Development in Saudi Arabia, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
Prevalence of disabilities (Potential Market)*	No. of Students	1,392,585	1,452,862	1,483,001	1,603,555	2.1%	2.0%
Students diagnosed with disabilities	No. of Students	173,349	180,990	185,528	204,846	2.2%	2.5%
Students diagnosed with disabilities	% out of overall incidences (diagnosed & undiagnosed)	12.4%	12.5%	12.5%	12.8%	-	-
Students enrolled in special needs education	No. of Students	75,279	86,875	93,674	131,381	7.4%	8.6%
Students enrolled in special needs education %	% of student with a disability diagnosis	43.4%	48.0%	50.5%	64.1%	-	-
Full integration education	No. of Students	43,045	47,515	49,604	58,248	5.1%	4.2%
Special Education institutes and programs	No. of Students	27,634	33,678	37,632	61,873	10.4%	12.9%
Students enrolled in special education institutes and programs %	% of students enrolled in special needs education	36.7%	38.8%	40.2%	47.1%	-	-

⁵⁶ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

⁵⁷ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.



Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
University	No. of Students	4,600	5,682	6,438	11,260	11.1%	14.7%
Special Education institutes and programmes	Tuition Fees (SAR million)	838.4	1,091.2	1,258.4	2,351.8	14.1%	16.6%

Note: *The “Prevalence of disabilities (Potential Market)” has been estimated using data on disability prevalence percentages in the US as a benchmark (15.2% in 2023G) (National Centre for Education Statistics. (2024). Students With Disabilities. Condition of Education. US Department of Education, Institute of Education Sciences) and multiplying the prevalence percentage by the population data for Saudi Arabia ages 0-19 (9.6 million) from Euromonitor International Passport Database. This results in a potential market of 0-19-year-old students with disabilities of 1,452,862 in 2023G.

Source: Euromonitor International estimates based on primary and secondary sources

3.3.2 Competitive Landscape & Positioning

3.3.2.1 Competitive Landscape: Special Needs Education in Saudi Arabia

Human Development Company remains the only large-scale player in a highly fragmented market dominated by government schools and private single-branch operators

Special needs education in Saudi Arabia is dominated by government-run schools, but has seen a growing role for private operators through the privatization of special needs education institutes and programs (mostly daycare centers as of 2023G). The latter currently accounts for the majority of private institutions in the market and has an overall share of 38.8% of special needs education in 2023G, up from 36.7% in 2021G and expected to reach 47.1% in 2028G. Students with intellectual disabilities are more commonly found in these institutes than in schools. As a result, improvements in diagnostics and growing acceptance in society are key drivers for growth in this segment specifically and lead to a narrowing of the gap between prevalence and diagnosed cases, as well as diagnosed cases and enrolment in specialized care.

The market remains fragmented, with Human Development Company being the only player with a double-digit number of branches specialised in special needs education (see section 4.5).

HDC enjoys a strong market position within the privatized special needs education institutes and programs, where it holds a share of 10.4% as of 2023G:

Table (3.5): HDC Share within special needs education institutes and programs 2023G in Saudi Arabia: Values (Tuition Fees)

Company	Data Type	2023G Total	Rank
Human Development Company	% of total tuition fees	10.4%	1

Source: Euromonitor International estimates based on primary and secondary sources

The second largest player, Tatweer Education Holding operates only four centres, catering to around 1,000 students in total. Competition in the market is mainly centred on proximity to households; portfolio depth and breadth; and, increasingly, programme quality. Focus on the latter is due to increasing awareness among parents and the government subsidy system’s reliance on the quality rating system (ranging from “A” to “D”) informing reimbursement rates for centres. Special Education Needs players have therefore targeted rating upgrades, portfolio diversification, and even investments in medical or rehabilitation facilities.

Table (3.6): Volume Shares (%) of Key Private Special Needs Education Operators in KSA in 2023G: Student enrollments

Company	Data Type	2023G Total	Rank
Human Development Company	%	5.8%	1
Tatweer	%	1.2%	2
Academic City Schools	%	0.4%	3
Onaizah Association for Development and Human Services (Ta’heel)	%	0.3%	4
Shumua Al Amal	%	0.3%	5
Others	%	92.0%	-
Total	%	100.0%	-

Source: Euromonitor International estimates based on primary and secondary sources



3.3.2.2 Company Positioning: Special Needs Education in Saudi Arabia

HDC, a top provider of special needs education in Saudi Arabia, has seen substantial growth driven by its high-quality services and strategic expansion efforts

Table (3.7): HDC Volume Shares (%) by segment 2023G and 2024E: Student enrollments

Company	Data Type	2023G Total	2024E Total (Estimated)	Rank
Transit (SEN Daycare Centers)	% of Special Education institutes and programs	11.6%	13.6%	1
Makan (SEN Schools)	% of Full integration education	2.7%	2.6%	2

Human Development Company (HDC) is the leading private provider of special needs education in Saudi Arabia, managing 28 daycare centres and nine special needs schools across the Kingdom as of 2023G⁽⁶³⁾ – a network significantly larger than that of the second biggest provider, Tatweer, which operates only four facilities.⁽⁶⁴⁾ Established in 2007G, HDC has expanded rapidly, doubling its beneficiaries to over 5,000 in 2023G.⁽⁶⁵⁾ This growth has been driven by Saudi Arabia's privatisation initiatives, particularly in the daycare centre segment, and increasing awareness and diagnosis of conditions like autism and intellectual disabilities, which accounted for a high percentage of its base.

HDC's top-rated services ensure maximum reimbursement under the government subsidy system and meet the rising demand for high-quality care. The Company's growth strategy has targeted in-house staff training, automated programme development, and progress monitoring to deliver consistent, high-quality care. Moreover, HDC's extensive network across Saudi Arabia makes its services accessible to families, and its healthcare expertise, along with a network of medical centres, supports early identification and intervention for children with special needs.

3.3.2.3 Opportunity Market Evaluation: Higher Education in Saudi Arabia

Saudi Arabia's private higher education market offers substantial growth potential, especially in specialised fields, as the Kingdom aligns its educational system with evolving job market demands

The higher education sector in Saudi Arabia had over 1.6 million enrolled students in 2023G – the largest in the GCC, and nine times the UAE's total size in terms of number of students.⁽⁶⁶⁾ Its growth is fuelled by Vision 2030 initiatives that aim to transition the Kingdom towards a diverse economy supported by advanced technologies, creating a rising demand for skilled workers across multiple sectors – including specialised fields such as renewable energy and robotics.⁽⁶⁷⁾ Public institutions dominate the landscape, accounting for 90-95% of enrolments in 2023G,⁽⁶⁸⁾. They offer free education to most local students and are perceived as higher quality and with better employment opportunities after graduation.

However, the private higher education sector presents significant opportunities. These opportunities remain prominent in fields like Business, Engineering, and IT, where private institutions compete with public universities through globally accredited programs, providing students with a competitive edge in the Saudi labor market and enhanced international mobility. The Saudi government's strategy to transition from a service provider to a regulator in education is also encouraging private sector growth, paving the way for international universities to establish branch campuses in Saudi Arabia. It could also potentially lead to double-digit growth in the sector, with international HEIs enhancing the quality and diversity of the private education segment.

Table (3.8): Higher Education: Market Size Development in Saudi Arabia, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
Higher Education	Number of students	1,573,268	1,666,634	1,767,277	2,238,646	2.9%	6.1%
Private Higher Education	Number of students	233,438	250,421	267,137	353,048	3.6%	7.1%

Source: Euromonitor International estimates based on primary and secondary sources

⁶³ Human Development Company (HDC). 2024G.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

⁶⁷ Arab News: Saudi Arabia's higher education sector to undergo transformation. 2024G.

⁶⁸ Colliers: Higher Education in KSA: Changing Demand in line with Vision 2030. 2023.



3.4 UNITED ARAB EMIRATES

3.4.1 Macroeconomic and Demographic Dynamics

(A) Macroeconomic Overview

The UAE's strong economic growth and focus on education are fuelling a thriving higher education market, attracting both local and international students, as well as educational institutions

In 2023G, the UAE's nominal GDP reached SAR 1,928.0 billion (USD 514.1 billion), having expanded at a CAGR of 11.3% since 2021G – surpassing the GCC average of 10.1% for the same period.⁽⁶⁹⁾ The UAE ranks as the GCC's second largest economy, with a 24.3% share of the region's total GDP. The UAE's service-orientated economic diversification has been largely behind this notable expansion, with the GDP share of its oil revenue considerably declining over the years in favour of sectors like trade and, more prominently, tourism.⁽⁷⁰⁾

As a result of its strong economic performance and diversification, the UAE's disposable income per capita stood at SAR 104,547.7 (USD 27,879.4) in 2023G, nearly double the GCC average of SAR 58,713.2 (USD 15,656.9).⁽⁷¹⁾ Similarly, the UAE's per capita income, overall consumer expenditure, and consumer expenditure on education grew at CAGRs of 14.4%, 17.5%, and 16.9%, respectively, between 2021G and 2023G.⁽⁷²⁾

Looking ahead, consumer expenditure on education in the UAE is projected to grow at a CAGR of 5.9% from 2023G to 2028G, aligning with the GCC's regional average.⁽⁷³⁾ This projection is supported by a forecast nominal GDP CAGR of 5.4% and a corresponding 4.5% CAGR in disposable income per capita.⁽⁷⁴⁾ Education represented 7.8% of the UAE's total consumer expenditure in 2023G, reflecting the government's commitment to the sector, and supported by a number of policy reforms targeting an economy that is based on advanced technology; the advancement of higher education (i.e. the National Strategy for Higher Education 2030); and the alignment of K12 education and teacher standards with global university standards and the international job market.⁽⁷⁵⁾

Table (3.9): Key Macroeconomic Indicators in the United Arab Emirates, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
GDP	SAR billion	1,556.9	1,928.0	1,967.4	2,502.0	11.3%	5.4%
GDP per Capita	SAR	165,811.5	199,576.5	202,030.3	249,445.6	9.7%	4.6%
Real GDP Growth	%	4.4%	3.6%	3.5%	4.4%	-	-
Disposable Income per Capita	SAR	79,854.8	104,547.7	109,553.8	129,981.3	14.4%	4.5%
Inflation	%	0.2%	1.6%	2.3%	2.0%	-	-
Employment	%	89.2%	88.8%	89.2%	90.5%	-	-
Female Employment	%	52.8%	55.4%	n/a	n/a	-	-
Total Consumer Expenditure	SAR million	707,236.5	976,351.5	1,036,185.4	1,276,287.4	17.5%	5.5%
Total Consumer Expenditure on Education	SAR million	55,569.0	75,892.9	80,582.6	101,118.0	16.9%	5.9%
Rate of Urbanisation	%	87.9%	88.4%	88.6%	89.3%	-	-

Source: Euromonitor International, Economies and Consumers, 2024G.

⁶⁹ Euromonitor International, Economies and Consumers, 2024G.

⁷⁰ Department of Economy & Tourism in Dubai: Tourism Performance Report January - December 2023G, 2024G.

⁷¹ Euromonitor International, Economies and Consumers, 2024G.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Ibid.



(B) Demographic Overview

Population growth, high average income levels, changing household structures, a focus on self-development, especially among women, as well as strong job prospects and an emergence as the leading regional education hub, bolster the UAE's higher education sector

The UAE's population reached 9.7 million in 2023G, having expanded at a CAGR of 1.4% since 2021G.⁽⁷⁶⁾ Young adults aged 18-29 accounted for 17.7% of the population in 2023G, slightly higher than the GCC average of 16.9%, while teens aged 13-17 accounted for 3.0%.⁽⁷⁷⁾ Notably, 42.8% of those aged 15+ earned over SAR 112,525 (USD 30,000) per annum.⁽⁷⁸⁾

The UAE's average household size, at 5.0 people per household in 2023G, is larger than the GCC average of 4.1 but is declining at a faster pace (CAGR of -3.8% versus -3.0% for the region). Correspondingly, single-person households, couples without children, and couples with one child grew at more considerable CAGRs of 14.4%, 9.8%, and 11.4%, respectively, between 2021G and 2023G.⁽⁷⁹⁾ This shift translates into higher investments in education, particularly in smaller families, contributing to the potential growth in higher education enrolments.

These demographic trends are expected to persist, with the UAE's average household size projected to contract further at a CAGR of -2.4% in 2023G-2028G.⁽⁸⁰⁾ In tandem, single-person households, couples without children, and couples with only one child, are expected to become increasingly prevalent, projected to grow at CAGRs of 10.4%, 6.2%, and 7.5%, respectively, between 2023G and 2028G.⁽⁸¹⁾ Urbanisation is also expected to rise, reaching 89.3% by 2028G (up from an already notable 88.4% in 2023G), driving demand for quality education, especially in cities like Abu Dhabi and Dubai.⁽⁸²⁾ In parallel, women's empowerment continues to advance, with increasing female representation in politics⁽⁸³⁾ and STEM education⁽⁸⁴⁾ – backed by a spate of legislative reforms towards equal pay and corporate participation.⁽⁸⁵⁾

Table (3.10): Key Demographic Indicators in the United Arab Emirates, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
Total Population	'000	9,389.7	9,660.4	9,738.0	10,030.2	1.4%	0.8%
Teens (aged 13-17)	'000	298.3	294.5	297.7	404.3	-0.6%	6.5%
Young Adults (aged 18-29)	'000	1,820.2	1,710.9	1,689.4	1,626.5	-3.0%	-1.0%
Male Population	'000	6,525.6	6,679.2	6,716.3	6,855.1	1.2%	0.5%
Female Population	'000	2,864.1	2,981.2	3,021.7	3,175.1	2.0%	1.3%
Local Population	'000	1,139.5	1,162.8	1,173.4	1,208.9	1.0%	0.8%
Expatriate Population	'000	8,250.2	8,497.6	8,564.6	8,821.3	1.5%	0.8%
Number of Households	'000	1,740.4	1,936.4	2,010.6	2,266.2	5.5%	3.2%
Average Household Size	Number	5.4	5.0	4.8	4.4	-3.8%	-2.4%

Source: Euromonitor International, Economies and Consumers, 2024G.

⁷⁶ Euromonitor International, Economies and Consumers, 2024G.

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² Ibid.

⁸³ Permanent Committee for Human Rights: Gender Equality and Women's Empowerment. 2024G.

⁸⁴ Ibid.

⁸⁵ Ibid.



(C) Educational System overview UAE

The UAE educational system boasts a structured ecosystem that caters to a demographically diverse population, exhibiting a strong presence of both public and private institutions

The UAE's educational system can be broadly tiered into three main sectors: public schools, private schools, and HEIs – with K12 and special needs education (SEN) provided by both public and private schools. Public schools provide free and compulsory education for all UAE national children and accept expatriate children for a fee.⁽⁸⁶⁾ Private schools, which offer 15 different curricula, cater primarily to expats, but have been increasingly attracting Emirati pupils.⁽⁸⁷⁾

Private sector participation has been fuelled by the UAE's ambitions to become a global education destination, through regulatory reforms (i.e. the Federal Decree Law No.18 of 2020G on Private Education); bilateral collaborations for the establishment of international institutions (most prominently with the Indian government⁽⁸⁸⁾); and the planned launch of 100 new schools in the K12 segment by 2030G.⁽⁸⁹⁾

In higher education, this participation has transpired in the UAE's recruitment of and incentives for international branch campuses (IBCs), particularly in free zones with low entry barriers and streamlined licensing and accreditation processes.⁽⁹⁰⁾ By 2024G, the UAE counted over 70 HEIs,⁽⁹¹⁾ including federal public institutions under the Ministry of Education offering free higher education to Emirati students⁽⁹²⁾ (UAE University, Zayed University, and the Higher Colleges of Technology (HCT)); "glocal" private institutions (Abu Dhabi University and the American University of Dubai); and local branches of global universities.

(D) Policy and Regulatory Environment

Fuelled by the UAE's diverse demographic make-up and economic ambitions, the educational sector's expansion is supported by strong policy reforms

In 2023G, the share of the population aged 15+ to have attained secondary education stood at 34.9%, and that to have reached higher education, 40.0%.⁽⁹³⁾ In absolute terms, the population aged 15+ that has attained higher education expanded at a CAGR of 2.3% to reach 3.4 million in 2023G,⁽⁹⁴⁾ highlighting the growing importance of post-secondary education in the UAE.

Table (3.11): Size and Share of Population aged 15+ by Educational Attainment Level in the UAE, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
Primary education	Population in '000	1,035.6	1,051.3	1,053.1	1,072.3	0.8%	0.4%
Secondary education	Population in '000	2,935.6	2,928.3	2,912.2	2,904.6	-0.1%	-0.2%
Higher education	Population in '000	3,203.3	3,354.9	3,401.7	3,579.0	2.3%	1.3%
No education	Population in '000	1,027.6	1,055.7	1,062.8	1,097.2	1.4%	0.8%
Primary education	% of population aged 15+	12.6	12.5	12.5	12.4	-	-
Secondary education	% of population aged 15+	35.8	34.9	34.5	33.6	-	-
Higher education	% of population aged 15+	39.1	40.0	40.4	41.4	-	-
No education	% of population aged 15+	12.5	12.6	12.6	12.6	-	-

Source: Euromonitor International, Economies and Consumers, 2024G.

This expansion has been greatly supported by governmental policies and programmes. They include the UAE Vision 2021G, which has targeted top rankings in international assessments like TIMSS (Trends in International Mathematics and Science Study) and PISA (Program for International Student Assessment); Dubai's Knowledge Fund Establishment's Strategic Plan 2023G-2025G; the Ministry of Education's Strategic Direction 2023G-2026G; and the National Strategy for Higher Education 2030. The latter has mapped out 33 initiatives targeting the improvement of accreditation standards, curricula, and

⁸⁶ Allen Overseas: Education system in the UAE overview.

⁸⁷ Ibid.

⁸⁸ Khaleej Times (2023G). UAE: More Indian universities, CBSE office coming to the country, says minister

⁸⁹ Gulf News (2024G). More investors flock to UAE's K-12 education sector

⁹⁰ Sheikh Saud Bin Saqr Al Qasimi Foundation for Policy Research, University of Toronto (2022G). Regulating Private Higher Education Quality in the UAE to Become an Educational Destination: Federal, Provincial, and Institutional Interests

⁹¹ World Education News and Reviews (2018G). Education in the United Arab Emirates

⁹² Ibid.

⁹³ Euromonitor International's Economies and Consumers database from national statistics/Eurostat/OECD/UN/International Monetary Fund (IMF), International Financial Statistics (IFS), UNESCO

⁹⁴ Ibid.



qualifications; career training programmes; and academic research.⁽⁹⁵⁾ In May 2024G, the UAE government also announced the reclassification of HEIs into research and non-research institutions, and introduced a more stringent rating system for them.⁽⁹⁶⁾

(E) Overall Sector and Higher Education Governance

Albeit currently fragmented, the UAE's governance structure for the educational sector is robust and moving towards a unified model in quality standardisation, oversight, and monitoring

The Ministry of Education (MoE) oversees all UAE-based education councils and authorities. It holds a multifaceted role that encompasses policymaking and licensing, supported and complemented by local authorities such as ADEK and KHDA at an emirate level (table below).

Table (3.12): Key Authorities and Bodies Governing the Education Sector in United Arab Emirates, 2023G

Authority/Body	Overview of role and responsibilities
Ministry of Education (MoE)	Oversees the educational sector across all levels, formulates policies, sets educational standards, and ensures the implementation of national curricula.
Abu Dhabi Department of Education and Knowledge (ADEK)	Sets standards for educational outcomes, health, safety, and building requirements in Abu Dhabi. Manages Abu Dhabi's public schools and regulates private schools in Abu Dhabi, Al Ain, and the Western Region.
Knowledge and Human Development Authority (KHDA)	Oversees the governance and development of the education sector in Dubai, together with the Dubai Education Council (DEC). Houses the Dubai School Inspection Bureau, which conducts annual quality audits and imposes penalties for poor performance, ⁽⁹⁷⁾ and the University Quality Assurance International Board (UQAIB), tasked with recommendations for licensing foreign free zone HEIs and approving their programmes.
Ras Al Khaimah Department of Knowledge (RAK DOK)	Oversees the education sector in Ras Al Khaimah and is tasked with regulating the private education sector under a MoU with the MoE.
Sharjah Private Education Authority	Serves as the specialised local authority responsible for regulating and supervising private educational institutions across levels in Sharjah.
Commission for Academic Accreditation (CAA)	The federal accreditation body evaluating and licensing colleges, universities and academic programs in the UAE. A CAA accreditation can be obtained by universities throughout all Emirates. Note: In certain instances, HEIs in the UAE can operate under the sole license of local regulators (e.g. KHDA in Dubai)
National Qualifications Center (NQC)	Develops and implements national qualifications frameworks, and ensures the alignment of educational and vocational qualifications with international standards.
Federal Authority for Quality and Standards of Education	Established in May 2022G under the purview of the MoE to measure educational outcomes, student performance, and the efficiency of the educational process.
Federal Authority for Early Childhood Education	Established in May 2022G, tasked with plans to monitor child development through to the fourth grade and licensing for government and private nurseries.
Emirates Schools Establishment	Supervises public schools, implements policies, strategies, and standards related to the education sector's development.

Source: Euromonitor International analysis based on Euromonitor Passport Database, expert interviews and published sources

This multi-layered regulatory framework offers flexibility and enables decision-making autonomy. As an example of this, the Commission for Academic Accreditation (CAA) under the MoE is responsible for licensing and accrediting HEIs nationwide; however, in free zones, HEIs can operate solely under emirate-level regulations (for instance, under the KHDA's purview in Dubai). The UAE government and Dubai in particular are working to attract international and reputable universities to strengthen the country's and emirate's image as education hubs. The International Faculty Program initiated by the MoE in 2023G, for example encourages local HEIs to collaborate with the Top 100 universities globally to co-create online courses for students at higher education institutions in the UAE.⁽⁹⁸⁾

Table (3.13): Number of Enrolled Students Under Different Accreditation Categories in Dubai, 2021G-2023G

Category	2021G	2022G	2023G	CAGR 2021G-2023G
KHDA Accredited Education Dubai*	28,162.0	29,171.0	31,070.0	5.0%
CAA only Private Higher Education Dubai	6,658.0	6,599.0	6,380.0	-2.1%

Source: Ministry of Education United Arab Emirates. KHDA, 2024G *Includes KHDA only as well as CAA and KHDA accredited institutes.

⁹⁵ Gulf News (2017). UAE launches National Strategy for Higher Education 2030

⁹⁶ Zawya (2024G). UAE universities to soon be divided into research, non-research institutions

⁹⁷ World Education News and Reviews (2018G). Education in the United Arab Emirates

⁹⁸ Ministry of Education: International Faculty Program 2023G



3.4.2 Key Sector Analysis: Higher Education in the UAE

The UAE's higher education landscape features a strong undergraduate sector, expanding postgraduate programmes, and a rapidly growing IFP segment, showing a maturing system with rising demand for quality programmes and specialised skills

The higher education system in the UAE is divided into three segments: International Foundation Programmes (IFPs), undergraduate programmes, and postgraduate programmes, which together enrolled 180,955 students in 2023G – with this base expanding by a 3.2% CAGR since 2021G, and expected to grow by a 5.8% in 2023G-2028G, as the country is moving towards a technology-based economy that requires a highly educated workforce, while also developing into a regional education hub.⁽⁹⁹⁾ KHDA-accredited institutions are outpacing HEI market growth, at a 5.0% CAGR in 2021G-2023G.⁽¹⁰⁰⁾ Private HEIs in Dubai without the KHDA accreditation on the other hand saw a decrease between 2021G and 2023G (CAGR -2.1%), underlining the importance of KHDA accreditation in the Emirate. This growth also underscores Dubai's critical role as an educational hub, thanks to its evolving global profile and favorable visa processes, making it an appealing destination for students from Asia, the Middle East, and Africa.

The undergraduate segment accounted for the largest share of higher education students (76.9%) in 2023G, having expanded at a 2.7% CAGR since 2021G.⁽¹⁰¹⁾ The postgraduate segment saw its share of total higher education students increase from 21.2% in 2021G to 22.0% in 2023G,⁽¹⁰²⁾ and its student base expand at a 5.1% CAGR during the same period.⁽¹⁰³⁾ The IFP segment, albeit at a modest 1.1% of total higher education students in 2023G, experienced rapid growth at a 5.9% CAGR since 2021G.⁽¹⁰⁴⁾

Table (3.14): Split Between Different Education Types in the United Arab Emirates, 2021G-2023G

Category	Data Type	2021G	2023G	2024G	2028G
Number of Students	% of students	Students	Students	Students	Students
International Foundation Programmes	%	1.1%	1.1%	1.1%	1.2%
Undergraduate	%	77.7%	76.9%	76.4%	75.0%
Postgraduate	%	21.2%	22.0%	22.4%	23.8%
Tuition Revenue	% of Tuition Revenue	Tuition revenue	Tuition revenue	Tuition revenue	Tuition revenue
International Foundation Programmes	%	1.3%	1.3%	1.3%	1.4%
Undergraduate	%	71.3%	70.5%	69.8%	67.8%
Postgraduate	%	27.4%	28.2%	28.8%	30.8%

Source: Euromonitor International estimates based on primary and secondary sources

(F) Market Overview: Undergraduate Programmes

The UAE's undergraduate segment sees stable growth in student numbers, driven by a rise in private enrolment, a growing influx of international students and government efforts to enhance education quality and accessibility

The UAE's undergraduate segment recorded 139,144 students in 2023G, reflecting stable growth at a CAGR of 2.7% since 2021G.⁽¹⁰⁵⁾ The UAE's expanding labour market, shift towards an economy that is based on advanced technologies and relies less on physical labour, and focus on specialisation are key drivers for the segment. Growth has also been supported by the government's investments and policy reforms for the advancement of public institutions; the promotion of public-private collaboration; and the extension of financial support and scholarships to both local and international students. The Emirates Standardized Test (EmSAT), introduced in 2019G, has further boosted demand by better preparing high school students for higher education.⁽¹⁰⁶⁾

⁹⁹ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹⁰⁰ Ibid.

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ Ibid.

¹⁰⁴ Ibid.

¹⁰⁵ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹⁰⁶ Gulf News: EmSat tests no longer mandatory for university admissions in UAE, 2023G.



Tuition fee revenues saw a more significant 6.1% CAGR in 2021G-2023G.⁽¹⁰⁷⁾ In 2023G, private universities enrolled 40,749 students,⁽¹⁰⁸⁾ with a stronger CAGR of 7.3% since 2021G compared to 0.9% for non-private universities/colleges.⁽¹⁰⁹⁾

Federal public universities leverage their reputation and affordability (for UAE nationals), while private institutions attract students with industry-aligned programmes, international exposure, mobility opportunities and flexible admission processes

Purely public institutions (UAE University, Zayed University, and Higher Colleges of Technology) remain highly attractive due to their strong academic reputation, diverse programmes, provision of free education for UAE nationals and scholarships to non-nationals,⁽¹¹⁰⁾ and strategic ties with the corporate sector for future employability. However, their competitive admissions process, due to seat limitations and stringent requirements for non-Emiratis, has unlocked opportunities for private institutions. Leveraging more flexible admission processes, international-standard programmes, strong English proficiency programmes, and curricular alignment with the labour market,⁽¹¹¹⁾ private institutions have gained popularity and been able to command higher tuition fees.

The rise in international students in the UAE is driven by the increasing appeal of the country's job market and business environment, paired with extensive marketing and recruitment efforts from private universities, employing both digital and traditional methods to reach and attract students

The increasing number of international students, who became a key growth driver in the UAE is largely driven by the active recruitment efforts of private universities, particularly in a global hub like Dubai. Market leading institutions such as Middlesex University Dubai and Heriot-Watt University Dubai have engaged in robust digital marketing campaigns (focused on social media and virtual tours), offline recruitment strategies, and collaborations with agents and educational consultants in target international markets to scale their international reach and brand equity. Middlesex University Dubai, for instance, regularly organises trips to key target international markets, developing relationships with partners and agents, and meeting students, counsellors, and faculties at various schools and education centres, emphasising its international scholarships and grants.⁽¹¹²⁾ The focus of these institutions on recruiting international students has partly driven their increased popularity and market success, especially in contrast to institutions that rely more heavily on domestic recruitment. Dubai's popularity globally and the UAE's streamlined Visa processes are further boosting this trend, with international student growth expected to continue at double-digit over the forecast period.

Hybrid learning models are becoming more popular, but most UAE universities still primarily focus on on-campus undergraduate programmes, emphasising campus life as a key selling point

Hybrid learning models across UAE HEIs are blending online learning experiences and resources with traditional on-campus delivery to improve and streamline educational experiences. However, fully online undergraduate programmes remain limited – with Hamdan Bin Mohammed Smart University being the only MoE-accredited institution offering a completely online experience.⁽¹¹³⁾ While they continue to focus on campus life and amenities, public and private universities are investing in robust online infrastructures – an example being the MyMDX⁽¹¹⁵⁾ digital platform at Middlesex University Dubai. Other institutions are actively advancing their e-learning offering.⁽¹¹⁶⁾ For instance, with the launch of its ADU SMART Learning Centre in 2022G, Abu Dhabi University aims to offer more than 20 programmes and 50 online courses by academic year 2025G-2026E.⁽¹¹⁷⁾

The UAE's undergraduate segment is projected to grow steadily, with private institutions gaining market share and driving tuition fee revenue growth through increased international student enrolment and enhanced programme offerings

The undergraduate segment is expected to grow steadily in terms of number of students, with a projected CAGR of 5.3% from 2023G to 2028G.⁽¹¹⁸⁾ Private institutions are set to sustain their demand momentum, with the number of students in private undergraduate programmes expected to experience an 9.5% CAGR in 2023G-2028G, and hence projected to reach 64,258 in 2028G.⁽¹¹⁹⁾ The ongoing expansion of private undergraduate programmes is likely to drive substantial growth in tuition fee revenue, projected at a CAGR of 9.7% in 2023G-2028G.⁽¹²⁰⁾

¹⁰⁷ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² Ibid.

¹¹³ Gulf News: E-learning at UAE universities – what are your options?. 2020G.

¹¹⁴ Hamdan Bin Mohammed Smart University. 2024G.

¹¹⁵ Middlesex University Dubai. 2024G.

¹¹⁶ Abu Dhabi University. 2022G.

¹¹⁷ Ibid.

¹¹⁸ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹¹⁹ Ibid.

¹²⁰ Ibid.



Table (3.15): Undergraduate Programmes: Market Size Development in the United Arab Emirates, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
Undergraduate Programmes	Number of students	131,955.0	139,144.0	147,667.0	179,999.0	2.7%	5.3%
Private Undergraduate Programmes	Number of students	35,392.0	40,749.0	45,525.0	64,258.0	7.3%	9.5%
Undergraduate Programmes	Tuition fees in SAR million	4,043.7	4,555.9	5,056.3	7,253.0	6.1%	9.7%

Source: Euromonitor International estimates based on primary and secondary sources

(G) Market Overview: International Foundation Programmes (IFP)

In response to rising demand from local and international students, the UAE's IFP players – particularly in the private sector – are expanding and shifting their offering towards specialisation

The IFP segment in the UAE enrolled a total of 2,003 students in 2023G, a significant increase from 1,786 in 2021G, following the normalisation post-COVID-19 and the reopening of many HEIs and their programmes.⁽¹²¹⁾ IFPs, initially exclusive to private universities and international branch campuses—particularly from the UK like Middlesex University and Heriot-Watt University—have expanded to include US-origin, Australia-origin, and India-origin institutions. These programmes, typically for one year and originally focused on English proficiency, are now shifting towards specialised IFPs aligned with specific degree tracks, attracting a wider base of students by enhancing their readiness for undergraduate programmes.

Tuition fees for IFPs in the UAE vary, with higher costs typically associated with UK, US and Australian universities and more specialised or fast-track programmes

IFP tuition fees in the UAE range from SAR 30,000-45,000 (USD 8,000-12,000) at institutions like Amity University Dubai (India), Middlesex University Dubai (UK) and Murdoch University (Australia); SAR 55,000-60,000 (USD 14,500-16,000) at Heriot-Watt Dubai University (UK) and University of Wollongong in Dubai (Australia);⁽¹²²⁾ and a markedly higher bracket between SAR 110,000 and SAR 130,000 (USD 29,300-34,600) per year for the University of Birmingham Dubai.⁽¹²³⁾

Overall, IFP tuition fees have experienced steady growth since 2021G, largely aligning with inflationary pressures,⁽¹²⁴⁾ and heavily influenced by the origin of the institutions and the programmes' specialisation. IFPs offered by universities that are accredited by local authorities (especially the KHDA in Dubai) are in high demand, facilitating students' transition to undergraduate programmes. In this direction, programmes fast-tracking students' education command higher tuition fees – an example being Heriot-Watt's Advanced Degree Entry, which can cost up to SAR 71,500 (USD 19,000).⁽¹²⁵⁾

The IFP segment in the UAE is expected to grow rapidly, driven by high demand from local students preparing for English-medium programmes and a rising influx of international students

Albeit from a low base, the UAE's IFP segment is projected to grow at a notable 7.7% CAGR between 2023G and 2028G,⁽¹²⁶⁾ reaching 2,903 students in 2028G.⁽¹²⁷⁾ This growth will be driven by demand for foundation preparatory classes, particularly among local students entering English-medium programmes⁽¹²⁸⁾ at private universities. An additional growth driver is the increasing influx of international students, especially from South Asia and the Middle East and Africa (MEA) region, who seek higher education in UAE-based universities, with UNESCO data on inbound students suggesting an increase of 12.6% over 2019G-2021G. Considering the impact of COVID-19, current growth rates are likely higher than that and might even increase over the forecast period, with several international universities having significant marketing campaigns outside the country to attract such students.

On the supply side, greater competition among private universities and dedicated IFP-only institutions (like the International Foundation Group Abu Dhabi and ASTI Academy Dubai) – leveraging affordability,⁽¹²⁹⁾ English curricula, and course diversity – is set to offer further growth impetus for the segment.

¹²¹ Ibid.

¹²² Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹²³ Ibid.

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Ibid.

¹²⁷ Ibid.

¹²⁸ EF English Proficiency Index. 2023G.

¹²⁹ As per industry experts, average tuition fees of IFPs averaged around SAR 45,000 (USD 12,000) per programme in 2023G



Table (3.16): International Foundation Programme: Market Size Development in the United Arab Emirates, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
International Foundation Programmes	Number of students	1,786.0	2,003.0	2,193.0	2,903.0	5.9%	7.7%
International Foundation Programmes	Tuition fees in SAR million	73.1	86.3	97.4	144.4	8.7%	10.8%

Source: Euromonitor International estimates based on primary and secondary sources

(H) Market Overview: Postgraduate Programmes

The UAE's postgraduate segment sees rapid growth, driven by increasing demand for specialised expertise and advanced degrees to enhance competitiveness in a highly competitive labour market

The postgraduate segment in the UAE has experienced significant growth, with enrolment reaching 39,808 students in 2023G, reflecting a 5.1% CAGR since 2021G.⁽¹³⁰⁾ This growth, over double that of the undergraduate segment during the same period,⁽¹³¹⁾ is driven by the UAE's status as a global business and talent hub,⁽¹³²⁾ transition towards an economy that increasingly relies on advanced technologies rather than physical labour; and high demand among professionals for specialised expertise in fields like business management, finance, healthcare, and STEM – and more recently, digital transformation, data analytics, and artificial intelligence.⁽¹³⁴⁾ The introduction of the UAE Golden Visa system in 2019G has further propelled this trend,⁽¹³⁶⁾ favouring individuals with PhDs or master's degrees in specialised fields.⁽¹³⁷⁾ In tandem, large public organisations, including Abu Dhabi National Oil Company (ADNOC), have also sponsored employees for postgraduate studies through strategic partnerships with players like Khalifa University.⁽¹³⁸⁾

Private universities in the UAE attract more postgraduate students, by offering niche and job-relevant programmes, globally-accredited degrees, extensive research facilities, and flexible learning options

In value terms, the postgraduate segment in the UAE has experienced notable growth, at a CAGR of 8.4% in tuition fee revenues in 2021G-2023G, largely owing to the expansion of private institutions.⁽¹³⁹⁾ Private institutions surpass non-private universities in postgraduate enrolments, accounting for 58.3% of the total with 23,218 students in 2023G.⁽¹⁴⁰⁾ Despite this dominance, non-private universities remain relevant due to their programme diversity, established credibility with employers, and affordability through extensive financial aid and scholarships. Postgraduate fees at private institutions range from SAR 55,000 to SAR 150,000 (USD 14,650-40,000) annually. These higher fees are justified by global accreditations,⁽¹⁴¹⁾ state-of-the-art research facilities, and flexible learning options for working professionals and international remote students. Private institutions are also leveraging research capabilities to attract students, an example being Middlesex University Dubai's VRx Lab – launched in 2023G to support multidisciplinary VR research and design.⁽¹⁴²⁾

The UAE's postgraduate segment is expected to grow strongly, reflecting the country's rising status as a regional and international labor market hub

The postgraduate segment in the UAE is projected to grow strongly, with a forecast CAGR of 7.5% in student enrolments from 2023G to 2028G, reaching 57,035 students.⁽¹⁴³⁾ This growth outpaces that of the undergraduate segment as professionals seek further education to enhance their career prospects in a competitive job market, particularly as the UAE becomes an increasingly attractive regional and global business hub. Private university programmes are expected to see a higher growth rate, at a 10.0% CAGR during the same period. This reflects a growing demand for quality education, particularly for globally accredited programs and an international environment, which offer postgraduate students improved opportunities in the local labor market and enhanced international mobility.

¹³⁰ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹³¹ Ibid.

¹³² Emirates News Agency – WAM: UAE tops the world in 5 labour market competitiveness indices, reinforces its global leadership. 2023G.

¹³³ Ibid.

¹³⁴ Digital Dubai: Smart Dubai — towards becoming the happiest city on Earth.

¹³⁵ Aim Technologies: UAE AI Award: Launches to Transform Government Services. 2024G.

¹³⁶ Abu Dhabi Resident Office. 2024G.

¹³⁷ Ibid.

¹³⁸ Aletihad: Khalifa University partners with ADNOC to launch academic programme in energy transition. 2023G.

¹³⁹ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹⁴⁰ Ibid.

¹⁴¹ Heriot-Watt University Dubai. 2024G.

¹⁴² Amity University. 2024G.

¹⁴³ Ibid.



Table (3.17): Postgraduate Programmes: Market Size Development in the United Arab Emirates, 2021G-2028G

Category	Data Type	2021G	2023G	2024G	2028G	CAGR 2021G-2023G	CAGR 2023G-2028G
Postgraduate Programmes	Number of students	36,064.0	39,808.0	43,355.0	57,035.0	5.1%	7.5%
Private Postgraduate Programmes	Number of students	20,042.0	23,218.0	26,062.0	37,325.0	7.6%	10.0%
Postgraduate Programmes	Tuition fees in SAR million	1,550.6	1,822.4	2,085.3	3,300.2	8.4%	12.6%

Source: Euromonitor International estimates based on primary and secondary sources

3.4.2.1 Competitive Landscape & Positioning

(A) Competitive Landscape: Higher Education in the UAE

The UAE's higher education market is consolidated in the top five players, exhibiting intensifying competition on global accreditation, cultural diversity, and research capabilities

The UAE's higher education market is relatively consolidated, with the top five institutions holding 46.7% of the market by student numbers in 2023G.⁽¹⁴⁴⁾ Abu Dhabi University (13.5%) followed by Al Ain University (10.8%) lead the market, followed by Ajman University (8.3%), Middlesex University Dubai (7.4%), and Heriot-Watt University (6.7%).⁽¹⁴⁵⁾ Between the two international institutions in the top five, Middlesex University Dubai takes the lead in 2023G, with a share of 7.4% in 2023G vs. Heriot-Watt University with a share of 6.7%. Middlesex University Dubai has also considerably widened this gap recently, as the university's enrolment rate reached nearly 5,700 students (up from close to 4,900), while Heriot-Watt University has stayed at around 4,500 students in 2024G. In cementing their footing in the market, the UAE's top five HEIs have focused on global accreditations at both an institutional and a programme level; extensive curricula for undergraduate studies; cultural diversity to attract international students; international and regional academic rankings; state-of-the-art campuses with a vibrant student life; research capabilities and facilities; programmes aligning with the job prospects of UAE's knowledge-based economy and its focal sectors.

Table (3.18): Volume Shares (%) of Key HEIs by enrollments in the UAE, 2023G

Company	Data Type	2023G	Rank
Abu Dhabi University	%	13.5%	1
Al Ain University	%	10.8%	2
Ajman University	%	8.3%	3
Middlesex University Dubai	%	7.4%	4
Heriot-Watt University	%	6.7%	5
Liwa College	%	5.3%	6
Others	%	48.1%	-
Total	%	100.0%	-

Source: Euromonitor International estimates based on primary and secondary sources

(B) Company Positioning: Higher Education in the UAE

Almasar Alshamil Education remains a top higher education operator in the UAE, driven by its strategic investments in diverse, accessible programmes and strong international recruitment efforts

In 2023G, Almasar Alshamil Education was one of the largest higher education operators in the UAE, with 17,219 students enrolled across its three institutions—Middlesex University Dubai, Abu Dhabi University, and Liwa College—representing 26.1% of all private institution enrolments nationwide⁽¹⁴⁶⁾. This strong position owes to Almasar Alshamil Education's strategic investments in a diverse portfolio that meets various pricing, educational, and cultural needs in the UAE. Additionally, Almasar Alshamil Education's focus on attracting international students, especially at Middlesex University Dubai, has strengthened its ability to withstand potential expat population shifts and partly decouple the enrolment growth from the domestic market trends.

¹⁴⁴ Euromonitor International estimates from trade interviews and published sources

¹⁴⁵ Ibid.

¹⁴⁶ Portfolio at that time did not include Liwa College



Middlesex University Dubai

Middlesex University Dubai, wholly owned by Almasar Alshamil Education since 2018G⁽¹⁴⁷⁾, operates two campuses in Dubai, with its main campus in Dubai Knowledge Park and a secondary campus in Dubai International Academic City. The university, offering over 70 UK, 5-star KHDA-rated degree programmes from IFP to postgraduate levels⁽¹⁴⁸⁾, is renowned for its affordability and high quality. As of 2023G, the university had 4,878 students, 33% of whom were international, representing more than 120 nationalities. It accounts for approximately 7.4% of all private higher education students in the UAE, making it the fourth largest private university in the country and the largest in the Emirate of Dubai.^{(149),(150)} Strategic initiatives for Middlesex University include expanding the Dubai Knowledge Park campus,⁽¹⁵¹⁾ upgrading facilities, and launching The Centre of Continuous Learning and Outreach. The university's robust international recruitment and recent adjustments in tuition fees, programme portfolio and structure of scholarships and grants⁽¹⁵²⁾, have further strengthened its market position and allowed for growth significantly above market rates, including overall and private. Even among the highly competitive KHDA accredited HEIs, Middlesex managed to increase its' share from 13.6% in 2021G to 15.7% in 2023G.

Abu Dhabi University

Almasar Alshamil Education acquired a 35% stake in Abu Dhabi University Holding Company (ADUHC), subsequently renamed NEMA Holding, in 2022G.⁽¹⁵³⁾ Abu Dhabi University is part of the NEMA Holding group. As of 2023G, Abu Dhabi University had 8,876 students, representing 4.9% of the total UAE higher education enrolment and 13.5% of private institution enrolments – making it the largest private university in the UAE and largest private university in Abu Dhabi.⁽¹⁵⁴⁾ The university operates three campuses in Abu Dhabi, Al Ain, and Dubai.⁽¹⁵⁵⁾

Abu Dhabi University's success is owed to its effective positioning as a local institution with international-standard education, top global rankings (ranked among the top 200 universities globally and the first in the UAE for graduate employability, in the Times Higher Education World University Rankings in 2024G⁽¹⁵⁶⁾), and strong accreditations for its business programmes like AACSB (US) and EQUIS (Belgium).⁽¹⁵⁷⁾ As a result, the university is particularly popular among local Emiratis and Arab expatriates, who accounted for the majority of its total students in 2023G.⁽¹⁵⁸⁾ Recent initiatives include strategic fee increases and efforts to improve the sale of credit hours per student;⁽¹⁵⁹⁾ increased focus on international recruitment.

Liwa College

Liwa College was established in 2023G after the merger of Khawarizmi International College (KIC) and Liwa College of Technology (LCT) in Abu Dhabi, which was previously acquired by NEMA Holding in 2022G. NEMA Holding already owned 100% of KIC (following the buyout of the 49% minority partner in 2021G). The college operates two campuses, enrolling 3,465 students in 2023G,⁽¹⁶⁰⁾ representing 5.3% of private higher education enrolments in the UAE.⁽¹⁶¹⁾ Positioned as generally a more affordable alternative to Abu Dhabi University,⁽¹⁶²⁾ and with a strong focus on working Emirati students, Liwa College offers diverse undergraduate programmes with a focus on innovative fields such as Information Technology, Medical and Health Sciences, and Tourism and Hospitality Management.⁽¹⁶³⁾

¹⁴⁷ Almasar Alshamil Education 2018G.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid.

¹⁵⁰ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ Almasar Alshamil Education, 2022G.

¹⁵⁴ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹⁵⁵ Ibid.

¹⁵⁶ Almasar Alshamil Education, 2024G.

¹⁵⁷ Ibid.

¹⁵⁸ Ibid.

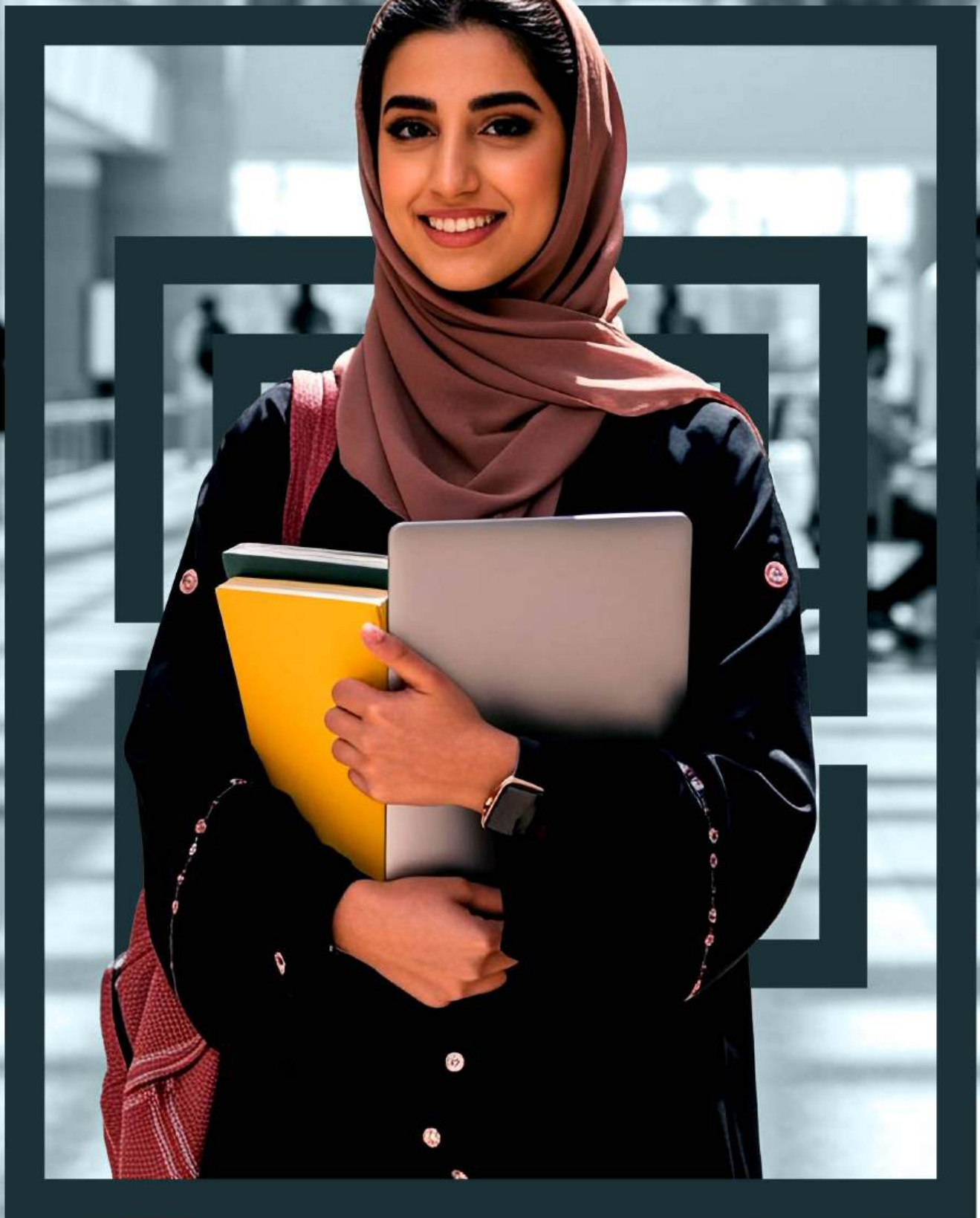
¹⁵⁹ Ibid.

¹⁶⁰ Liwa College. 2024G.

¹⁶¹ Euromonitor International calculations based on Euromonitor Passport Database, expert interviews and published sources.

¹⁶² Ibid.

¹⁶³ Liwa College. 2024G.



A stylized, light blue line-art graphic of a city skyline. It features several vertical bars of varying heights and a series of connected peaks and valleys, resembling a simplified cityscape or a bar chart. The graphic is positioned in the upper half of the page, above a solid light blue rectangular block.

Company Section

4



4. Company Section

4.1 Overview of the Company, its Subsidiaries and Business Activities

Almasar Alshamil Education Company (hereinafter referred to as the “**Company**”, and together with its Subsidiaries, as the “**Group**”) is a single shareholder closed joint stock company registered in the Kingdom of Saudi Arabia (the “**KSA**”) under Commercial Register No. 1010831769, dated 10/03/1444H (corresponding to 06/10/2022G), with its registered address at 6897 King Fahd Road, Al Olaya 3388, Riyadh, KSA.

On 10/03/1444H (corresponding to 06/10/2022G), the Company was established as a single person limited liability company with a share capital of ten thousand Saudi riyals (SAR 10,000), divided into one thousand (1,000) fully-paid shares of equal value, with each share having a value of ten Saudi riyals (SAR 10). As at the date of this Prospectus, the Company’s share capital amounts to one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) ordinary shares. Please refer to Section 4.3.2 (“**History, Incorporation and Evolution of Share Capital**”) and Section 11.4 (“**Subsidiaries**”) of this Prospectus for further details on the Group’s structure and the incorporation dates of the Material Subsidiaries.

In June 2024G, Amanat Holdings underwent a restructuring process. This involved the transfer of ownership of certain Group Companies through the complete transfer of shares in both AHE Alpha Limited and AH Alpha Investments Holdings 3 LTD (as detailed in Section 11.4 (“**Subsidiaries**”) of this Prospectus) from Amanat Holdings (the ultimate shareholder of the Company) to the Company. As a result of this transfer, the Company now directly and indirectly owns all Group Subsidiaries, totaling 17 Subsidiaries (ten of which belong to NEMA Group). The value of these Subsidiaries has been recorded in the Company’s financial statements as additional shareholder contributions, based on the book value of such Subsidiaries. For further details on the restructuring process, please refer to Section 4.3.2 (“**History, Incorporation and Evolution of Share Capital**”) of this Prospectus.

The Group provides services to the special needs education, care and rehabilitation sector through daycare centers and private schools and psychotherapy services through clinics in the KSA. Additionally, in the higher education sector it offers services through a number of private universities in the UAE.

Middlesex University Dubai (“**MDX Dubai**”) was established in 2005G through MDX Associates, a limited liability company established under the regulations of Dubai Free Zone on 24/06/2004G (hereinafter referred to as “**MDX Associates**”), which is wholly owned by the Company through its subsidiary, AHE Alpha Limited (a company that does not undertake any operations and was established for the purpose of owning the Company’s shares in MDX Associates). MDX Associates operates the private MDX Dubai, which launched in Dubai in 2005G, and currently has an enrollment of more than 6,400 students. The Group operates the university through an open-ended joint venture agreement concluded by the Group with MDX UK. MDX Dubai follows the curriculum of Middlesex University in London and is the first campus of the world-famous Middlesex University outside the United Kingdom. Middlesex University is one of the most prestigious universities in the world, with a history dating back to 1880G. For further details on the history and establishment of MDX Associates, please refer to Section 4.6.4.1 (“**Middlesex University Dubai**”) of this Prospectus.

Beginning in 2007G with its current headquarters in Riyadh, HDC has since grown to serve other cities and regions around the KSA, becoming an integrated organization that offers special needs education, care, rehabilitation and psychological treatment services. HDC also established HRC on 29/02/1432H (corresponding to 02/02/2011G), which is a limited liability company wholly owned by HDC. HRC carries out special needs education, rehabilitation and care activities in private schools and daycare centers. For further details on the history and establishment of HDC, please refer to Section 4.6.3 (“**Special Needs Education and Care**”) of this Prospectus.

In addition to MDX Dubai, the Group has invested in the higher education and corporate training sector through its investment in NEMA Holding Company, of which the Group acquired 35% through a trust structure in 2018G through AH Alpha Investments Holdings 3 LTD and AH Alpha Investments Holdings 1 LTS (both companies do not undertake any operations and were established for the purpose of owning the Company’s stake in NEMA Holding Company). For further details on the ownership structure of NEMA Holding Company, please refer to Section 11.4 (“**Subsidiaries**”) of this Prospectus. NEMA Holding Company is a limited liability company established on 14/08/2008G under the name “Abu Dhabi University Holding Company” (NEMA Holding Company and its subsidiaries are hereinafter referred to as “**NEMA Group**”). For further details on the history and establishment of NEMA Group, please refer to Section 4.6.4.2 (“**NEMA Holding Company**”) of this



Prospectus. NEMA Holding Company carries out investment activities in the higher education and corporate training sector through its subsidiaries. NEMA Holding Company established NEMA Education Company, a limited liability company established under Abu Dhabi regulations in the UAE, on 31/10/2013G (hereinafter referred to as “**NEMA Education**”) for the purpose of transferring most of the companies of NEMA Group thereto. NEMA Education Company owns a group of companies and universities that provide the aforementioned services. For further details on the business of NEMA Group, please refer to Section 4.6.4.2 (“**NEMA Holding Company**”) of this Prospectus. NEMA Holding Company has been classified as a Material Subsidiary of the Company since the Company holds 35% of the voting rights therein, according to the CMA’s definition of a subsidiary. However, NEMA Holding Company is classified in the Company’s financial statements under investments in an associate. For further details on the classification of NEMA Holding Company from an accounting perspective, please refer to Section 6 (“**Management Discussion and Analysis of Financial Position and Results of Operations**”) of this Prospectus.

The following table sets out the Group’s business lines in its Subsidiaries and the number of their facilities:

Table (4.1): Group Portfolio:

Subsidiary	MDX Associates	HDC and HRC	NEMA Holding Company
Description	MDX Associates operates through MDX Dubai, which is located on two campuses in the Emirate of Dubai.	HDC and HRC operate through 39 special-needs daycare centers, 14 schools and three clinics. They provide special-needs education and care in daycare centers and schools, as well as mental health services in clinics. All centers, schools and clinics are fully owned by the Group, with the exception of 8 of the 14 schools, which the Group provides its special needs services within through partnership agreements with other existing schools. It should be noted that two agreements have not yet been implemented as of the date hereof.	NEMA Holding Company owns a portfolio of universities and companies, including two universities (Abu Dhabi University and Liwa University) located across five campuses, as well as several companies operating in the field of vocational and corporate training.

Source: The Company

The following figure shows the Group structure as at the date of this Prospectus:

Figure 4.1: Group Structure as at the Date of this Prospectus:

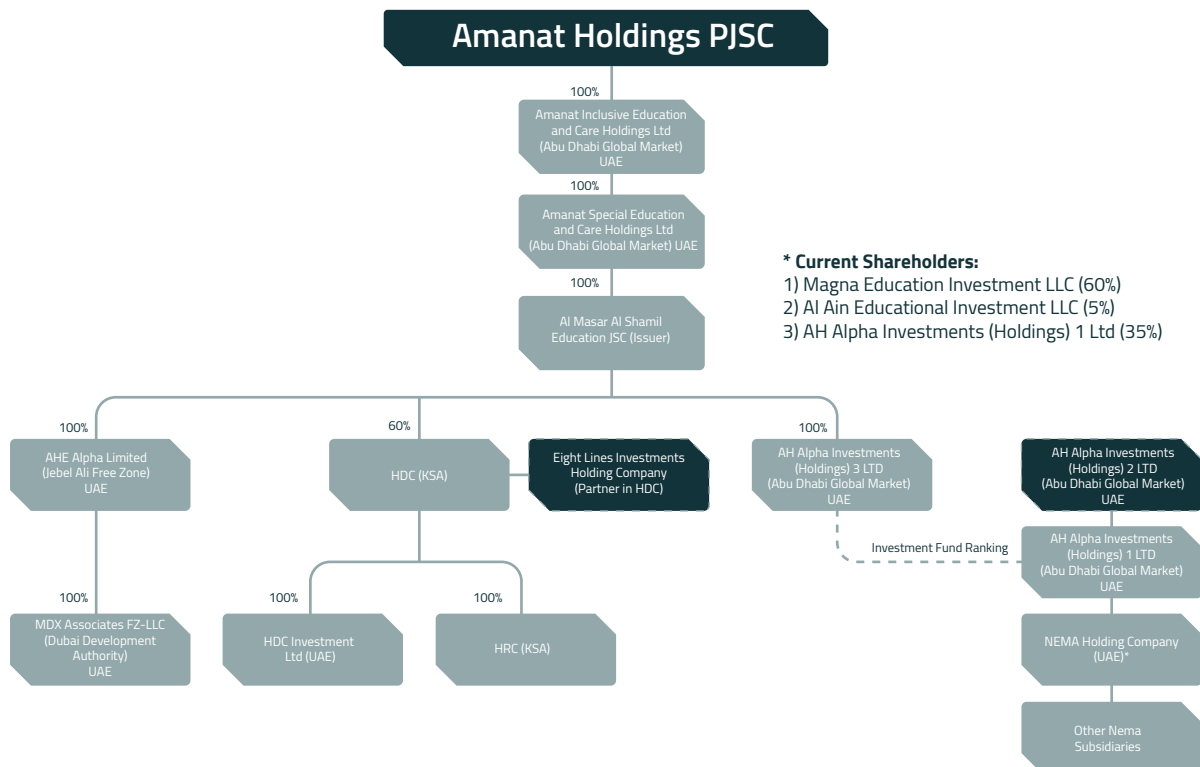
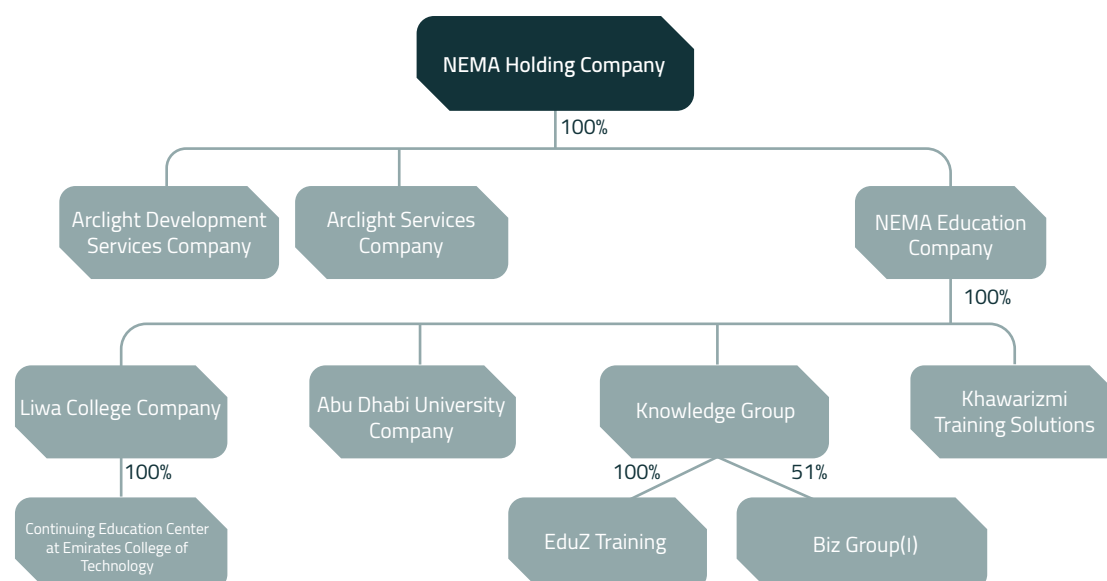




Figure 4.2: NEMA Group's Structure as at the Date of this Prospectus



⁽¹⁾ On 05/01/1447H (corresponding to 30 June 2025G), Knowledge Group LLC acquired 51% of the share capital of Biz Group LLC, a company established in 2021G that operates in the professional training and development sector, and conducts its business in the UAE, the KSA, and Qatar. Biz Group LLC is not considered a subsidiary of the Company as at the date of this Prospectus, as the Company does not have control over it. Knowledge Group LLC has committed to purchase the remaining share capital within 24 months. Biz Group also directly and indirectly owns the entire share capital of six other companies, all of which operate in the professional training and development sector.

For further details on the Group's structure, please refer to Section 11 ("**Legal Information**") of this Prospectus.

The Group's business is divided and its revenues are mainly generated from: (1) special needs education, care and rehabilitation services in the KSA, and (2) the higher education sector in the UAE (through private universities and their subsidiaries).

The Group relies on the special needs education, care and rehabilitation services sector, as its revenues amounted to approximately SAR 215.3 million, SAR 164.3 million, SAR 31.3 million and SAR 69.6 million in 2024G, 2023G, 2022G and the financial period ended 31 March 2025G, respectively, representing approximately 49%, 48%, 17% and 45% of the Group's total revenues for the same periods, respectively.

MDX Associates higher education revenues amounted to approximately SAR 221.8 million, SAR 177.5 million, SAR 149.7 million and SAR 84.2 million in 2024G, 2023G, 2022G and the financial period ended 31 March 2025G, respectively, representing approximately 51%, 52%, 83% and 55% of the Group's total revenues for the same periods, according to the financial statements, respectively.

The Company's share of the profit resulting from the Group's investment in NEMA Group amounted to approximately SAR 29.9 million, SAR 18.1 million, SAR 24.2 million and SAR 5.4 million in 2024G, 2023G, 2022G and the financial period ended 31 March 2025G, respectively, representing approximately 7%, 5%, 13% and 4% of the Group's total revenues for the same periods, according to the financial statements, respectively.

Prior to the incorporation of the Company, the Group's registered headquarters were located in the UAE under Amanat Holdings (a company listed on the Dubai Financial Market, the former parent company of the Subsidiaries and the current ultimate owner of the Company), as part of a broader group of companies operating in various sectors, including education and healthcare. The group decided to separate the group of companies operating in the education sector and restructure them to be owned by the Company in preparation for the Offering of the Company's shares and Listing thereof on the Exchange. On 27/06/2024G, the Group began the process of relocating its headquarters to the KSA in 2024G. As a result of the Group's relocation, ownership of all Group Companies related to the education sector was transferred from Amanat Holdings to the Company (the "Group Restructuring"). For further details, please refer to Section 4.3.2 ("**History, Incorporation and Evolution of Share Capital**") of this Prospectus. Following the Group Restructuring, the Group's head office was established in the KSA, but it continues to operate in both the KSA and the UAE.

As at the date of this Prospectus, the Group has 3,717 employees. For further details, please refer to Section 4.10 ("**Employees, Employee Development and Other Programs**") of this Prospectus.



For further details on the Company's business and activities, please refer to Section 4.6 ("The Group's Principal Activities and Business") of this Prospectus.

4.2 Key Financial and Operating Figures

The table below sets out the breakdown of the Group's KPIs for the financial years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 31 March 2025G.

Table (4.2): The Group's Key Performance Indicators

Key Performance Indicators	Financial Year Ended 31 December			Three-Month Period Ended 31 March	
	2022G	2023G	2024G	2024G	2025G
Average number of beneficiaries – centers (HDC and HRC)	2,653	3,541	4,491	3,915	5,163
Average number of students – schools (HDC and HRC)	966	1,094	1,138	1,081	1,233
Average number of students – MDX Dubai	4,374	5,041	5,828	5,549	6,478
Total students and beneficiaries	7,993	9,676	11,457	10,545	12,874
% growth	-	21%	18%	-	22%
Revenue (SAR million)	181.0	342.6	437.1	124.8	153.8
% growth	-	89%	28%	-	23%
EBITDA (SAR million)	96.7	168.4	215.6	60.5	66.7
% growth	-	74%	28%	-	10%
EBITDA margin	53%	49%	49%	49%	43%

Source: The Company

Table (4.3): Details of Group Revenue Based on the Consolidated Financial Statements

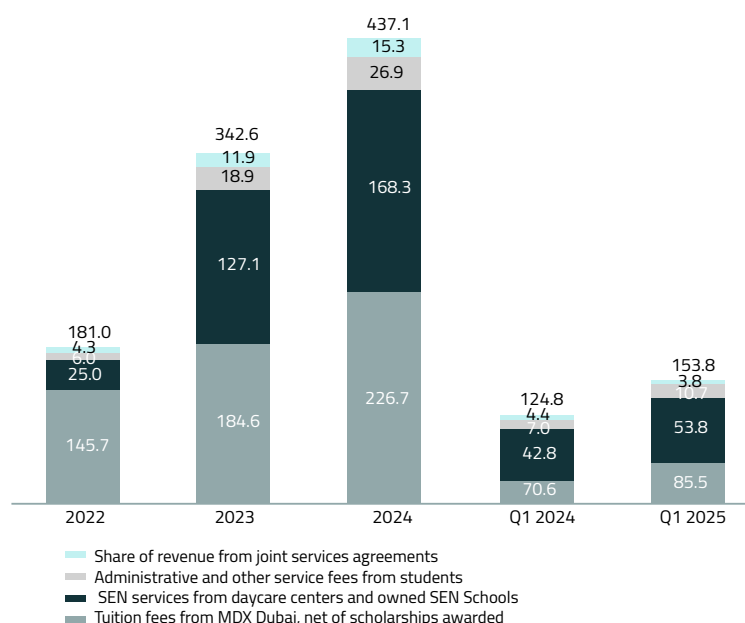
	Financial Year Ended 31 December			Three-Month Period Ended 31 March	
	2022G	2023G	2024G	2024G	2025G
	(SAR million)			(SAR million)	
SEC – HDC and HRC					
Tuition fees minus grants	-	10.8	11.4	3.4	3.7
SEC services from owned daycare centers and SEC Schools	25.0	127.1	168.3	42.8	53.8
Administrative and other service fees collected from students	2.0	14.5	20.3	5.2	8.3
Share of revenue from shared service agreements	4.3	11.9	15.3	4.4	3.8
Total	31.3	164.3	215.3	55.8	69.6
Higher education – MDX Dubai					
Tuition fees minus grants	145.7	173.1	215.2	67.1	81.8
Administrative and other service fees collected from students	4.0	4.4	6.5	1.9	2.4
Total	149.7	177.5	221.8	69	84.2
Total revenue	181.0	342.6	437.1	124.8	153.8

Source: The Company



The Group reported total revenue (on a consolidated basis excluding NEMA Group) of SAR 437.1 million for the year ended 31 December 2024G, compared to SAR 342.6 million for the year ended 31 December 2023G and SAR 181.0 million for the year ended 31 December 2022G. The total revenue reported for the three-month period ended 31 March 2025G was SAR 153.8 million as compared to SAR 124.8 million for the three-month period ended 31 March 2024G.

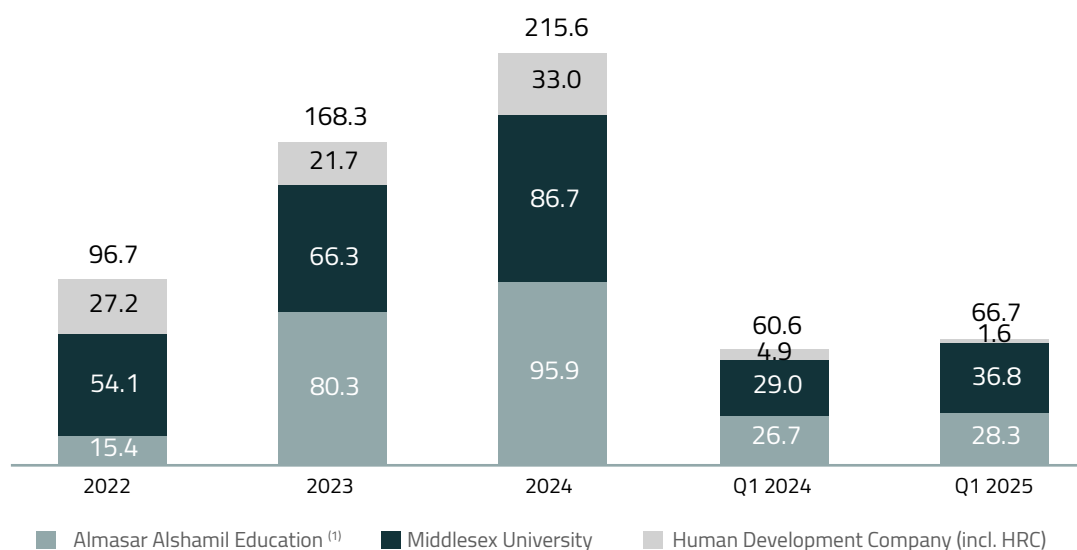
Figure 4.3: Revenue by Sector (SAR Million)



Source: The Company

EBITDA was SAR 215.6 million for the year ended 31 December 2024G, compared to SAR 168.4 million for the year ended 31 December 2023G and SAR 96.7 million as at 31 December 2022G, and SAR 66.7 million for the three-month period ended 31 March 2025G, as compared to SAR 60.5 million for the three-month period ended 31 March 2024G.

Figure 4.4: EBITDA by Group Company (SAR Million)



Source: The Company

⁽¹⁾ Includes the profit share from NEMA Holding Company, which accounted for 28.1%, 12.5% and 15.3% for the financial years ended 31 December 2022G, 2023G and 2024G, and 2.3% for the financial period ended 31 March 2025G. Also includes the share of profits from NEMA Holding Company less the company's expenses, as of July 2024G.



The Group reported net profit of SAR 148.1 million for the year ended 31 December 2024G, compared to SAR 68.9 million after a one-time non-cash deferred tax liability expense of SAR 51.0 million for the year ended 31 December 2023G and SAR 69.7 million for the year ended 31 December 2022G. The Group reported net profit of SAR 48.8 million for the three-month period ended 31 March 2025G, compared to SAR 45.9 million as at 31 March 2024G.

4.3 Group Structure

4.3.1 Group Structure

The Group operates through its Subsidiaries and branches in both the KSA and the UAE. The Company wholly owns these companies directly and indirectly, with the exception of NEMA Group, where the Group owns 35% of the share capital through a trust structure, and HDC, where the Company owns 60% of the share capital directly.

The Group's Material Subsidiaries are as follows:

1. HDC, a limited liability company registered in the Commercial Register in Riyadh under No. 1010236872, dated 29/07/1428H (corresponding to 12/08/2007G), with its headquarters at 7331 Eastern Ring Road, Al Rawdah, 2117, Riyadh, KSA. The Company owns 60% of HDC's share capital. HDC engages in special needs education, care and rehabilitation services, as well as physical, psychological and auditory therapy services and undertakes its activities through daycare centers, private schools and psychotherapy centers.
2. HRC, a limited liability company registered in the Commercial Register in Riyadh under No. 1010307618, dated 21/05/1432H (corresponding to 25/04/2011G), with its headquarters at Imam Saud bin Abdulaziz bin Mohamed Road, King Fahd District, Riyadh, KSA. It is wholly owned by HDC and undertakes SEC activities through daycare centers and private schools.
3. MDX Associates, a limited liability company established under the Dubai Free Zone regulations on 24/06/2004G, with Registration No. 18188. Its address is 301, Block No. 16, Dubai Knowledge Park, Dubai, UAE. MDX Associates is a wholly owned company of the Group and engages in education management and support services and higher education activities.
4. NEMA Holding Company, a limited liability company established under Abu Dhabi regulations on 14/08/2008G, holding Commercial License No. CN-1150181. Its address is Abu Dhabi University Building, Khalifa City, Abu Dhabi, UAE. The Group owns 35% of its share capital through a trust structure. NEMA Holding Company is a holding company that holds companies operating in the higher education and training sector. It also has assets represented in majority of the real estate on which the headquarters of its subsidiary universities are located as well as real estate that is leased to other parties.
5. NEMA Education Company, a limited liability company established under Abu Dhabi regulations on 31/10/2013G, holding Commercial License No. CN-1703938. Its address is 39 Zayed City, NEMA Holding Company Building, Abu Dhabi, UAE. NEMA Education Company is a wholly owned subsidiary of NEMA Holding Company that engages in investment activities in the education, higher education and corporate training sector. The financial position and results of NEMA Education Company are included in NEMA Group's consolidated statements. The financial results of NEMA Group are equity-accounted in the Group's consolidated financial statements (please refer to Section 6 (**"Management Discussion and Analysis of Financial Position and Results of Operations"**) of this Prospectus).

The Material Subsidiaries are the Group's Material Subsidiaries that contributed 5% or more to the Group's total assets, revenues, equity or profits as at 31 December 2024G.

For further details on the Material Subsidiaries and their business, please refer to Section 4.6 (**"The Group's Principal Activities and Business"**) of this Prospectus.

In addition, the Group has 59 branches in the KSA and the UAE (for further information, please refer to Section 11.4 (**"Subsidiaries"**) of this Prospectus).



4.3.2 History, Incorporation and Evolution of Share Capital

The Company was established on 10/03/1444H (corresponding to 06/10/2022G) with a share capital of ten thousand Saudi riyals (SAR 10,000) divided into one thousand (1,000) shares, each having an equal value of ten Saudi riyals (SAR 10) per share, wholly owned by Amanat Special Education and Care Holdings Ltd. In October 2022G, the Company acquired 60% of the share capital of HDC, which has been operating in the KSA since 2007G.

Prior to the establishment of the Company, MDX Associates and NEMA Group were owned by Amanat Holdings (which is the ultimate owner of the Company). In June 2024G, Amanat Holdings underwent a restructuring process. This involved the transfer of ownership of certain Group Companies through the transfer of all of the shares of both AHE Alpha Limited and AH Alpha Investments Holdings 3 LTD (as detailed in Section 11.4 (“**Subsidiaries**”) of this Prospectus) from Amanat Holdings to the Company. As a result of this transfer, the Company now directly and indirectly owns all Group Subsidiaries, totaling 17 subsidiaries (10 of which belong to NEMA Group). The value of these Subsidiaries has been recorded in the Company’s financial statements as additional shareholder contributions, based on the book value of such Subsidiaries. Thus, the Company became the owner of all these companies in July 2024G.

On 21/03/1446H (corresponding to 24/09/2024G), the shareholder of the Company agreed to convert the Company from a single person limited liability company to a single shareholder closed joint stock company and increase the Company’s share capital from ten thousand Saudi riyals (SAR 10,000) to one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320) by transferring an amount of one billion, twenty-four million, three thousand, three hundred and twenty Saudi riyals (SAR 1,024,003,320) from the shareholder’s contribution account to the capital account, along with issuing new shares in the amount of one hundred and two million, four hundred thousand, three hundred and thirty-two (102,400,332) shares with a nominal value of ten Saudi riyals (SAR 10) per share.

The following table sets out the key milestones of the Group since its incorporation.

Table (4.4): The Group’s Key Historical Milestones

Date	Event
2003G	Establishment and launch of Abu Dhabi University (ADU) in the UAE, which started enrolling students that same year at the College of Arts and Sciences and the College of Business.
2005G	Establishment and launch of MDX Dubai, the first campus of the world-famous Middlesex University in London outside the United Kingdom.
2007G	HDC was established by Dr. Omar Al-Mudaifer.
2018G	Amanat Holdings acquired 100% of the share capital of MDX Associates. Amanat Holdings acquired 35% of the share capital of NEMA Holding Company.
2021G	MDX Dubai opened its new campus in Dubai International Academic City. MDX Dubai becomes the largest private university in terms of the number of registered students, as announced by the Knowledge and Human Development Authority (KHDA).
2022G	Establishment of Almasar Alshamil Education Company. NEMA Holding Company acquired the 49% remaining minority share in Khawarizmi Holding. MDX Dubai opens the Centre of Continuous Learning and Outreach. NEMA Holding Company acquired the entire share capital of Liwa College of Technology. The Group acquired 60% of the share capital of HDC.
2023G	NEMA Holding Company merged Liwa College of Technology and Khawarizmi International College Company to form a dynamic educational alliance called Liwa University.
2024G	The Group was restructured, and ownership of its companies was transferred from Amanat Holdings to the Company and its operations center was transferred to Riyadh. The Company was converted from a single person limited liability company to a single shareholder closed joint stock company.



4.4 The Group's Vision and Mission

4.4.1 Vision

The Group's vision is to be an organization with a strong influence and clear constructive participation in society, as well as to align with and support national strategic goals.

4.4.2 Mission

To enhance the lives of future generations and positively influence the communities where it operates, the Company is dedicated to delivering services of the greatest caliber.

4.5 Group Competitive Advantages, Strengths and Strategy

4.5.1 Competitive Advantages and Strengths

The Group operates as a specialized education group, delivering value through operational excellence, strategic leadership and a strong focus on positive societal impact. As a pioneer in the underserved higher education and SEC sectors, the Group has a unique ability to maximize shareholders' equity while achieving positive social outcomes. For further details, please refer to Section 3 ("Market Overview") of this Prospectus.

The Group's unique capabilities and unified approach enable it to manage multiple businesses within the education sector under a single cohesive strategy, facilitating streamlined decision-making, centralized oversight and optimal resource allocation. This approach aims to achieve above-market growth rates driven by a focus on quality of outcomes, cost efficiency and the ability to support growth initiatives through knowledge sharing, market experience and access to funding for growth. The Group is mission-driven, addressing critical education gaps by providing access to quality education services for more than 7,950 beneficiaries with special needs as at the date of this Prospectus, fostering social inclusivity and contributing to the broader development of human capital in the region.

Below is an overview of the Group's key competitive advantages and strengths.

4.5.1.1 The Group operates in high growth and underserved education sectors benefiting from positive structural trends, underpinned by favorable demographics and closely aligned to national strategies

The GCC region is amongst the most attractive and fastest growing education markets globally. KSA's nominal GDP has grown at a CAGR of 10.5% from 2021G to 2023G and the UAE at 11.3% in the same period, ahead of the GCC average of 10.1%.

Strong economic growth has boosted consumer expenditure on education which grew at a CAGR of 8.4% in the KSA and at a CAGR of 16.9% in the UAE from 2021G to 2023G. Overall education spend in the KSA reached SAR 189.1 billion in 2023G, representing 17% of government spend versus a GCC average of 13.3%, whilst in the UAE consumer education spend reached SAR 101.1 billion, representing 7.8% of the UAE's total consumer expenditure in 2023G, reflecting the government's commitment to the sector, and supported by a number of policy reforms targeting an economy that is based on advanced technology.

Education expenditure is forecast to grow at a CAGR of 6.1% in the KSA and 5.9% in the UAE between 2023G-2028G, supported by a combination of national agendas such as Saudi Vision 2030 and the UAE 2031G Vision, government strategies such as "Study in Saudi Arabia" and the "National Strategy for Higher Education 2030" in the UAE, as well as a growing and youthful population.

In the Group's core markets, special education needs and care enrollments in the KSA grew at a CAGR of 7.4% from 2021G to 2023G to 87 thousand and are forecast to reach 131 thousand by 2028G, an 8.6% CAGR, driven by increased awareness, declining social stigma, and government initiatives promoting inclusivity. Concurrently, the gap between prevalence and diagnosis is forecast to decline, with the percentage of students diagnosed with a disability that enroll in special needs education expected to increase from 48.0% currently to 66.1% by 2028G.

In the UAE, 181 thousand students were enrolled in higher education institutes (HEIs) in 2023G, growing by a 3.2% CAGR since 2021G, with the private sector leading the growth at a CAGR of 7.4% over the same period. The higher education market is expected to grow at a CAGR of 5.8% between 2023G-2028G, with the private sector driving growth at an expected CAGR of 9.6%. The overperformance of private players will be driven by the provision of programs closely aligned to job market needs, offering internationally accredited degrees and providing appealing mobility opportunities, thus contributing to their superiority

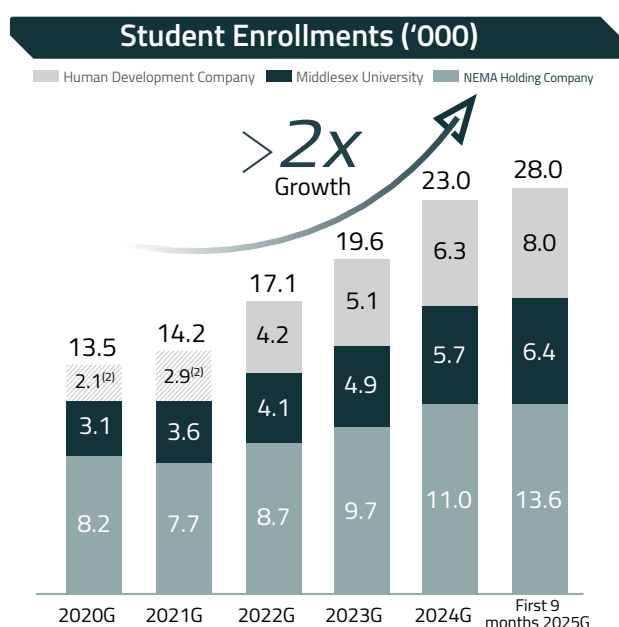


in the education sector. Moreover, the UAE's rising status as an education hub is increasingly attracting students from abroad, thanks to strong job prospects, a buoyant business environment and flexible visa schemes. MDX Dubai, with a strong focus on international recruitment and foreign students representing almost 40% of the total student base as at 31 March 2025G, is ideally positioned to capitalize on these trends and continue to benefit from expected inflows of international students.

Furthermore, the KSA, one of the key regional higher education markets and a potential market for expansion, had a sizeable enrollment of 250 thousand students in 2023G. This student base is expected to expand further, with the private sector in the KSA forecast to grow at a 7.1% CAGR through 2028G, supported by government measures aimed at increasing the presence and penetration of private HEIs, which currently account for 5-10% of the total higher education market in the KSA by enrollment. These measures include the revision and enhancement of the regulatory framework, including, recently, the decision to allow the establishment of branch campuses of foreign universities.

4.5.1.2 Industry-leading assets with strong brand recognition and market leading positioning

As at the date of this Prospectus, the Group currently serves 28,000 students and beneficiaries in the special education and care and higher education sectors, operating across 39 special education and care centers, 14 special education and care schools, 3 universities (with 7 campuses) and 3 clinics.



Source: The Company

⁽¹⁾ Based on percentage of full tuition fees.

⁽²⁾ HDC was acquired in October 2022G.

Focusing on quality and rigorous monitoring of outcomes, HDC, along with HRC, is the only SEC player of scale in the KSA, operating a network of top-rated centers across 8 regions with around 4,000 daycare beneficiaries as at 31 December 2023G, making it the only player with double digit market share (10.4%) amongst private sector providers. In the SEC school sector, which remains dominated by public providers, the Group enjoys a similar market-leading position amongst private players with around 1,000 students. As at 31 December 2023G, across the whole SEC segment, HDC has an estimated 5.8% market share in a highly fragmented market.

With a robust reputation and a broad range of world-class programs, MDX Dubai has the largest market share in Dubai's private higher education sector and accounts for approximately 7.4% of all private higher education students in the UAE as at 31 December 2023G. As at 31 December 2023G, the university had approximately 4,900 students, 35% of whom were international.

Similarly, driven by a reputation for academic excellence, Abu Dhabi University (ADU) is the largest private university by enrollment in the UAE, with an estimated 13.5% market share as at 31 December 2023G, which, when combined with MDX Dubai and Liwa University, results in an estimated market share of 26.1%, making the Group the largest private higher education sector player in the UAE.



The Group's market leading position means it is uniquely placed to take advantage of the strong market fundamentals and growth potential in the education market across the GCC.

For further details, please refer to Section 3 ("**Market Overview**") of this Prospectus.

4.5.1.3 Strong focus on positive societal impact, inclusive education and the development of human capital in the region

A commitment to empowering and delivering a positive impact for the community and empowering individuals to reach their full potential is at the core of the Group's activities.

In line with the national objectives and agendas of the KSA and UAE governments, the Group is focused on developing and contributing to future human capital in the region, across all levels, from the formation of higher education graduates with job-relevant skills to the provision of quality specialized support to children and adults with learning difficulties.

Examples of the Group's environmental, social and governance ("ESG") efforts include: (i) the launch of new programs in high-growth sectors aligned to the growth of regional economies such as health sciences, sports and tourism, as well as emerging priorities such as financial technology ("fintech") and legal technology; (ii) the establishment of the Middlesex Innovation Hub in 2024G, fostering innovation and entrepreneurship among students; and (iii) the creation of the Middlesex Institute of Sustainable Development, with the objective of advocating and promoting the Sustainable Development Goals of the United Nations through research, training and community outreach.

Further, in the KSA, approximately 80% of the Group's employees are Saudi nationals with a focus on providing employment opportunities to women.

4.5.1.4 Student- and beneficiary-centric approach, with a focus on quality of education and positive outcomes

The Group maintains a student-centric approach, with a commitment to academic excellence that is reflected in its rigorous, high-quality education and special needs programs, continuously updated to align with international standards, industry demands and best practices. This approach results in positive student and beneficiary outcomes and a first-class student experience.

This dedication is evidenced by the Group's ratings. HDC's daycare centers all achieved the highest rating of A+ as awarded by MHRSD in the academic year 2024G/2025G, MDX Dubai was rated 5 stars (the highest possible rating) by the Knowledge and Human Development Authority ("KHDA") within the rankings of international higher education institutions in Dubai developed in partnership with QS Quacquarelli Symonds in 2022G (the most recent year in which the rating was conducted), and Abu Dhabi University is ranked in the top 200 in the world by Times Higher Education and the number one university in the Arab World for Business in 2025G. These international rankings demonstrate the Group's focus on academic quality and its ability to deliver a top-tier educational experience. Ongoing accreditations and rankings not only validate the quality of the Group's educational offerings but also enhance the employability of graduates, as degrees from institutions with a reputation for academic quality and outcomes are highly regarded by employers. According to surveys conducted by MDX Dubai, 76% of all graduates in 2024G received a job offer within 6 months of graduation.

4.5.1.5 Scalable business model capitalizing on industry-leading positions and strong brand positioning

The Group's businesses benefit from being both highly scalable and capex-light, providing a strong platform for further growth.

Growth at HDC is supported by a scalable capex-light business model, facilitating rapid expansion through integrated systems, standardized programs, a robust progress monitoring framework and tailored workforce training programs that ensure consistency in education delivery, quality of services and cost-effective scaling. HDC is also uniquely positioned to contribute to emerging market opportunities such as the development of the residential special education needs sector as beneficiaries return to the KSA from overseas and provision transfers to the private sector.

In the SEC sector, HDC has expanded rapidly, with the number of operating daycare centers increasing by four in 2022G and six in 2023G, driving an increase in total daycare center beneficiaries from approximately 2,200 in 2021G to 4,000 in 2023G. As at the date of this Prospectus, a further four centers were launched in 2025G, with an additional 11 centers currently under development, that can be operated as either daycare or residential centers, as part of an approved capital expansion program of SAR 115 million, with the goal of growing center numbers in the following years. Launching the residential centers will further grow the Group's scalable operations in the KSA, tapping into a largely government-dominated sector (please see Section 4.5.2.4 ("**Expansion of Existing Service Lines**") of this Prospectus for further information).



Expansion is underpinned by affordability, a market leading student recruitment team, a holistic approach to student experience, quality of outcomes and an alumni network that now boasts over 10,000 students from over 120 countries. This approach is reflected in academic outcomes, with 69% of undergraduate students and 50% of postgraduate students achieving a first- or upper-second-class degree.

Domestic student recruitment is driven by in-market campaigns and partnerships with school networks, whilst internationally MDX Dubai focuses on agency partnerships, in-country events and attendance of education trade fairs across its core international markets. Consequently, enrollments have grown from 4,131 in 2022G to 5,652 in 2024G and currently stand at over 6,165 as at 31 March 2025G.

Importantly, as at 31 March 2025G, 46% of the intake is from the international market, increasing from 29% as at 31 December 2022G. New students constitute 48% of the overall student body, providing organic growth via undergraduate students progressing through the three years of study as well as International Foundation Programme (“IFP”) students feeding into university student programs.

4.5.1.6 Strong financial track record demonstrating growth with attractive margins and high return on capital invested

Driven by a clear growth strategy, scalable business model and experienced management, the Group has delivered strong and consistent financial performance, underpinned by a diversified geographic and service line revenue base.

Revenue has grown over the last three years, from SAR 181 million in 2022G to SAR 437.1 million in 2024G, a CAGR of 55.4% with underlying growth significantly outpacing overall sector growth. This growth has been driven by the expansion and ramp-up of daycare centers at HDC and increasing domestic and international student enrollments at MDX Dubai.

EBITDA increased to SAR 215.6 million in 2024G, from SAR 96.7 million in 2022G, implying a CAGR of 49%, with EBITDA margins decreasing from 53.4% in 2022G to 49.3% in 2024G. Historically, growth in enrollments and beneficiaries has helped drive financial performance and profitability. Currently, academic year 2024G/2025G enrollments grew from 5,022 on 31 March 2024G to 6,436 beneficiaries at HDC on 31 March 2025G, and from 5,384 on 31 March 2024G to 6,165 students at MDX Dubai on 31 March 2025G, with an implied year-over-year growth of 28% and 15%, respectively. Strong growth and a high return on investment, given the limited capital requirements for organic expansion, translate into a high return on assets (“ROA”) for the Group.

4.5.1.7 Strong cash flow generation conducive to future dividend payouts whilst preserving growth, with available debt capacity for future acquisitions and growth initiatives

The Group has delivered strong and consistent cash flows in the last three years driven by a disciplined capital allocation policy with minimal reliance on external debt financing.

MDX Dubai demonstrated strong cash flow generation, with an EBITDA to free cash flow conversion of 121% in 2024G. MDX Dubai’s cash flow generation is supported by the negative operating working capital cycle and by the asset-light nature of the business, with capex mainly limited to fit-out of new campus space to expand capacity and accommodate enrollment growth. HDC’s operating cash flow conversion was 56% during 2024G, with free cash flow conversion reduced due to the impact of expansion projects to drive future growth.

Strong cash flow generation allows the Group to grow through internal cash flows whilst its profitability and unlevered capital structure offer the opportunity to access debt to finance potential inorganic growth opportunities.

4.5.1.8 Seasoned leadership team with a strong track record, supported by a highly experienced Board of Directors

The Group boasts a highly experienced and seasoned executive team with strong expertise in the education sector and a proven track record of growth. The executive team’s experience is demonstrated in their successful strategy planning, oversight and execution that led to strong growth, out-pacing the market’s. These competencies and skillset boosted the Group’s leading position in both sectors. Moreover, the executive team is well equipped to lead the Group in its strategy for growth (for further information on the members of the Group’s executive leadership, please refer to Section 5.5 (“Senior Executives”) of this Prospectus).

The executive management team is supported by a Board of Directors with extensive experience in the education sector, both locally and regionally.



4.5.2 Strategy

The Group has a clearly defined strategy, aimed at delivering growth and shareholder value, whilst at the same time achieving a positive social impact. This strategy positions the Group as an end-to-end education player, serving students and beneficiaries across multiple demographics and age groups.

The strategy is based on a number of pillars, as follows:

4.5.2.1 Launch of further daycare centers across the KSA and expansion of school partnerships

The Group plans to continue expanding its network via opening new daycare centers and entering into new partnerships with existing schools.

The Group's strategy for opening new daycare centers focuses on expanding into underserved markets while maintaining high standards of educational quality, by replicating a proven model in new locations. Each center is strategically planned to ensure optimal resource use, cost efficiency and optimal impact. These centers are equipped with advanced facilities, technology and staff, tailored to meet local demands.

Since 2021G, the Group opened 22 new centers (4 of which launched in 2025G). Supported by a strong financial position, additional centers are to be developed and funded by an approved SAR 115 million capital expansion plan, aiming to increase the capacity of morning shifts in daycare centers to approximately 8,000 in the near term.

4.5.2.2 Ramp-up of recently launched daycare centers in the KSA to capacity

The Group plans to ramp up recently launched daycare centers and focus on maximizing capacity utilization, enhancing program offerings and delivering consistent quality. A key element of the ramp-up strategy involves optimizing the staffing model to ensure that each center is fully supported by a qualified and well-trained workforce. This includes ongoing professional development for staff to maintain high standards of care and education. Additionally, the Group will offer customized programs tailored to the needs of local families, focusing on early childhood development and special needs support, while ensuring these offerings align with the cultural and educational expectations of the KSA.

HDC launched 4 daycare centers in 2022G, 6 in 2023G and 8 in 2024G. Newly launched daycare centers require 24 months or more to ramp up and draw in a sufficient number of beneficiaries. Nonetheless, an average of 12 months of operation is typically enough to give a reliable picture of the center's performance for accounting purposes. In 2023G, centers opened prior to 2021G reached an average morning-shift capacity utilization of 99%. On the other hand, centers launched more recently, in 2021G, 2022G and 2023G, have an average utilization of 86%, 76% and 32%, respectively, demonstrating average ramp-up trajectory for centers.

4.5.2.3 Seeking to grow student enrollments at MDX Dubai through ongoing international recruitment efforts, further consolidation in the domestic student base and expansion of the program offering

At MDX Dubai, the Group will continue to target international students through its international outreach efforts and highly effective student recruitment strategy to drive growth whilst continuing to expand domestic enrollments, noting that in the academic year 2024G/2025G, there were 2,945 student enrollments, of which 46% were international students.

Enrollment growth has been supported by the one-year IFP, which provides students from international backgrounds who do not have the requirements to enroll directly in MDX Dubai's university student programs with the necessary tools and a pathway to be admitted to university student programs upon completion of the IFP. The IFP has further growth potential, for example through the launch of in-country IFP programs in core target recruitment markets, such as Pakistan.

MDX Dubai continues to introduce new programs geared towards the needs of the job market and new trends, comprising programs across health sciences and sports (e.g., MSc in Sports Performance Analysis, offered from September 2024G), cybersecurity, data analytics and digital media. In line with its focus on innovation, the university also launched programs in emerging sectors such as fintech and legal technology starting from academic year 2024G/2025G.

Additionally, MDX Dubai continues to introduce new in-demand courses aligned to regional trends within its core offering, mirroring current and future job market needs, such as the newly launched full-time Master of Business Administration (MBA) and Bachelor of Arts (BA) in Business Management (Tourism and Events).



4.5.2.4 Expansion of Existing Service Lines

The Group is in the process of expanding its SEC business by developing centers capable of offering 24-hour residential services (“**Residential Services for SEC**”) for individuals with higher acuity. Such centers will be capable of catering to beneficiaries with a variety of complex special needs requiring residential inpatient services, while at the same time offering daycare services at the same location. The Group anticipates this will be an important step in improving the quality of the services provided, especially by serving beneficiaries close to their families, as well as transferring beneficiaries from the public to the private sector.

The Group is also considering the expansion of its service lines in the KSA and UAE to provide mainstream public K-12 education in schools (“**K-12**”), thereby positioning the Group as an end-to-end education provider across all education levels, supported by an integrated approach to SEC across all business lines. This approach mirrors, in the case of the KSA, the national strategy to increase private sector enrollments from 13% currently to 25% by 2030G.

MDX Dubai is assessing the possible launch of several new in-demand programs to be offered to students, aligned with the current and future job market. In addition, the Group is currently considering opportunities to establish universities in other GCC countries.

4.6 The Group’s Principal Activities and Business

4.6.1 Overview

The Group’s education sector provides a wide array of education services, targeted at all ages. The Group is organized into the following major business segments:

- (i) **Special Needs Education and Care (SEC):** Daycare centers, owned schools and partnerships with third-party-owned private schools, as well as early intervention services and clinics focused on supportive therapies for those concerned with special needs education through HDC and HRC.
- (ii) **Higher Education:** University student and higher education programs offered through MDX Dubai and NEMA Group, as well as vocational and corporate training, which is primarily provided through NEMA Group.

This comprehensive approach has successfully attracted market leading regional and international talent, providing them with top-tier knowledge and skills. As at the date of this Prospectus, the Group’s portfolio includes 3 universities operating across 7 campuses, 14 schools, 39 daycare centers and 3 clinics, reaching 28,000 students and beneficiaries.

4.6.2 Key Customers and Suppliers

The Group provides its services to children with special needs, people with mental health challenges, higher education students, and both public and private entities, as follows:

- Children with special needs through SEC in schools and daycare centers.
- People with mental health challenges through clinics.
- Higher education students through universities.
- Public and private entities through corporate training services provided primarily through NEMA Group.

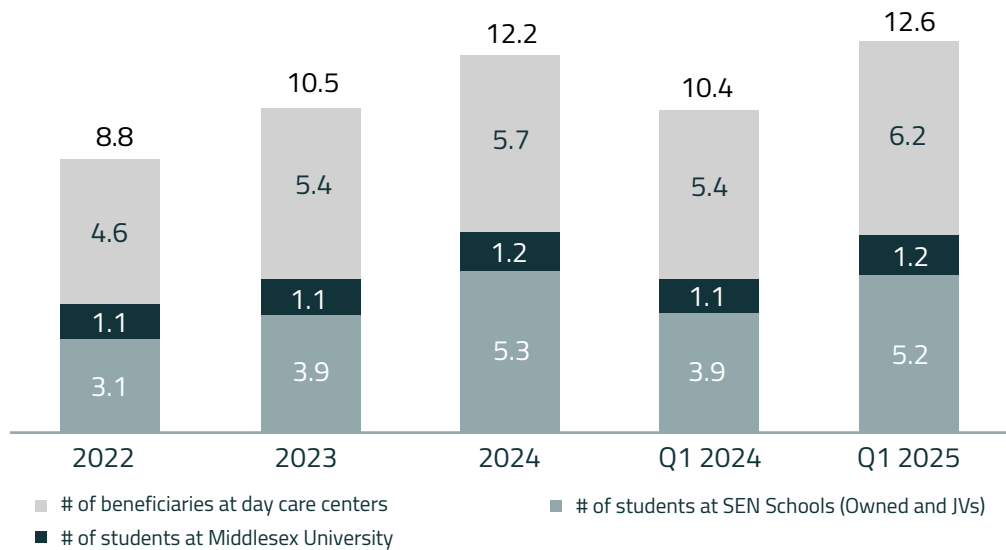
Given the nature of its operations and services, the Group does not have any key customers, nor does it have a concentration of revenue from individual customers. However, the Group does rely heavily on certain government payors in the form of scholarships for special needs beneficiaries. For further information on the concentration of the Group’s payors, please refer to Section 2.1.1 (“**Risks Related to Retaining Current Students and Attracting New Students**”) of this Prospectus.

Similarly, the Group does not have any key suppliers that are considered material for the Group’s business operations.

The total number of students and beneficiaries for MDX Dubai and the SEC segment of the Group grew to 12,601 as at 31 March 2025G and 12,153 as at 31 December 2024G, compared to 10,468 as at 31 December 2023G and 8,802 as at 31 December 2022G.



Figure 4.5: Number of Students and Beneficiaries (in ‘000s) by Segment as at the End of Each Specified Period



Source: The Company

4.6.3 Special Needs Education and Care

4.6.3.1 Overview

The Group is the largest private provider of special needs education and care (“SEC”) services in the KSA for children with disabilities. For further details, please refer to Section 3 (“**Market Overview**”) of this Prospectus. With its first SEC center opened in Riyadh in 2007G, the Group now spearheads the development and delivery of SEC services in the KSA with the potential to expand geographically across the GCC.

The Group’s special needs business is operated in the KSA through Human Development Company (HDC), the Group’s subsidiary, and HDC’s subsidiary Human Rehabilitation Company (HRC). In general, both entities provide similar services through their 39 daycare centers in leased locations and SEC through 14 private schools, 6 of which are owned by them situated on leased sites, and 8 of which are under partnership agreements with existing schools. They also provide their services through 3 clinics owned by them, which are located on leased sites. HDC provides SEC services through daycare centers, schools and mental health and diagnostic services in clinics, while HRC provides SEC services in schools and daycare centers. As at the date of this Prospectus, the Company owns 60% of the share capital of HDC, while Eight Lines Holding Investments owns the remaining 40%. The Company and Eight Lines Holding Investments entered into a shareholder agreement on 27/10/2022G that governs the rights and obligations of each party as shareholders in HDC. HRC is fully owned by HDC. Please refer to Section 11.6.3 (“**Summary of the Shareholder Agreement Between the Company, Eight Lines and HDC**”) of this Prospectus for a summary of the shareholder agreement.

The Group strives to provide tailored services that focus specifically on quality outcomes and delivering a positive social impact in the communities it serves. The Group provides its services through daycare centers, schools and clinics, catering to individuals with disabilities, including autism, attention deficit hyperactivity disorder (ADHD), Down syndrome and mental health challenges.

Activities in the SEC segment are divided into three key business lines:

- **Daycare Centers**, operating under the brand name “**Obour**”.
- SEC services in private schools (“**SEC Schools**”), operating under the brand name “**Makan**”.
- **Clinics**, providing services for people with mental health issues and support services for SEC under the brand name “**Bridge**”.

In addition, the Group, as at 31 March 2025G, owns and operates three schools located on leased real estate with combined enrollments of 345. These schools offer a combination of SEC and mainstream curricula. Although the Group provides mainstream education services to other than SEC students, these services are limited and minor and it does not consider the number of students enrolled in mainstream education public schools to be material to the Group and hence is considering other



means of expanding into the K-12 public education sector. For further information, please refer to Section 4.5.2.4 (“**Expansion of Existing Service Lines**”) of this Prospectus.

The following table provides a breakdown of the revenues generated by the Group from the provision of services through HDC and HRC.

Table (4.5): The Group’s Revenues from HDC and HRC’s Services

	For the Year Ended 31 December			For the Three-Month Period Ended 31 March	
	2022G	2023G	2024G	2024G	2025G
	(SAR million)			(SAR million)	
SEC services*	25.0	127.1	168.3	42.8	53.8
Fees for administrative and other services provided to students	2.0	14.5	20.3	5.2	8.3
Tuition fees minus grants	-	10.8	11.4	3.4	3.7
Share of revenue from partnership schools	4.3	11.9	15.3	4.4	3.8
Total SEC revenue	31.3	164.3	215.3	55.8	69.6
As a percentage of the Group’s total revenue	17.3%	48.2%	49.3%	44.7%	45.3%

* Includes the revenue generated from clinics.

Source: The Company

The following table offers an overview of the capabilities of HDC and HRC.

Table (4.6): HDC’s and HRC’s Capabilities

Capability	Year Ended 31 December			Three-Month Period Ended 31 March	
	2022G	2023G	2024G	2024G	2025G
No. of daycare centers	21	27	35	30	36
Daycare center capacity – morning shifts	3,852	4,315	5,551	4,655	5,676
Daycare center utilization – morning shifts	55.9%	60.5%	59.0%	66.5%	69.9%
Daycare center capacity – morning and evening shifts	4,810	7,010	8,508	7,612	8,633
Daycare center utilization – morning and evening shifts	55.2%	50.5%	52.8%	51.4%	59.8%
No. of schools – owned and operated	4	4	3	3	3
Number of schools – partnership	6	6	7	5	7
No. of clinics	-	1	3	3	3

Source: The Company

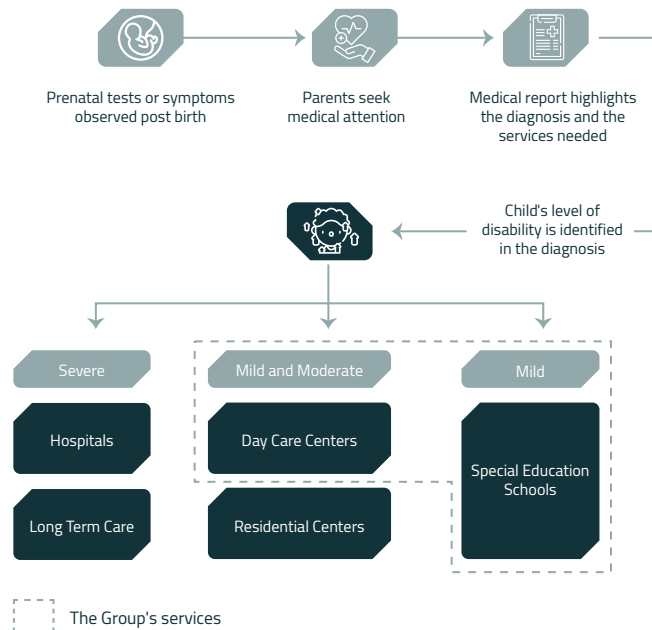
As at the date of this Prospectus, the Group has 31 daycare centers operating both morning and evening shifts to meet the diverse needs of beneficiaries. The capacity in the morning shift represents the actual capacity of each center. Evening shifts are offered as an additional shift to meet the needs of certain beneficiaries; however, they remain less popular than morning shifts. Therefore, the morning shift is the main driver of usage, serving the majority of registered beneficiaries. The introduction of the evening shift is a strategic improvement and results in a total capacity exceeding the actual capacity of the center accommodating the additional shift.



4.6.3.2 Breakdown of the SEC Services Offered by the Group

The Group provides a wide range of services that cover different case types and levels of severity, focusing mainly on mild and mild to moderate cases. The chart below highlights the Group's service offering in the general SEC framework:

Figure 4.6: Group Offerings within the Wider SEC Framework



Source: The Company

HDC and HRC are led by their specialized faculty which includes experienced members who hold degrees in various specializations within the SEC segments, such as pediatric psychiatry, behavioral disorders, clinical psychology and play therapy. These members provide their experience to elevate the quality of services provided for the Group's SEC beneficiaries. All specialized employees of the Group whose work requires obtaining certain permits or licenses under the relevant regulations and legislation are duly licensed to provide the respective services.

As at 31 March 2025G, the Group's SEC services utilize 2,270 employees in total, including teachers, specialists and management.

HDC and HRC follow a methodological approach that includes in-house staff training, automated program development and monitoring of progress. Its services utilize a wide range of technology solutions to enhance the offering, such as virtual reality, learning games, neurofeedback systems and robots.

Details of the Group's service offerings in the SEC segment are set out below:

Daycare Center Offerings

Operating under the brand name “**Obour**”, the Group's daycare centers offer education, rehabilitation and clinical services to special-needs students with mild to moderate disorders who require specialized learning and care and pathways outside of a mainstream education environment. Specialisms include autism, ADHD, Down syndrome and occupational disabilities, as well as broader programs that cater to beneficiaries with a range of mild disabilities.

Daycare centers primarily cater to children between 1-12 years of age with the service mainly provided in a morning shift operating from 7 AM to 12 PM. An evening shift is available in 24 centers operating from 3 PM to 8 PM. These shifts provide the same services and programs in daycare centers, with the evening shift intended for parents whose schedules do not allow them to register their children in the morning shift as well as for parents who are unable to secure morning slots for their children. The morning shift is the most popular and is the primary contributor to overall beneficiaries, accounting for 81%, 74% and 73% for the financial years ended 2022G, 2023G and 2024G and 77% as at the period ended 31 March 2025G.



Daycare centers utilize HDC's proprietary software, Rehadox, which enables the standardization of services across the Group's network of daycare centers. Rehadox is a comprehensive special needs management system that is used to tailor learning programs for beneficiaries based on their assessment as well as monitoring their outcomes. The system allows for consistently high levels of quality across all centers through standardized learning plans that guide teachers in delivering the service. The software also provides teacher training and monitoring of teacher performance, further ensuring quality and consistency.

In addition to teaching, the centers provide rehabilitation services that include:

- **Speech Therapy:** treatment designed to help beneficiaries who have difficulty speaking to communicate better and to break down barriers from speech impediments. The goals of speech therapy include improving pronunciation, strengthening the muscles used in speech, and improving speech generally.
- **Physiotherapy:** therapeutic strategies provided to individuals with movement disorders, including diagnosis and rehabilitation, targeted to beneficiaries with cerebral palsy, Down syndrome, autism, development movement disorders, muscular issues, motor disabilities and beneficiaries requiring physical rehabilitation.
- **Occupational Therapy:** therapeutic strategies provided to those who suffer from sensory disorders and motor, cognitive and social difficulties which impact functional performance in daily life with the goal of allowing people with disabilities to function as independently as possible.
- **Behavior Modification:** the use of adaptive therapy with a group of beneficiaries to replace unwanted behaviors with positive behavioral outcomes.
- **Psychotherapy:** targets all beneficiaries to improve the quality of life for people with disabilities based on applied behavior analysis to understand and improve behaviors, including design and formulation of treatment plans and evaluation and diagnosis services.
- **Nursing Services:** daily measurement of vital signs, ongoing awareness and education programs for beneficiaries and their families and monitoring of medication dosage, timing and prescription.

HDC's centers offer eight program pathways depending on the needs of the individual and with the objective of progressing beneficiaries to more mainstream settings (in non-SEC institutions) whenever possible. Progress and outcomes of beneficiaries are continuously assessed and their pathway changed according to developments in the individual's needs. Each pathway offers a core program that is supplemented with additional services as deemed necessary for the individual. The following provides a brief overview of the program pathways offered in daycare centers:

- **"Montalaq" Program:** this program is designed for children diagnosed with autism, offering a specialized approach that includes speech and language therapy and occupational therapy, as well as social skills training.
- **"Faal" Program:** a program designed for children diagnosed with ADHD that aims at supporting and empowering individuals through various education, training and rehabilitation activities.
- **"Edad" Program:** a preschool preparation program for beneficiaries aged 1-12 years with the objective of preparing them for integration into mainstream schools. Beneficiaries in this program are typically milder cases that are high-functioning or individuals that have shown progress in other programs, mainly Montalaq and Faal.
- **Mental Development Program:** a mental development program designed for children diagnosed with an intellectual disability and Down syndrome, aiming to improve cognitive, emotional and psychological wellbeing.
- **"Khuta" Program:** a program targeting children diagnosed with mild motor disabilities, with a special focus on physiotherapy.
- **Moltaka Fatayat (Female Gathering) Program:** a program designed for female beneficiaries aged 12 and above with the objective of building life skills and assisting beneficiaries in engaging in real world settings. The program is offered across multiple disorders including ADHD, autism, mental disability and quadriplegia and offers multiple specialisms across speech therapy, occupational therapy, behavior modification and psychotherapy.
- **Male Rehabilitation Program:** a program designed for male beneficiaries aged 12 and above with the objective of building life skills and assisting beneficiaries in engaging in real world settings. The program is offered across multiple disorders including ADHD, autism, mental disability and quadriplegia and offers multiple specialisms across speech therapy, occupational therapy, behavior modification and psychotherapy. This program is offered exclusively across ten daycare centers that are for males only as at 31 March 2025G.
- **"Fit Five" Program:** a program offered in collaboration with the Saudi Special Olympics Federation to support daily, weekly, monthly and longer-term goals to encourage the mentally disabled to lead an active lifestyle with a focus on fitness and weight loss.

The Group delivers a holistic service to its beneficiaries in its various locations, in addition to tailored daycare programs, services including speech therapy, physiotherapy, occupational therapy, psychotherapy and social therapy, where possible, which are provided at the same locations.



SEC Schools Offering

Operating under the brand name “Makan”, the Group offers SEC services to beneficiaries within the school environment, which focuses on adapting the environment and classroom setting to the needs of students with mild to moderate disorders, who can complete their education according to MOE KSA’s curriculum (K-12, mainstream and special-needs education and care). Target cases include learning disabilities, emotional and behavioral disorders, ADHD, high-functioning autism, sensory difficulties, intellectual disability and learning difficulties. The Group’s offering includes:

- Special education classes designed to cover the general education curriculum.
- Special education classes designed to cater to specific disabilities.
- ADHD and high functioning autism classes.
- Kindergarten classes (Early Intervention Program).

The service caters mainly to mild acuity students, up to 18 years of age, by offering programs tailored to their needs, while integrating them into mainstream school settings. The programs deliver the national curriculum along with support services, as deemed necessary.

As at the date of this Prospectus, the Group provides its special-needs education and care services through six owned schools, which are school facilities that are developed and operated solely by HDC and HRC, and eight schools through partnerships with other existing schools whereby HDC or HRC provide SEC programs within such third-party owned schools under partnership agreements. The Company’s agreements are concluded with public mainstream education schools operating in various locations throughout the KSA. Services may be provided in a classroom setting as part of mainstream education or in a specialist classroom setting. For summaries of partnership agreements, please refer to Section 11.6.1 (“**Summary of Material Agreements Related to Partnership Agreements between Human Development Company (HDC) or Human Rehabilitation Company (HRC) and Several Schools Regarding the Provision of Educational Services**”) of this Prospectus.

Clinic Offering

Operating under the brand name “Bridge”, the Group’s clinics provide numerous services, including SEC support services, through 3 independent clinics, such as diagnostic, treatment services and assessment and treatment of psychological and behavioral difficulties for youth and adults with mental health challenges. Target cases are substantially in line with daycare centers and SEC Schools.

Clinics include therapy rooms which are designed for various types of therapy, including individual therapy, group therapy, and family therapy, consultation rooms which are private spaces where patients can have one-on-one sessions with psychiatrists, psychologists, or other mental health professionals.

Clinics are specialized in mental health and offer a comprehensive range of therapies and programs to support children and adults such as:

- Speech and language therapy.
- Clinical psychology.
- Psychotherapy for children and teenagers.
- Mental health diagnostic and therapeutic techniques.
- Programs for treatment of ADHD.
- Applied behaviors analysis therapy, a type of interpersonal therapy in which a child works with a practitioner one-on-one.
- Sensory integration therapy, a type of occupational therapy designed to help children with high sensitivity to better handle multiple sensory inputs.

The clinics apply advanced technological solutions including:

- “**BGaze**”: the use of AI-powered diagnostic and treatment solutions for ADHD.
- “**Kinems**” integrated education technology motor games based on a multi-sensory approach, focusing on academic skills, mathematics and language, and motor and cognitive skills.
- “**Floreo VR**” behavioral therapy using virtual reality for neurodevelopmental disorders and conditions developed to train social, behavioral, communication and life skills for individuals with autism spectrum disorder (ASD), ADHD, anxiety and various other neurological conditions.

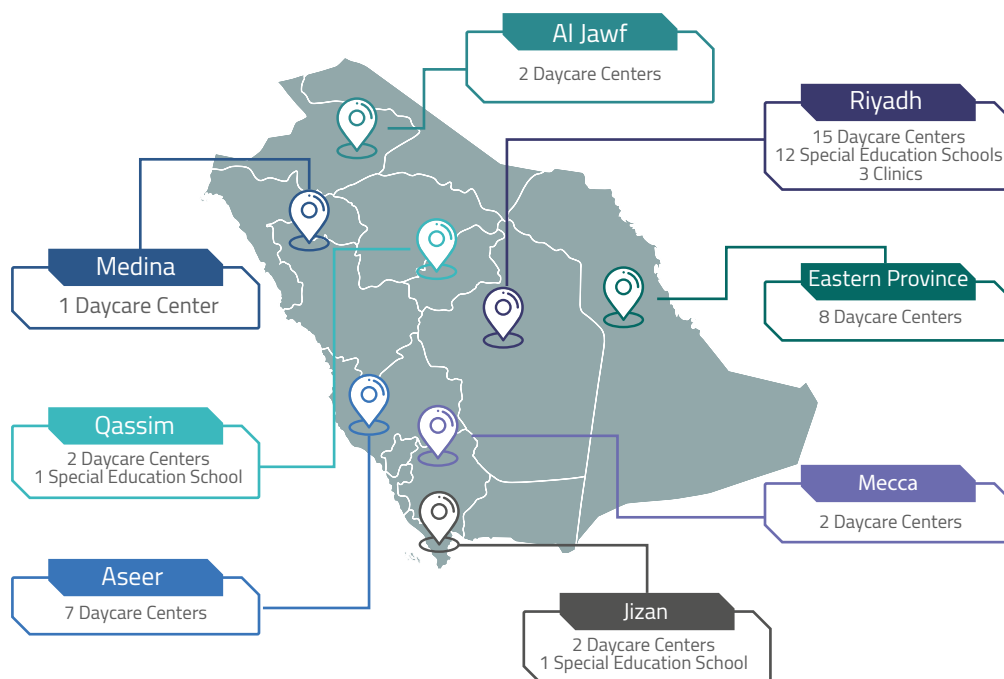


4.6.3.3 SEC Facilities

As at the date of this Prospectus, the SEC segment operates through 39 daycare centers, 14 schools and 3 clinics (as support to the daycare centers' main SEC services), serving more than 7,950 beneficiaries across 8 provinces in the KSA.

The map below sets out the various locations of the Group's daycare centers and SEC Schools throughout the KSA as at the date of this Prospectus:

Figure 4.7: Presence of the Group's SEC Facilities in the KSA



Daycare Centers

The size of each daycare center and its associated capacity is dependent on a number of factors, including the location of the center, demand dynamics and availability of premises.

HDC provides approximately 10 square meters per beneficiary with an average center size of 100 to 200 beneficiaries per morning shift, noting that 31 of the Group's centers also offer a more limited evening shift as an option for beneficiaries who are only available for the evening shift. This shift counts as an additional shift, making the total average center size 200 to 250 beneficiaries per day.

Daycare centers are equipped with accessibility features and fitted for implementation and use of modern technology tools such as COGMED virtual reality (a cognitive training program designed to improve working memory and attention), Kinems interactive learning games and Mente Autism devices that use neurofeedback technology to help children with autism.

As at 31 March 2025G, the number of beneficiaries per daycare center ranged from 60 to 476 beneficiaries at daycare centers launched prior to 2023G, noting that centers launched more recently are considered to be in their ramp up phase. For further information, please refer to Section 4.5.2.2 ("**Ramp-up of recently launched daycare centers in the KSA to capacity**") of this Prospectus.



The following table sets out the average capacity and utilization of daycare centers by year of opening:

Table (4.7): Center Capacity and Utilization by Year

	No. of Centers	Capacity*	No. of Beneficiaries – Morning Shift	No. of Beneficiaries – Evening Shift	No. of Beneficiaries – Total	Morning Utilization**
Daycare centers launched prior to 2022G	16	2,848	2,299	943	3,242	81%
Daycare centers launched in 2022G	5	851	598	188	786	70%
Daycare centers launched in 2023G	6	713	520	82	602	73%
Daycare centers launched in 2024G	8	1,139	476	37	513	42%
Total as at December 2024G	35	5,551	3,935	1,195	5,130	71%
Daycare centers launched in the three-month period ended 31 March 2025G	1	125	33	Nil	33	26%
Total	36	5,676	3,967	1,197	5,163	70%

* Capacity for morning shift only.

** Calculated as morning beneficiaries / morning shift capacity.

Source: The Company

The total morning shift capacity of daycare centers as at 31 March 2025G was 5,676, with beneficiaries in the morning shift of 3,967 and overall morning shift utilization of 70%. Additionally, there are 1,196 beneficiaries who are enrolled in the evening shift. Eight centers were launched during 2024G, adding capacity of 1,139, with a further center launched during Q1 of 2025G, adding a morning capacity of 125 beneficiaries. This is part of an approved SAR 115 million capex plan management plan to open further daycare centers and increase overall capacity to approximately 8,000.

The following table sets out the main features of the top ten SEC centers of the Group by revenue:

Table (4.8): The Group's Top Ten SEC Daycare Centers by Revenue*

	Location	Opening Date	Morning Shift Capacity	Number of Beneficiaries as at 31 March 2025G	Morning Shift Utilization as at 31 March 2025G	Total Utilization as at 31 March 2025G	Contribution to Total Daycare Center Revenue as at 31 March 2025G
Ahsa Daycare Center	Al Hofuf	November 2014G	374	476	87.2%	63.6%	9.7%
Qassim Daycare Center	Buraydah	June 2015G	300	310	58.7%	51.7%	5.9%
Maizleya Daycare Center	Riyadh	November 2019G	224	244	80.8%	60.9%	4.8%
Obour Jazan	Jazan	October 2014G	300	239	79%	59.7%	4.6%
Khames Msheit Daycare Center	Khames Msheit	January 2015G	116	232	100%	100%	4.5%
Mahayel Aseer Daycare Center	Mahayel Aseer	February 2017G	143	224	97.2%	78.3%	4.4%
Nimar Daycare Center	Riyadh	July 2019G	118	208	100%	88%	4.1%
Rawda Daycare Center	Riyadh	September 2022G	200	229	66.5%	57.3%	4.1%
Azizeya Daycare Center	Riyadh	August 2021G	144	209	100%	104.3%	4.1%
Dhahrat Laban Daycare Center	Riyadh	November 2018G	125	193	97.6%	77.2%	3.7%

*For details on the capacity and actual use of the centers, please refer to Table 4.6 ("HDC's and HRC's Capabilities") of this Prospectus.

Source: The Company



The Group also operates through 26 further daycare centers located in Riyadh, Aseer, Qassim, Aljubail, Jazan, Khobar, Sakaka, Medinah, Hafr Al-Batin and Dammam, each contributing less than 3.7% to the revenue generated from the daycare centers. All of the Group's daycare centers are operated via lease agreements. However, the Group acquired two real estate properties located in Riyadh in August 2024G and two real estate properties in the Qassim region in March 2025G for the purpose of constructing new, owned daycare centers on them. For further information on the Group's real estate properties, please refer to Section 11.9.1 ("Real Estate Owned by the Company and its Material Subsidiaries") of this Prospectus.

SEC Schools

As at 31 March 2025G, the Group operated seven schools under partnership agreements with private sector schools to provide SEC services in public mainstream education schools to non-SEC students. It owned and managed three schools in the KSA that provide SEC curricula. Also, in limited cases, it provides mainstream education curricula. As at the date of this Prospectus, the Group has entered into one additional partnership agreement, increasing the Group's SEC schools to 14, of which 8 schools operate under partnership agreements while 6 schools are owned and managed by the Group. For further details on partnership agreements, please refer to Section 11.6.1 ("Summary of Material Agreements Related to Partnership Agreements between Human Development Company (HDC) or Human Rehabilitation Company (HRC) and Several Schools Regarding the Provision of Educational Services") of this Prospectus.

SEC Schools capacity as at 31 December 2022G, 2023G and 2024G and 31 March 2025G stood at 1,895, 1,875, 1,875 and 1,975 students with a utilization of 57%, 65%, 65% and 66% respectively.

The following table describes key details of the SEC Schools of the Group by revenue as at 31 March 2025G:

Table (4.9): The Group's SEC Schools⁽¹⁶⁴⁾

	Location	Opening Year	No. of Students as at 31 March 2025G	Average Revenue Per Student	Owned Schools / Joint Operations	Contribution to Revenue
Partnership Schools						As a % of the Partnership School's Revenue
School 1	Riyadh	2018G	98	SAR 14,342	Joint operations	13.8%
School 2	Riyadh	2020G	242		Joint operations	16.2%
School 3	Riyadh	2020G	227		Joint operations	25.4%
School 4	Riyadh	2022G	134		Joint operations	18.2%
School 5	Riyadh	2022G	93		Joint operations	13.5%
School 6	Riyadh	2024G	61		Joint operations	9.3%
School 7	Riyadh	2024G	33		Joint operations	3.6%
Owned Schools						As a % of the Owned School's Revenue
Baraem Al-Tanmeyah School	Abu Arish	2016G	187	SAR 43,307	Owned	36.3%
Ghadaq Tanmiya School	Buraydah	2017G	105		Owned	40%
Learning Tree School	Riyadh	2022G	53		Owned	23.7%

* The Group entered into two partnership agreements with existing schools in February 2022G and March 2023G, which are not included in the table as they were not operated until 31 March 2025G. The Group was also a party to two agreements, one of which was terminated in mid-2023G and the other in September 2024G. Both of these agreements were terminated by mutual agreement for ordinary business reasons.

Source: The Company

¹⁶⁴ **Note:** The names of the partnership schools are not mentioned as this information is considered confidential and of a commercially sensitive nature.



Clinics

The Group operates 3 clinics in Riyadh located in An Nuzhah, An Nakheel and Al Malqa districts. As at 31 March 2025G, clinics comprised 1% of the Group's revenues in the KSA.

4.6.3.4 SEC Fees

The Group generates its revenue in the SEC segment from tuition fees for daycare centers and SEC schools, as well as fees for services provided in clinics and other services not included in the scope of services provided in daycare centers and SEC schools. The SEC program tuition fees are mainly covered by MOE KSA through the educational vouchers system, while student fees in daycare centers are covered by MHRSD. As at 31 March 2025G, approximately 93% of the tuition fees for HDC and HRC students are covered, and paid-for, by the Saudi government while the remaining percentage is paid directly by certain students. For further information on the risks related to scholarship arrangements, please refer to Section 2.1.1 (**"Risks Related to the Concentration of Revenue on Payments from Government Entities and Reliance on their Sponsorship Programs"**) of this Prospectus.

The majority of tuition fees paid to the Group are paid by MHRSD for students in daycare centers. These fees are set and regulated by MHRSD based on the daycare center's rating. This rating is determined by MHRSD's evaluation, using a scale from A+ to D. An A+ rating, considered "distinct / متميز" corresponds to a score between 95 and 100, allowing the service provider to charge the highest rates approved by MHRSD. Conversely, a D rating, deemed "acceptable / مقبول" corresponds to a score below 70, reflecting the lowest rates permissible. These ratings are assigned according to assessments of the daycare centers' infrastructure, facilities, programs, and other criteria, which directly influence the fees charged by the Group. The table below outlines the fees set by MHRSD for each service provided, along with the daycare center ratings. As at the date of this Prospectus, all daycare centers operated by the Group are rated A+.

Table (4.10): Daycare Center Fees

Overall Score	Rating	Basic Tuition Fees for the Academic Year	Physiotherapy Services Fees	Occupational Services Fees	Speech Therapy Services Fees	Autism Services Fees	Transportation Fees
		(SAR)					
95% and higher	A+ Distinct	29,000	3,000	3,000	3,000	3,000	5,000
90-94.9%	A Excellent	25,000	3,000	3,000	3,000	3,000	5,000
80-89.9%	B Very Good	21,000	3,000	3,000	3,000	3,000	5,000
70-79.9%	C Good	16,000	3,000	3,000	3,000	3,000	5,000
Less than 70%	D Acceptable	11,000	3,000	3,000	3,000	3,000	5,000

Source: The Company

The above fees are determined on a case-by-case basis, where the student has to file a request with MHRSD for the required services based on their case and MHRSD approves the needed services, which will then be covered. The payment of these tuition fees is made after the end of each semester for all approved students.

It should be noted that the aforementioned mechanism and fee structure was set out in the Regulations on Non-Governmental Rehabilitation Centers for Persons with Disabilities and its rules, which have been superseded by the Regulations on Non-Governmental Facilities for Persons with Disabilities and its rules, which became effective in September 2024G. The new regulations do not provide the mechanism or fee structure under which the Group's daycare centers may operate and refer to a procedural guide to be issued by MHRSD which should set out the requirements, sponsorship mechanism and fee structure for daycare centers. This guide has not been issued as at the date of this Prospectus. Until such time, the Group will continue to operate with MHRSD under the framework of the previous regulations. For further information on the related risks, please refer to Section 2.2.2 (**"Risks Related to Changes in the Regulatory Environment of the Group and the Sectors in which it Operates"**) of this Prospectus.



The tuition fees for students in SEC schools are typically proposed by HDC and submitted to MOE KSA for each semester. MOE KSA evaluates and approves the tuition fees for each semester. Any variation to the tuition fees must be approved by MOE KSA. These fees for the schools' students are paid by Tatweer Educational Technologies Company, a company wholly owned by Tatweer Holding Company, which in turn is a subsidiary of MOE KSA ("**Tatweer**"), based on an agreement concluded between each school and Tatweer (for further information on these agreements, please refer to Section 11.6.2 ("**Summary of Material Agreements Related to Contracts between HRC through its Affiliated Schools and Tatweer Educational Technologies Company**") of this Prospectus). The average annual fees per student across the Group's owned schools was SAR 30,554, SAR 32,658 and SAR 34,061 for the years ended 31 December 2022G, 2023G and 2024G, and SAR 43,307 as at 31 March 2025G. Whereas the Group's share for schools operated by the Group through the partnership agreements was SAR 17,792, SAR 16,027 and SAR 17,638 for the years ended 31 December 2022G, 2023G and 2024G, and SAR 14,342 as at 31 March 2025G. In total, the average annual fees per student for schools operated through partnership agreements was SAR 41,267, SAR 35,360 and SAR 48,433 for the years ended 31 December 2022G, 2023G and 2024G, and SAR 38,689 as at 31 March 2025G.

The Group also charges fees for services provided in clinics. Such fees are determined by the Group and are paid directly by the beneficiary. The Group generated revenues from services performed through its clinics amounting to SAR 1.4 million, SAR 4.0 million and SAR 4.0 million during the financial years ended 31 December 2022G, 2023G and 2024G respectively, and SAR 0.8 million for the period ended 31 March 2025G.

4.6.4 Higher Education

Higher education refers to the advanced learning that follows secondary education, typically provided by universities, colleges, and other institutions offering academic degrees and professional certifications and vocational training.

The Group operates in the higher education sector through MDX Dubai and has also invested in NEMA Holding Company, which primarily operates in the higher education sector.

MDX Dubai is the first overseas campus of Middlesex University in London, and is operated by the Group's wholly owned subsidiary, Middlesex Associates in joint collaboration with Middlesex University in London.

The Group also holds a 35% stake in NEMA Holding Company, which provides higher education and corporate and vocational training services. NEMA Holding Company serves students and public and private corporate clients mainly in Abu Dhabi, but with a footprint across the GCC. As at the date of this Prospectus, NEMA Education, a wholly owned subsidiary of NEMA Holding Company, operates two universities (Abu Dhabi University and Liwa University) serving over 13,500 students across five campuses, and offers corporate and vocational training services through its fully owned subsidiary Knowledge Group LLC ("**Knowledge Group**") and its subsidiaries. For further details on the Group's structure, please refer to Section 11 ("**Legal Information**") of this Prospectus.

4.6.4.1 Middlesex University Dubai

4.6.4.1.1 Overview

Middlesex University Dubai (MDX Dubai) was established in 2005G as the first overseas campus of Middlesex University in London (MDX UK) which is fully owned by the Company through its subsidiary AHE Alpha LTD (a company that does not undertake any operations and was established for the purpose of owning the Company's shares in MDX Associates). MDX Dubai is run through an indefinite joint venture agreement entered into by the Group through MDX Associates with MDX UK (through its subsidiary MDX HEC). The relationship with MDX UK is governed by joint board meetings held twice a year, ensuring alignment on key operational and growth initiatives. Please refer to Section 11.6.4 ("**Summary of the Partnership Agreement between MDX Associates and MDX UK**") of this Prospectus for a summary of the joint venture agreement.

MDX Dubai offers an affordable, high-quality UK degree with a vibrant on-campus experience. Activities are carried out throughout the entire academic year, which is divided into two semesters, from September to January and from February to May. MDX Dubai students enroll across the various programs and courses at the university's two campuses.

Between 2023G and 2024G, enrollments have grown at a rate of 16%. In the academic year 2024G-2025G, MDX Dubai enrolled 2,945 students across the fall and winter intakes, corresponding to an increase of 14%, compared to 2,593 students in the academic year 2023G-2024G, corresponding to an increase of 17% from the prior year 2022G-2023G. In the academic year 2024G-2025G, 56% of new students were international students, out of 2,945 students, compared to 46% in the academic year 2023G-2024G, out of 2,593 students, and compared to 40% in the academic year 2022G-2023G, out of 2,209 students.

MDX Dubai continues to benefit from market growth in Dubai and has successfully targeted international student enrollments, with 48% of the overall student body as at the academic year 2024G-2025G coming from international markets across more than 100 countries, namely India, Pakistan and Africa.



Table (4.11): MDX Dubai's Historical Student Body Composition

	2022G	2023G	2024G	Three-Month Period Ended 31 March 2024G	Three-Month Period Ended 31 March 2025G
IFP	577	677	752	745	760
University student programs	2,943	3,377	3,851	3,665	4,211
Higher education programs	855	988	1,226	1,139	1,507
Total students	4,375	5,042	5,829	5,549	6,478
International students	1,319	1,779	2,382	2,129	3,019
Domestic students	3,056	3,263	3,447	3,420	3,459
Total students	4,375	5,042	5,829	5,549	6,478
New students	1,815	2,058	2,296	2,628	2,945
Returning students	2,560	2,984	3,533	2,921	3,533
Total students	4,375	5,042	5,829	5,549	6,478
% growth	-	15%	16%		17%

Source: The Company

As at 31 December 2024G, the number of students enrolled at MDX Dubai reached 5,652 students.

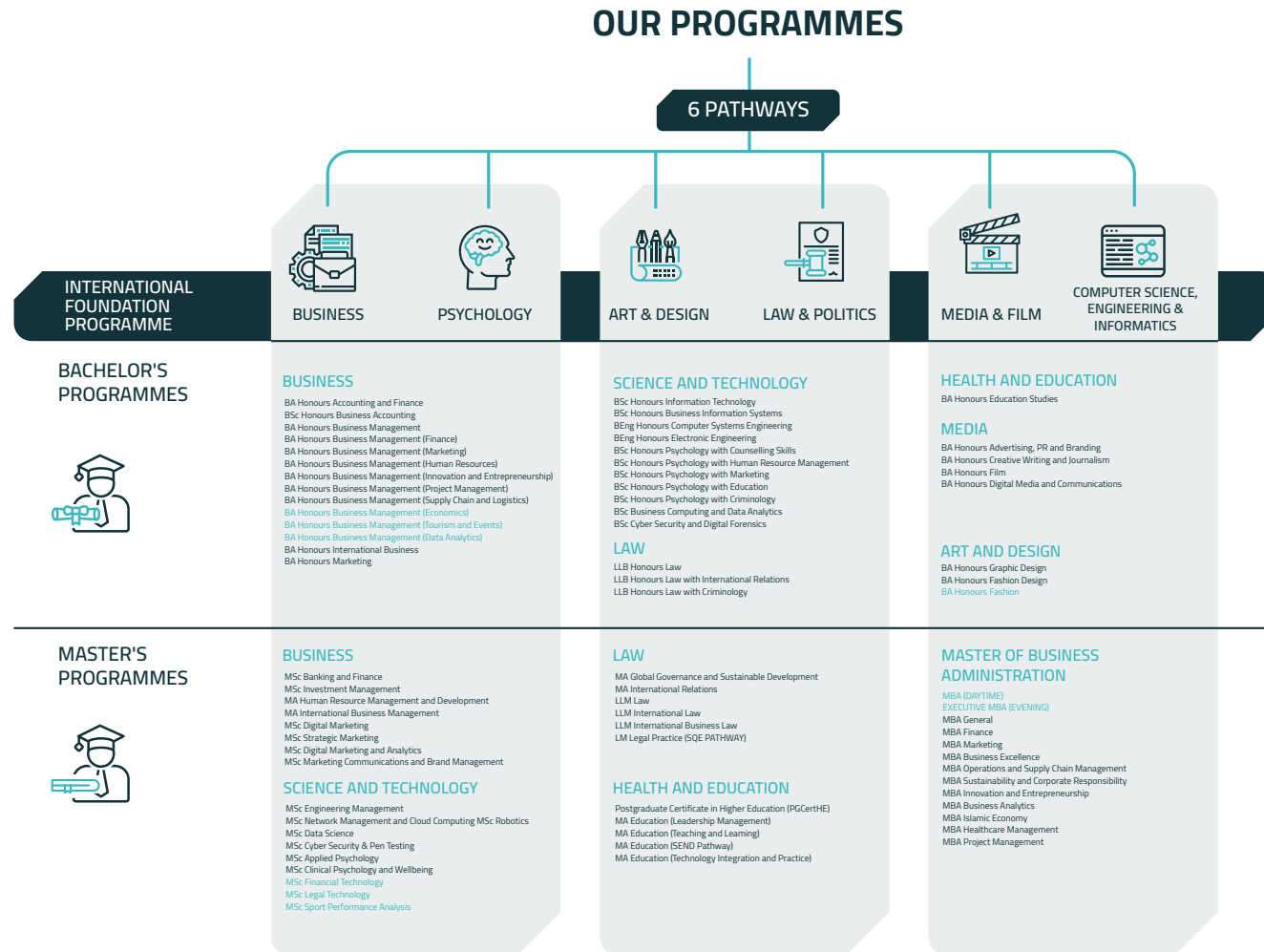
4.6.4.1.2 MDX Dubai's Service Offerings

MDX Dubai offers programs across three categories:

- **The International Foundation Programme ("IFP"):** A one-year student pathway program that provides students with a pathway for entry into university programs that they would otherwise not be able to directly enroll in due to not having met the prerequisites. The program offers six pathways across (i) Business, (ii) Psychology, (iii) Law and Politics, (iv) Art and Design, (v) Media and Film and (vi) Computer Science, Technology and Engineering.
- **University Student or Bachelor's Programs:** University student programs are three-year programs offered across six faculties, namely (i) Business, (ii) Science and Technology, (iii) Law, (iv) Health and Education, (v) Media and (vi) Art and Design, and are obtained as either Bachelor of Arts (BA), Bachelor of Science (BSc) or Bachelor of Laws (LLB) across 38 programs, the majority of which are in business (16) and science and technology (11). Examples in the business faculty include a BA in Accounting and Finance, a BA in Business Management and a BA in Business Accounting, and in the science faculty include a BSc in Information Technology and a BSc in Marketing.
- **Higher Education or Master's Programs, including an MBA:** Higher education programs are typically one-year degrees offered across five faculties, namely (i) Business, (ii) Science and Technology, (iii) Law, (iv) Health & Education, and (v) a further faculty offering a dedicated MBA. Program attainment includes Master of Administration (MA), a Master of Science (MSc) and a Master of Business Administration (MBA).



Table (4.12): MDX Dubai's Academic Offerings



Source: The Company



The following table breaks down the revenues generated by the Group from the provision of higher education services through MDX Dubai.

Table (4.13): The Group's Revenues from MDX Dubai

	For the Year Ended 31 December			For the Three-Month Period Ended 31 March	
	2022G	2023G	2024G	2024G	2025G
	(SAR million)			(SAR million)	
IFP	14.9	18.4	21.7	7.6	7.4
University student programs	108.9	125.9	152.1	48.1	57
Higher education programs	26.6	31.0	41.5	12.8	19.1
Non-academic revenue	4.0	4.4	6.5	1.9	2.4
Withdrawals and adjustments	(4.8)	(2.2)	0	(1.3)	(1.7)
Total	149.7	177.5	221.8	69	84.2
International students	42.5	58.1	84.9	25.4	38.1
Domestic students	108	117.2	130.3	43	45.3
Non-academic revenue, withdrawals and adjustments	(0.8)	2.2	6.5	0.6	0.8
Total	149.7	177.5	221.8	69	84.2
Percentage from international students	28%	33%	38%	37%	45%
Percentage of the Group's total revenue	82.7%	51.8%	50.7%	55.3%	54.8%

Source: The Company

In October 2022G, MDX Dubai launched the Center of Continuous Learning and Outreach, a vocational and corporate training center at the Dubai International Academic City (DIAC) campus, offering summer camps, English language learning, as well as short courses and professional development programs. Since September 2024G, MDX Dubai has also launched new programs in legal technology, fintech and sports performance, tailored to the emerging needs of students. Part of the growth strategy also focuses on continuous efforts to increase net tuition fees, which resulted in a 2.5% increase in listed fees and a targeted reduction of scholarships and discounts for the academic year 2023G-2024G, and an increase of 2.5% for the academic year 2024G-2025G. Please see below for more information on MDX Dubai's tuition fees.

4.6.4.1.3 MDX Dubai's Facilities

As at the date of this Prospectus, MDX Dubai operates out of two leased campuses in Dubai in two specialist academic cities, Dubai Knowledge Park (DKP) with capacity for over 6,900 students, and Dubai International Academic City (DIAC), with capacity for 375 students. MDX Dubai also provides student accommodation services that are outsourced to a third-party service provider. In September 2024G, MDX Dubai completed part of the renovation and expansion of its DKP campus as part of its ongoing capacity expansion plans to meet increased student enrollments.

Table (4.14): MDX Dubai's Campuses

	DKP	DIAC
Accommodations estimated capacity	6,900	375
Size (in sqm)	16,014	1,080
Key buildings/facilities	Management and faculty offices, laboratories and student recreation center	Faculty, business hub and student zone, student accommodation (outsourced)
Owned/Leased	Leased	Leased
Campus Overview	Spanning four buildings, DKP houses the majority of the IFP, undergraduate and postgraduate courses. It features state-of-the-art classrooms equipped for hybrid learning, as well as labs for graphic design, robotics, engineering, virtual reality, cybersecurity and fashion design.	Opened in September 2021G, similar to the DKP campus, the DIAC campus offers state-of-the-art facilities and additional learning and recreational spaces. The DIAC campus also houses the new Student Think Tank, a dedicated innovation lab, an open space for student brainstorming, a business hub, the Centre for Academic Success and Careers Employability and the recently launched MBA Global Study Hub.

Source: The Company



MDX Dubai was one of the first universities in Dubai to operate campuses across both of Dubai's academic hubs. Students use both campuses interchangeably, as classes, open areas and laboratories are located on both campuses. Both campuses offer shared spaces for MDX Dubai and other universities located in DIAC and DKP, such as auditoriums, outdoor spaces and other facilities.

MDX Dubai utilizes a variety of KPIs to monitor business performance, including enrollments, average revenue per student, returning students, international students and staffing levels. Capacity assessments are performed utilizing a variety of metrics including estimates of space per student for academic provision and common areas and based around program requirements, course timings and length. Accordingly, space requirements are dependent on a variety of factors and are calculated based on "peak day" provision, which varies based on scheduling and academic staff availability.

The Group, in calculating the assessment, uses a guide of approximately 20 square meters per student to incorporate both academic and non-academic areas.

As at the date of this Prospectus, MDX Dubai leases a total area of 16,014 and 1,080 square meters across its DKP and DIAC campuses respectively and adopts a flexible leasing model that allows it to expand by leasing new space in the same buildings in response to increasing student enrollments, thereby optimizing operating leverage and minimizing additional capital requirements.

These campuses are owned by TECOM Group PJSC (**TECOM**). TECOM, established in 1999G, is a publicly listed real estate owner/developer in Dubai, with properties across 6 sectors (including design, education, manufacturing, media, science, and technology) and 10 districts (including DIAC and DKP). TECOM offers long term real estate solutions to tenants including MDX Dubai, in free zones across the emirate of Dubai, offering industry specialized facilities, including higher education campuses.

The Group is currently considering opportunities to establish universities in other GCC countries, including in the KSA. Therefore, the Group may enter into non-binding documentation for the purposes of exploring and assessing the expansion opportunities in the higher education sector.

4.6.4.1.4 MDX Dubai's Tuition Fees

MDX Dubai relies on the revenue generated in the form of tuition fees paid by its students. These tuition fees are paid on a semester-by-semester basis at the beginning of each semester. The table below sets out the details of tuition fees as at the date of this Prospectus.

Table (4.15): MDX Dubai's Tuition Fees

Gross Tuition Fees per Academic Year*	IFP	University Student Programs	Higher Education Programs
Business		AED 61,450 (equivalent to SAR 62,133)	AED 110,800 (equivalent to SAR 112,032)
Psychology	AED 47,850 (equivalent to SAR 48,382)	Not offered within this program	Not offered within this program
Science and Technology			AED 72,100 to AED 88,700 (equivalent to SAR 72,799 to SAR 89,686)
Health and Education	Not offered within this program	AED 61,450 (equivalent to SAR 62,133)	AED 72,100 to AED 88,700 (equivalent to SAR 72,799 to SAR 89,686)
Art and Design			Not offered within this program
Law and Politics	AED 47,850 (equivalent to SAR 48,382)		AED 72,100 (equivalent to SAR 72,902)
Media			Not offered within this program

Source: The Company

*Tuition fees are for the academic year 2024G-2025G and are subject to the discounts and scholarships provided.

Domestic students have two installment plan options, the first being a 100% upfront payment for both the September and January enrollment periods, and the second being an installment plan with eight equal installments (September–April) for the September enrollment period and seven for the January enrollment period (January–July). For international students the installment plan is divided into four equal quarterly installments commencing either September or January, depending on



enrollment timing. A 3% prepayment discount is available to domestic and international students who pay in one installment. A variety of scholarships and grants are available dependent on a number of factors including, but not limited to, academic achievement, attendance and ongoing performance, such grants and discounts being considered on a case-by-case basis by the university admissions team and in line with pre-approved guidelines.

4.6.4.2 NEMA Holding Company

NEMA Holding Company and its subsidiaries are a leading higher education and corporate training group in Abu Dhabi, with an expanding presence across the GCC (“NEMA Group”). The Group acquired a stake in NEMA Group in March 2018G. As at the date of this Prospectus, NEMA Holding Company (the entity that owns the various companies within NEMA Group) is owned by the Group (35%) through its subsidiary AH Alpha Investments Holdings 3 LTD which in turn is fully owned by AH Alpha Investments Holdings 1 LTD (both companies do not undertake any activities and were established for the purpose of owning the Company’s stake in NEMA Holdings Company), Magna Investments Company (60%) and Al Ain Educational Investments (5%). The Group holds its stake in NEMA Holding Company through a trust structure. For further information, please refer to Section 11.4 (“**Subsidiaries**”) of this Prospectus.

As at the date of this Prospectus, NEMA Group has the largest market share in the private higher education market in the emirate of Abu Dhabi, with more than 13,500 students. For further details, please refer to Section 3 (“**Market Overview**”) of this Prospectus.

NEMA Holding Company, through its subsidiary NEMA Education LLC (“**NEMA Education**”), operates two universities, Abu Dhabi University (ADU) and Liwa University, across five campuses and has a differentiated offering, with a large and distinguished portfolio of corporate and professional training programs, offered through Knowledge Group (“**KGC**”), for both public and private sector entities, catering to different price points. In May 2023G, NEMA Holding Company also formally launched EduZ, a joint venture launched through Knowledge Group, which provides training services through Khawarizmi Training Solutions.

Table (4.16): NEMA Group’s Key Assets

Universities	Corporate and Vocational Training
 	  

Source: The Company

Abu Dhabi University is a private research university with three campuses in Abu Dhabi, Al Ain and Dubai with approximately 9,100 students enrolled as at the date of this Prospectus. It offers 50 education programs and is ranked in the top 200 overall globally in addition to being ranked: (i) among the top three universities in the UAE and Arab World, (ii) first in the UAE and Arab World for Business, (iii) second in the UAE for international students, and (iv) first in the UAE for Teaching and Employability (*source: Times Higher Education World University Rankings 2024G*).

Liwa University was established in 1993G by the MOE UAE as the Emirates Institute of Technology. In 2022G, NEMA Holding Company acquired 100% of the share capital of Liwa Technology College LLC, which was then merged with Khawarizmi International College and renamed Liwa University. Liwa University is an institution of higher learning located in Abu Dhabi, offering 24 programs across two campuses in Abu Dhabi and Al Ain, which can accommodate 3,000 and 550 students respectively. Liwa University in Abu Dhabi also operates out of the former downtown campus of Liwa University of Technology in Al Danah (leased) as well as out of Khawarizmi International College’s former campus in Al Ain, while the unused former campus of Khawarizmi International College in Al Bahia (owned by NEMA Group) is available to be leased out to third-party tenants.

Knowledge Group is a limited liability company incorporated in accordance with the laws of Abu Dhabi in the UAE on 28/07/2007G, which provides a full range of training and professional services (such as talent assessment and strategy consulting) to blue-chip clients across the MENA region, with the UAE and KSA being the key markets. Knowledge Group has in place cooperations with world renowned higher education institutes such as the Columbia Business School and Wharton University of Pennsylvania. Knowledge Group has also launched EduZ, its ed-tech arm, in order to digitalize its offering and expand into the provision of high-quality online training programs for individuals and organizations.

NEMA Group, through its wholly owned subsidiary Arclight Services LLC (“**Arclight**”), provides real estate and property management services, with such services predominately being provided to NEMA Group properties such as the campuses of Abu Dhabi University and Liwa University, in addition to external clients.



4.6.5 Marketing and Promotional Activities

The Group employs multiple marketing and promotional activities to build brand awareness, deliver student and beneficiary recruitment and maintain its student and beneficiary base.

MDX Dubai benefits from a skilled marketing development and student recruitment team that targets – on a local basis – school partnerships, joint promotional activities and direct marketing initiatives through social media, student open days and comprehensive access to support throughout the application process. MDX Dubai also enjoys a well-structured international network of partnerships and partner agents to drive in-market recruitment, also enhanced by the engagement of social media agencies and participation in international fairs.

HDC, together with its subsidiary HRC, have built a strong reputation, which is key to driving beneficiary recruitment and maintaining and growing the beneficiary base. The Company also targets beneficiaries through active participation in open days and fairs and through direct marketing initiatives such as making promotional materials available at key locations, running social media campaigns and launching promotional videos. The Group's SEC service lines are marketed through HDC under registered brand names, namely: "Obour" ("عبور"), "Makan" ("مكان") and "Bridge" ("جسر"), all owned by HDC.

4.7 The Group's Assets

As at the date of this Prospectus, the Group owns a number of assets located in the KSA and the UAE. These assets comprise right-of-use assets related to leasehold properties held by the Group's university campuses, schools and daycare centers and associated leasehold improvements, furniture and equipment. The following table shows the Group's assets at their respective book values. As at 31 March 2025G, all (100%) of HDC's assets are located in the KSA, amounting to SAR 414.6 million (representing 49% of the Group's total assets during the financial period), while all (100%) of MDX Associates' assets are located in the UAE, amounting to SAR 427.0 million (representing 51% of the Group's total assets during the financial period). The Group's investment in NEMA Group is also included at book value.

HRC acquired two plots in the Qassim region on 12/09/1446H (corresponding to 12/03/2025G) with an area of 4,550 square meters and 3,150 square meters, in consideration of SAR 1.9 million and SAR 2.3 million, respectively. The two properties will be used to develop daycare centers.

Table (4.17): The Group's Assets

	2022G	2023G	2024G	As at 31 March 2025G
	(SAR million)			(SAR million)
Property and equipment				
MDX Associates	9.2	12.2	17.4	16.8
HDC	37.3	50.6	96.4	105.2
The Company	Nil	Nil	0.3	0.76
Total	46.4	62.8	114.2	122.8
Right-of-use assets				
MDX Associates	47.8	37.8	28.6	25.8
HDC	37.5	47.4	68.5	79.5
Total	85.3	85.2	97.1	105.2
Goodwill and intangible assets				
MDX Associates	394.7	390.1	384.6	384.4
HDC	232.1	230.7	230.5	229.2
Total	626.7	620.8	615.1	613.6
Total non-current assets				
MDX Associates	451.7	440.1	431.6	427
HDC	306.8	328.7	394.8	414.6
Investment in associates*	389.3	389.7	401.9	407.3
Total**	758.4	768.8	826.3	841.6

* This is in relation to NEMA Group.

** Does not include investment in associate.

Source: The Group's audited special purpose consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G, the six months ended 30 June 2024G, the audited consolidated financial statements for the financial year ended 31 December 2024G and the interim unaudited condensed consolidated financial statements for the period ended 31 March 2025G.



4.8 Intellectual Property

The Group's intellectual property mainly includes the Group's trademarks. The Group has registered its intellectual property rights in the relevant countries, and it regularly monitors and renews the protection thereof. For more information about the Group's intellectual property rights, please refer to Section 11.11 ("**Intellectual Property and Intangible Assets Owned by the Group**") of this Prospectus.

4.9 Corporate Social Responsibility

As a leading integrated educational investment company in the KSA and the UAE, the Company is dedicated to uplifting society by ensuring that distinguished educational services are available to all. Its commitment to the community is central to its core business model, which aims to achieve sustainable growth and create societal impact, as well as generate shareholder value.

The Company strives to generate long-term value by aligning its goals with the needs of the communities that it serves. The Company actively participates in a range of corporate social responsibility (CSR) programs to maximize its impact. By collaborating with ethically and socially responsible organizations, the Company promotes happier, more productive communities and fosters an inclusive, diverse, and healthy work environment for its employees.

At MDX Dubai, sustainability is at the core of the business strategy under the Strategy 2031G initiative. Three priorities underpin everything MDX Dubai does in relation to environmental, social and governance (ESG) practices, starting from transforming learning and facing global challenges to building a learning organization and research community. To further its commitment to sustainability and ensure that its ESG priorities are met, MDX Dubai has established the Middlesex Institute of Sustainable Development. Its main objectives include becoming a plastic-free organization, committing to a zero-emission future, building a culture of diversity and inclusion, with gender equality at the forefront of its initiative's priorities, and responsible use of data in line with general data protection laws.

HDC has formed partnerships with various government and non-governmental organizations to provide diagnostic, awareness and training services. These partners include MHRSD, MOE KSA, the Saudi Association for Special Education (GESTER), King Abdullah Hospital and King Khaled Hospital. Furthermore, HDC has a policy of promoting employment of KSA nationals with a focus on supporting the inclusion of women in the workplace.

The Group's strategy is designed to drive sustainable growth and enhance total shareholder returns through a clear vision and actionable plan. At the core of this strategy are sustainability and social development, reflecting its focus on the social and environmental impacts of its business practices.

4.10 Employees, Employee Development and Other Programs

4.10.1 Employees

As at 30 June 2024G, the Company was operating as a holding company and did not have any employees. However, after 30 June 2024G, the Company began hiring employees. As at the date of this Prospectus, the Company has hired 17 employees, 9 of whom are Saudi nationals and 8 of whom are non-Saudi nationals.

The Group has concluded employment contracts with all of the Company's Senior Executives. The contracts stipulate their salaries and other allowances according to their qualifications and experience and include a number of benefits such as employee medical insurance. These contracts are renewable and subject to the Saudi Labor Law (for further details on contracts with Senior Executives, please refer to Section 5.8.2 ("**Contracts Concluded with Senior Executives**") of this Prospectus).

As at the date of this Prospectus, the Group has 3,717 employees.

The Group has not witnessed any material labor disputes or strikes and believes that it enjoys good relationships with employees.



The table below sets out the number of Saudi and non-Saudi employees hired by the Company in its various departments as at 31 December 2022G, 2023G and 2024G, and 31 March 2025G:

Table (4.18): Number of Company Employees as at 31 December 2022G, 2023G and 2024G, and 31 March 2025G

Department/Title	31 December 2022G	31 December 2023G	31 December 2024G			31 March 2025G*		
			Non-Saudi	Saudi	Total	Non-Saudi	Saudi	Total
Executive Management	N/A	N/A	0	2	2	0	2	2
Internal Audit	N/A	N/A	0	0	0	0	0	0
Business Development	N/A	N/A	0	0	0	0	0	0
Strategy	N/A	N/A	1	0	1	1	0	1
Finance	N/A	N/A	3	0	3	3	0	3
Investor Relations	N/A	N/A	0	0	0	0	0	0
Human Resources	N/A	N/A	0	0	0	0	2	2
Administrative Affairs	N/A	N/A	1	0	1	2	0	2
Legal Affairs	N/A	N/A	0	0	0	0	0	0
Total	N/A	N/A	5	2	7	6	4	10

* The Company has hired seven other employees since 31 March 2025G, including three senior executives, namely: the Managing Director, the Chief Business Development and Strategic Planning Officer, the Legal Counsel, and the Head of Internal Audit. For further details on the hiring dates of Senior Executives, department managers, and heads of internal divisions in the Company, please refer to Section 5.2 (“**Organizational Structure of the Company**”) of this Prospectus.

Source: The Company

4.10.2 Employees of Material Subsidiaries

4.10.2.1 MDX Associates

The following table sets out the number of employees employed by MDX Associates by key activity.

Table (4.19): Number of Employees at MDX Associates

Department/Title*	31 December 2022G	31 December 2023G	31 December 2024G	31 March 2025G
Marketing	13	16	19	24
Student Engagement and Admission	13	17	14	19
Dubai Academic Registry and University Center	8	10	11	11
Financial Affairs	6	7	10	10
IT	6	7	8	8
Facilities	5	6	7	7
Quality	4	6	9	8
Government Relations	3	4	5	5
Student Activities	4	4	5	4
Libraries	5	4	5	5
Administrative Affairs	9	11	23	17
Total	76	92	116	118

* MDX Dubai has full-time and part-time academic staff who are appointed by MDX UK (through its subsidiaries), numbering 138 employees (including 73 part-time) as at 31 December 2022G, 153 employees (including 84 part-time) as at 31 December 2023G, 181 employees (including 107 part-time) as at 31 December 2024G, and 191 employees (including 118 part-time) as at 31 March 2025G, according to the arrangements agreed upon under the joint venture agreement between MDX UK (through its branch Middlesex University Higher Education Corporation) and MDX Associates (for further details, please refer to Table 11.16 (“**Joint Venture Agreement between MDX UK (through its branch Middlesex University Higher Education Corporation) and MDX Associates**”) of this Prospectus).

Source: The Company



4.10.2.2 HDC and HRC

The following table sets out the number of employees employed by HDC and HRC by key activity.

Table (4.20): Number of Saudi and Non-Saudi Employees at HDC and HRC

Department/Title	31 December 2022G		31 December 2023G		31 December 2024G		31 March 2025G	
	Saudi Employees	Non-Saudi Employees	Saudi Employees	Non-Saudi Employees	Saudi Employees	Non-Saudi Employees	Saudi Employees	Non-Saudi Employees
Daycare centers	1,123	168	1,422	226	1,629	337	1,610	339
Owned schools	115	28	105	27	110	29	109	27
Non-owned schools	28	44	10	49	8	65	7	66
Clinics	3	5	17	4	34	7	38	8
Administrative and financial affairs	25	22	27	25	34	28	37	29
Total	1,294	267	1,581	331	1,815	446	1,801	469

Source: The Company

4.10.2.3 NEMA Group

The following table sets out the number of employees working at NEMA Group by key activity.

Table (4.21): Number of Employees at NEMA Group

Department/Title	31 December 2022G	31 December 2023G	31 December 2024G	31 March 2025G
Academic Services	140	147	168	169
Administrative Affairs	80	95	86	84
Student Engagement and Admission	27	32	30	29
Corporate Training	7	11	10	10
Executive Management	13	12	11	11
Facilities	99	88	97	98
Educational staff	339	322	370	385
Financial Affairs and Procurement	56	50	46	46
Human Resources	25	24	23	22
IT	38	36	36	34
Marketing and Business Development	43	34	39	38
Other departments	22	23	28	28
Total	889	874	944	954

Source: The Company



4.10.3 Saudization

As of 21/06/2025G, the Company has 17 employees, 9 of whom are Saudi nationals. According to the last nationalization certificate extracted on 21/06/2025G, the Company has achieved a 64% Saudization rate and has been classified within the platinum range in the Nitaqat classification endorsed by MHRSD.

The following table sets out the details of the Saudization rate at the Group Companies in the KSA.

Table (4.22): Details of Saudization at the Group Companies

Company	Certificate No.	Date	Saudization (%)
The Company	101225-17928561	21/06/2025G	64%
HDC	176607-19117373	06/05/2025G	78%
HRC	198920-99756510	06/05/2025G	88%

Source: The Company

The Group's Subsidiaries in the KSA benefit from the private sector Employment Support Program of the Human Resources Development Fund (**HRDF**), whereby HRDF bears a percentage of private sector employee wages for a period not exceeding the first 24 months from an establishment's commencement of work, and in accordance with the program's specific eligibility terms. The support provided to the Group by HRDF amounted to SAR 1.7 million, SAR 15.6 million and SAR 28.2 million, representing 0.9%, 4.5% and 6.4% of the Group's revenue for the financial years ended 31 December 2022G, 2023G and 2024G, respectively. Such support amounted to SAR 8.1 million for the financial period ended 31 March 2025G, representing 5.3% of the Group's revenue for the same financial period.

4.10.4 Employee Development

Enhancing organizational health through employee education regarding the Group's strategy and vision is one of the main strategic goals of the Group's human resources. Consequently, the Group prioritizes employee engagement and has put in place a number of initiatives to engage with employees.

As the world evolves rapidly, the Company is committed to upgrading the capabilities of the Group's personnel across all Subsidiaries. This commitment to employees enables them to work smarter while boosting staff morale and maintaining high levels of employee retention. The Group utilizes its staff training and development policy to measure the effectiveness of its training programs and ensure responsibilities are assigned to line managers who collaborate with the human resources department of each subsidiary.

Key aspects of this process include:

- Identifying employee training needs and aligning them with the Group's overall requirements.
- Developing strategies to fulfill these needs and ensure the application of learned skills in the workplace.
- Fostering a culture of continuous learning among staff.
- Evaluating the impact of training programs to assess their success in achieving the desired outcomes.

Additionally, annual performance evaluations are conducted by direct managers to assess employee performance against previous year's targets, set objectives for the coming year, assess viability for promotions, and determine performance-based compensation. The Group also communicates and upholds behavioral expectations for employees through annual reviews.

4.11 Material Business Interruptions

There have been no material interruptions in the Group's business during the last twelve (12) months.

4.12 Overview of Any Material Changes in the Nature of the Group's Business

As at the date of this Prospectus, there has been no material change in the nature of the Group's business that would individually or collectively have a material effect on the Group's business, financial position, results of operations or prospects. In addition, there is no intention to make any material changes in the nature of the Group's business.



4.13 Ownership Structure and Shareholders

4.13.1 Evolution of the Company's Share Capital

Upon incorporation, the Company's share capital was ten thousand Saudi riyals (SAR 10,000), divided into one thousand fully paid shares having an equal value of ten Saudi riyals (SAR 10) per share. On 21/03/1446H (corresponding to 24/09/2024G), the shareholder agreed to increase the Company's share capital from ten thousand Saudi riyals (SAR 10,000), divided into one thousand (1,000) shares, to one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320) divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) ordinary shares with a fully paid nominal value of ten Saudi riyals (SAR 10) per share by transferring an amount of one billion, twenty-four million, three thousand, three hundred and twenty Saudi riyals (SAR 1,024,003,320) from the shareholder's contribution account to the capital account and issuing new shares amounting to one hundred and two million, four hundred thousand, three hundred and thirty-two (102,400,332) shares with a nominal value of ten Saudi riyals (SAR 10) per share.

4.13.2 The Company's Ownership Structure Pre-Offering and Post-Offering

The following table sets out the shareholding structure of the Company as at the date of this Prospectus.

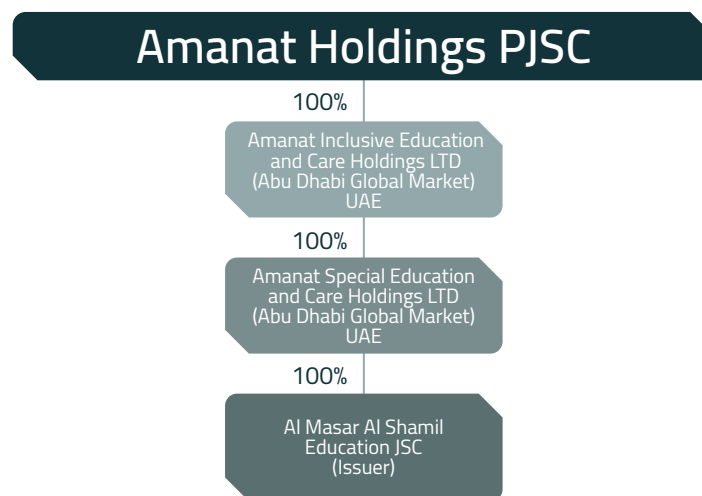
Table (4.23): The Company's Ownership Structure Pre-Offering and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	No. of Shares	Nominal Value Per Share (SAR)	Ownership (%)	No. of Shares	Nominal Value Per Share (SAR)	Ownership (%)
Amanat Special Education and Care Holdings Ltd	102,401,332	10	100%	71,680,932	10	70%
Public	-	-	-	30,720,400	10	30%
Total	102,401,332	-	100%	102,401,332	-	100%

Source: The Company.

The actual ownership of the Company is attributed to Amanat Holdings through its direct ownership of Amanat Inclusive Education and Care Holdings (ADGM), which owns the entire share capital of Amanat Special Education and Care Holdings Ltd (ADGM) and is the owner of the entire share capital of the Company, as shown in the following figure.

Figure 4.8: Company Ownership



Source: The Company



Amanat Special Education and Care Holdings Ltd (the Company's shareholder) was established under the regulations of the Abu Dhabi Global Market with a share capital of USD 1,000 (equivalent to SAR 3,750) on 02/08/2022G under Registration No. 000007870, for the purpose of owning the Company's share capital and does not undertake any other activities. Amanat Special Education and Care Holdings Ltd (the Company's shareholder) is owned by Amanat Inclusive Education and Care Holdings, which was established under the regulations of the Abu Dhabi Global Market with a share capital of USD 1,000 (equivalent to SAR 3,750) on 13/06/2022G under Registration No. 000007615, for the purpose of holding shares of Amanat Special Education and Care Holdings Ltd, which is owned by Amanat Holdings and does not undertake any other activities.

Amanat Holdings (the actual owner of the entire share capital of the Company) was established in accordance with the regulations of the UAE with a share capital of two billion, five hundred million Emirati dirhams (AED 2,500,000,000) on 17/11/2014G for the purpose of investing, holding and establishing companies in the healthcare and education sectors in the GCC states. The Company's shares were listed on the Dubai Financial Market on 29/11/2014G, and its share capital has not been changed since its establishment.

The following table sets out the ownership of Amanat Holdings:

Table (4.24): Ownership of Amanat Holdings

Shareholder	No. of Shares (in thousands)	Ownership (%)
Solidus Investment Holdings Limited	426,000	17.04%
HH Sheikh Theyab bin Zayed bin Sultan Al Nahyan	319,240	12.77%
Salem Abdullah Al Hosani	260,000	10.40%
Osool Asset Management BSC Closed	247,765	9.91%
HH Sheikh Nahyan bin Zayed Al Nahyan	154,000	6.16%
Chimera Investment LLC	151,750	6.07%
Public*	941,245	37.65%
Total	2,500,000	100%

*Includes shares owned by any person excluding the shares owned by the shareholders in the table above.

Source: As at 29/09/2025G on Dubai Financial Market's website (www.dfm.ae).

4.14 Research and Development

As at the date of this Prospectus, the Group is not engaged in research or development activities.

4.15 Technology and IT Infrastructure

IT is essential to the Group's operations, and in order to stay in business, the Group is highly invested in cybersecurity and IT infrastructure. IT plays a major role in the Group's business. The Group provides many educational programs through the use of IT, which enables it to manage its operations and student data.

The Group's IT systems have not witnessed any major interruptions during the previous three years. However, it is worth noting that the infrastructure of MDX Dubai was subjected to a cyberattack on 03/11/2021G and the investigation revealed that the attack targeted MDX Dubai data using ransomware. This attempt did not result in any loss or leakage of data, and MDX Dubai has attempted to improve the quality of its infrastructure protection and cybersecurity to avoid any similar attacks. No similar incidents have occurred since that date.

MDX Dubai manages its IT infrastructure internally, including the operation and maintenance of its servers, backup facilities and security and protection protocols. It also relies on MDX UK's IT infrastructure for certain academic services, such as learning management systems and student records.

MDX Dubai has an online portal (MyMDX) that grants its students access to all university services available online and manages student email, registration, access to research and educational materials, as well as personal information. This system also enables students to view their assessments and grades. The Group works with MDX UK to continuously develop and improve MyMDX to create a better experience for its students.

HDC and HRC manage most of their IT infrastructure internally while relying on third-party service providers to host their servers. They provide dedicated platforms for daycare centers, private schools and clinics and enable their students and clients to view and register for the services provided through such platforms.



Through the use of digital signatures, video conferencing apps, file and message monitoring apps, and digital versions of scientific and research materials instead of hard copies, these platforms, systems, and IT infrastructure allow the Group to protect the environment.

The services provided by IT are based on raising employee efficiency and increasing productivity by providing them with the latest handheld devices equipped with state-of-the-art applications to support them in their day-to-day tasks.

4.16 Latest Developments

As at the date of this Prospectus, there are no material developments that may affect the nature of the Group's business which would individually or collectively affect the Group's business, financial position or operations.





Ownership and Organizational Structure

5



5. Ownership and Organizational Structure

5.1 Share Capital and Ownership Structure of the Company

As at the date of this Prospectus, the Company's share capital amounts to one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), fully paid, divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) shares, all of equal value, with a nominal value of ten Saudi riyals (SAR 10) per share.

The following table sets out the Company's ownership structure pre-Offering and post-Offering:

Table (5.1): Direct Ownership Structure of the Company's Shares Pre-Offering and Post-Offering

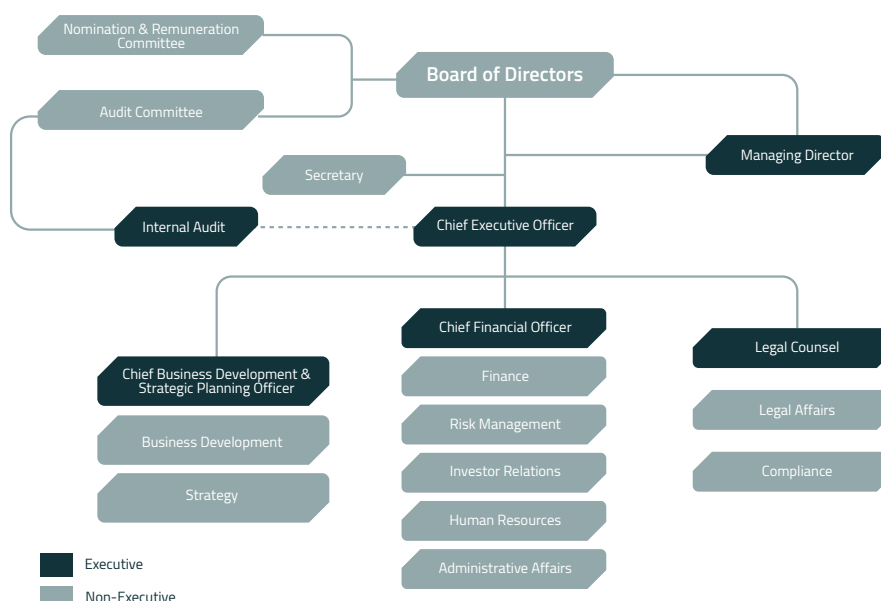
Shareholders	Pre-Offering			Post-Offering		
	No. of Shares	Nominal Value (SAR)	Ownership (%)	No. of Shares	Nominal Value (SAR)	Ownership (%)
Amanat Special Education and Care Holdings Ltd	102,401,332	1,024,013,320	100%	71,680,932	716,809,320	70%
Public	-	-	-	30,720,400	307,204,000	30%
Total	102,401,332	1,024,013,320	100%	102,401,332	1,024,013,320	100%

Source: The Company

5.2 Organizational Structure of the Company

The Company's organizational structure comprises the Board of Directors (the "**Board of Directors**" or the "**Board**"), the Executive Management and the Board committees, namely (1) the Audit Committee and (2) the Nomination and Remuneration Committee. These committees assume the powers delegated to them by the Board in accordance with the Company's Corporate Governance Manual. The Board is ultimately responsible for the direction, general supervision and general control of the Company. The following chart sets out the organizational structure of the Company:

Figure 5.1: Organizational Structure of the Company



Source: The Company



Table (5.2): Company Departments Heads

Department	Head of Department	Appointment Status	Appointment Date of Department Head	No. of Employees
Executive Management	CEO	Hired	01/09/2024G	2*
Internal Audit	Head of Internal Audit	Hired	25/05/2025G	1**
Business Development	Chief Business Development and Strategic Planning Officer	Hired ⁽¹⁶⁵⁾	15/06/2025G	1**
Strategy	Strategy Manager	Hired	01/10/2024G	1
Financial Affairs	Chief Financial Officer	Hired	17/12/2024G	4
Investor Relations	Investor Relations Director	Hired	15/06/2025G	1**
Human Resources	Human Resources Director	Hired	16/02/2025G	2
Admin Affairs	N/A***	N/A	N/A	3
Legal Affairs	Legal Counsel	Hired	15/06/2025G	1**
Compliance	Compliance Manager	Third party service provider from among the major accounting firms in the KSA has been engaged	24/09/2024G	N/A**
Risk	Risk Manager	Third party service provider from among the major accounting firms in the KSA has been engaged	24/09/2024G	N/A**

* Executive Management includes the Admin Assistant.

**Third party service providers have been engaged to support the department or to undertake its tasks and functions.

***This department does not have a head as it is overseen by the Human Resources Director.

Source: the Company.

5.3 Board of Directors and Board Secretary

5.3.1 Composition of the Board

The Company's Board of Directors is composed of nine (9) members who have experience, competency and a good reputation and are elected by the Ordinary General Assembly. According to the Company's Bylaws, the tenure of the Directors, including the Chairman, is a maximum of four (4) years per term. They may be re-elected for subsequent terms. The Board of Directors holds regular meetings as determined by the Board, with no less than four (4) meetings held per year. The Companies Law, the CGRs and the Company's Bylaws and governance rules define the Board's duties and responsibilities. According to the Company's Bylaws, and subject to the powers granted to the General Assembly, the Board of Directors has the broadest powers to manage the Company in order to achieve its objectives (for further details regarding the authorities of the Board, please refer to Section 5.4 ("**Responsibilities and Powers of the Board of Directors**") of this Prospectus). The Board of Directors was formed pursuant to the General Assembly Resolution dated 08/10/2024G and the current Board term began on 24/09/2024G and will end on 23/09/2028G. Majority of the Directors on the Company's Board are non-executive, including three (3) independent Directors as at the date of this Prospectus.

¹⁶⁵ A chief business development and strategic planning officer has been appointed, and will be onboarded following the completion of related employment procedures and issuance of the work visa to the KSA



The following table sets out the names and details of the Directors and their ownership in the Company as at the date of this Prospectus:

Table (5.3): The Company's Board of Directors

#	Name	Position	Nationality	Age	Date of Appointment*	Direct Ownership (%)		Indirect Ownership (%)		Status
						Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1	Shamsheer Vayalil Parambath	Chairman	Indian	47	24/09/2024G	N/A	N/A	17.0525%**	11.9368%	(Non-Independent) – (Non-Executive)
2	Kamal Abdullah Salem Bahamdan	Vice Chairman	Saudi	54	24/09/2024G	N/A	N/A	-	-	(Non-Independent) – (Non-Executive)
3	Barton John Ireland	Director	British	44	24/09/2024G	N/A	N/A	-	-	(Non-Independent) – (Non-Executive)
4	Ali Saeed Sultan Aldhaheeri	Director	Emirati	50	24/09/2024G	N/A	N/A	1.0363%***	0.7254%	(Non-Independent) – (Non-Executive)
5	Dhafer Sahmi Jaber Al Ahbabi	Director	Emirati	55	24/09/2024G	N/A	N/A	0.2130%****	0.1491%	(Non-Independent) – (Non-Executive)
6	Fawaz Talal Abdelqadr Goth	Director	Saudi	40	24/09/2024G	N/A	N/A	-	-	(Independent) – (Non-Executive)
7	Fadi Habib	Managing Director	Canadian	41	24/09/2024G	N/A	N/A	-	-	(Executive) – (Non-Independent)
8	Muhannad Mohammed Saud Aldawood	Director	Saudi	37	24/09/2024G	N/A	N/A	-	-	(Independent) – (Non-Executive)
9	Abdulwahab Al-Halabi	Director	British	50	24/09/2024G	N/A	N/A	0.02%*****	0.014%	(Independent) – (Non-Executive)

* The dates indicate the beginning of each Director's appointment to the Board for the current term.

** The ownership of the Director Shamsheer Vayalil consists of his direct ownership of 0.0094% of the share capital of Amanat Holdings and his ownership of 100% of the share capital of Solidus Investment Holdings Limited, which owns 17.0431% of Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings LTD, which owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which in turn owns 100% of the Company's shares prior to the Offering.

*** The ownership of the Director Ali Saeed Aldhaheeri consists of his direct ownership of 1.0363% of Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings LTD, which owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which in turn owns 100% of the Company's shares prior to the Offering.

**** The ownership of the Director Dhafer Sahmi Al Ahbabi is represented by his direct ownership of 0.2130% of the shares of Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings LTD, which owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which in turn owns 100% of the Company's shares prior to the Offering.

***** The ownership of the Director Abdulwahab Al-Halabi is represented by his direct ownership of 0.02% of the shares of Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings LTD, which owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which in turn owns 100% of the Company's shares prior to the Offering.

Source: The Company

The current Board Secretary is Yehia Yasser Abdelmonem Khorshed, who was appointed to this position for the current Board term pursuant to the Board resolution dated 27/04/1446H (corresponding to 30/10/2024G). The Board Secretary does not own any shares in the Company.



5.3.2 Summary Biographies of the Directors and Board Secretary

An overview of the experience, qualifications and current and previous positions of each Director and the Board Secretary is provided below.

Table (5.4): Summary Biography of Shamsheer Vayalil Parambath – Chairman

Name	Shamsheer Vayalil Parambath
Age	47
Nationality	Indian
Current Position	Chairman
Academic Qualifications	– Honorary Doctorate, Aligarh Muslim University, India, 2014G. – PhD in Radiology, Sri Ramachandra Medical College and Research Institute, India, 2003G. – MBBS, Kasturba Medical College, India, 2000G.
Other Current Positions	– Director, VPS Investment Holdings PVT. LTD, a UAE-based limited liability company operating in the investment sector, from 2024G to the date of this Prospectus. – Director, Primos Café LLC, a UAE-based limited liability company operating in the food sector, from 2024G to the date of this Prospectus. – Chairman of the Nomination and Remuneration Committee, Response Plus Holding, a UAE-based private joint-stock company operating in the healthcare sector, from 2024G to the date of this Prospectus. – Chairman, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2023G to the date of this Prospectus. – Chairman, Burjeel Holdings, a UAE-based public joint-stock company operating in the healthcare sector, from 2022G to the date of this Prospectus. – Director, Burjeel Investments and Property, a UAE-based limited liability company operating in the healthcare sector, from 2022G to the date of this Prospectus. – Director, Kypros Nicolaides Fetal Medicine and Therapy Center, a UAE-based limited liability company operating in the healthcare sector, from 2022G to the date of this Prospectus. – Director, Burjeel Pharmacy Forsan Central Mall, a UAE-based limited liability company operating in the healthcare sector, from 2022G to the date of this Prospectus. – Director, Response Plus Holdings, a UAE-based private joint-stock company operating in the healthcare sector, from 2021G to the date of this Prospectus. – Director, Pharmacare Holdings Limited, a UAE-based limited liability company operating in the healthcare sector, from 2021G to the date of this Prospectus. – Director, VPS Healthcare Limited, an India-based limited liability company operating in the healthcare sector, from 2021G to the date of this Prospectus. – Director, Co Lab Services, a UAE-based limited liability company operating in the healthcare sector, from 2021G to the date of this Prospectus. – Director, Co Rad Services, a UAE-based limited liability company operating in the healthcare sector, from 2021G to the date of this Prospectus. – Director, Response Plus Investment, a UAE-based limited liability company operating in the investment sector, from 2021G to the date of this Prospectus. – Director, LLH Clinic, a UAE-based limited liability company operating in the healthcare sector, from 2021G to the date of this Prospectus. – Director, Burjeel Pharmacy Retail, a UAE-based limited liability company operating in the healthcare sector, from 2021G to the date of this Prospectus. – Director, VPS Healthcare Holdings PVT. LTD, a UAE-based limited liability company operating in the healthcare sector, from 2020G to the date of this Prospectus. – Director, VPS Healthcare Global Limited, a UAE-based limited liability company operating in the healthcare sector, from 2020G to the date of this Prospectus. – Director, Burjeel Cancer Institute, a UAE-based limited liability company operating in the healthcare sector, from 2020G to the date of this Prospectus. – Director, First IVF Fertility Center LLC, a UAE-based limited liability company operating in the healthcare sector, from 2019G to the date of this Prospectus. – Director, Tajmeel Cosmo Clinic LLC, a UAE-based limited liability company operating in the healthcare sector, from 2018G to the date of this Prospectus.



Other Current Positions	- Director, LLH Mobile Medical Unit LLC, a UAE-based limited liability company operating in the healthcare sector, from 2018G to the date of this Prospectus. - Director, LLH Mammography Unit LLC, a UAE-based limited liability company operating in the healthcare sector, from 2018G to the date of this Prospectus. - Director, Burjeel Home Care Services LLC, a UAE-based limited liability company operating in the healthcare sector, from 2018G to the date of this Prospectus. - Director, Trovant Capital Holding LTD, a UAE-based limited liability company operating in the investment sector, from 2017G to the date of this Prospectus. - Director, Ziva Wet Wipes LLC, a UAE-based limited liability company operating in the manufacturing sector, from 2017G to the date of this Prospectus. - Director, Ziva Wet Wipes Industry LLC, a UAE-based limited liability company operating in the manufacturing sector, from 2017G to the date of this Prospectus. - Secretary General, EduCare Charitable Trust, an India-based charitable trust operating in the education sector, from 2016G to the date of this Prospectus. - Director, Burjeel Pharmacy Al Marina LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to the date of this Prospectus. - Director, Tajmeel Royal Dental Clinic LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to the date of this Prospectus. - Director, Claims Care Revenue Cycle Management Office LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to the date of this Prospectus. - Director, VPS Global Limited, a UK-based limited liability company operating in the investment sector, from 2015G to the date of this Prospectus. - Director, Kannur International Airport, an India-based limited liability company operating in the civil aviation sector, from 2015G to the date of this Prospectus. - Director, Appurtenant Holdings Limited, a Virgin Islands-based limited liability company operating in the investment sector, from 2015G to the date of this Prospectus. - Director, Ziva Wet Wipes FZE, a UAE-based limited liability company operating in the manufacturing sector, from 2015G to the date of this Prospectus. - Director, Medeor 24x7 Pharmacy LLC, a UAE-based limited liability company operating in the healthcare sector, from 2015G to the date of this Prospectus. - Director, VPS Healthcare, a UAE-based limited liability company operating in the healthcare sector, from 2014G to the date of this Prospectus. - Director, VPS Healthcare LLC, a UAE-based limited liability company operating in the healthcare sector, from 2014G to the date of this Prospectus. - Director, Tajmeel Specialized Medical Centre LLC, a UAE-based limited liability company operating in the healthcare sector, from 2014G to the date of this Prospectus. - Director, Burjeel Pharmacy, a UAE-based limited liability company operating in the healthcare sector, from 2014G to the date of this Prospectus. - Director, Tajmeel Kids Park Medical Centre LLC, a UAE-based limited liability company operating in the healthcare sector, from 2013G to the date of this Prospectus. - Director, Lifecare Hospital LLC, a UAE-based limited liability company operating in the healthcare sector, from 2013G to the date of this Prospectus. - Director, Lifecare International Pharmacy LLC, a UAE-based limited liability company operating in the healthcare sector, from 2013G to the date of this Prospectus. - Director, I Med IT Solutions LLC, a UAE-based limited liability company operating in the healthcare sector, from 2013G to the date of this Prospectus. - Director, Unique Valet Parking, a UAE-based limited liability company operating in the healthcare sector, from 2013G to the date of this Prospectus. - Director, Burjeel Dental Laboratory LLC, a UAE-based limited liability company operating in the healthcare sector, from 2013G to the date of this Prospectus. - Director, Middle East North Africa Conference Company LLC, a UAE-based limited liability company operating in the conference sector, from 2012G to the date of this Prospectus. - Director, Life Pharma Holding PVT LTD, a UAE-based limited liability company operating in the healthcare sector, from 2012G to the date of this Prospectus.
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Other Current Positions	- Director, Lakeshore Hospital and Research Centre LTD, a limited liability company based in India, operating in the healthcare sector, from 2011G to the date of this Prospectus. - Director, Lifeline Drug Store LLC, a limited liability company based in the UAE operating in the healthcare sector, from 2009G to the date of this Prospectus. - Director, Royal Keita Catering LLC, a limited liability company based in the UAE operating in the food sector, from 2005G to the date of this Prospectus.
Previous Positions	- Director, Burjeel Quick Clinic LLC, a UAE-based limited liability company operating in the healthcare sector, from 2021G to 2024G. - Director, Operonix Operation and Management, a UAE-based limited liability company operating in the healthcare sector, from 2021G to 2024G. - Director, Burjeel Judiciary Medical Centre LLC, a UAE-based limited liability company operating in the healthcare sector, from 2019G to 2024G. - Director, Tajmeel Royal Clinic LLC, a UAE-based limited liability company operating in the healthcare sector, from 2018G to 2024G. - Director, Tajmeel Royal Pharmacy LLC, a UAE-based limited liability company operating in the healthcare sector, from 2018G to 2024G. - Director, Burjeel Specialty Hospital LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to 2024G. - Director, Burjeel Royal Pharmacy (Asharij) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to 2024G. - Director, Burjeel Medical Centre (Barari) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to 2024G. - Director, Burjeel Medical Centre (Alzeina) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2015G to 2024G. - Director, Burjeel Day Surgery Centre (Al Shahamah) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2014G to 2024G. - Director, Medeor 24x7 Hospital Dubai LLC, a UAE-based limited liability company operating in the healthcare sector, from 2014G to 2024G. - Director, Burjeel Hospital for Advanced Surgery LLC, a UAE-based limited liability company operating in the healthcare sector, from 2013G to 2024G. - Director, Burjeel Hospital Pharmacy LLC, a UAE-based limited liability company operating in the healthcare sector, from 2012G to 2024G. - Director, Medeor Medical Center, a UAE-based limited liability company operating in the healthcare sector, from 2003G to 2024G. - Director, Response Plus Holdings, a UAE-based private joint-stock company operating in the healthcare sector, from 2021G to 2023G. - Director, LLH Mobile Clinic LLC, a UAE-based limited liability company operating in the healthcare sector, from 2018G to 2023G. - Director, Burjeel Pharmacy (Al Reem), a UAE-based limited liability company operating in the healthcare sector, from 2017G to 2023G. - Director, Burjeel Day Surgery Centre LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to 2023G. - Director, Burjeel Royal Hospital LLC, a UAE-based limited liability company operating in the healthcare sector, from 2016G to 2023G. - Director, Burjeel Royal Hospital (Asharij), a UAE-based limited liability company operating in the healthcare sector, from 2016G to 2023G. - Director, LLH Medical Centre Alwaha, a UAE-based limited liability company operating in the healthcare sector, from 2016G to 2023G. - Director, Medeor 24x7 Hospital LLC, a UAE-based limited liability company operating in the healthcare sector, from 2015G to 2023G. - Director, LLH Medical Centre (Al Musaffah) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2015G to 2023G. - Director, Burjeel Medical Centre (Al Shamkha) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2015G to 2023G. - Director, Burjeel Medical Centre (Al Marina) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2014G to 2023G.



Previous Positions	- Director, LLH Medical Centre LLC, a UAE-based limited liability company operating in the healthcare sector, from 2014G to 2023G. - Director, Burjeel Medical City LLC, a UAE-based limited liability company operating in the healthcare sector, from 2013G to 2023G. - Director, Burjeel Pharmacy Retail, a UAE-based limited liability company operating in the healthcare sector, from 2013G to 2023G. - Director, Burjeel Pharmacy LLC, a UAE-based limited liability company operating in the healthcare sector, from 2012G to 2023G. - Director, Burjeel Hospital LLC, a UAE-based limited liability company operating in the healthcare sector, from 2011G to 2023G. - Director, Lifeline Hospital (Oman), an Oman-based limited liability company operating in the healthcare sector, from 2010G to 2023G. - Director, LLH Hospital (Al Musaffah) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2008G to 2023G. - Director, LLH Hospital Pharmacy (Al Musaffah) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2008G to 2023G. - Director, Pharmacy (Al Musaffah) LLC, a UAE-based limited liability company operating in the healthcare sector, from 2008G to 2023G. - Director, LLH Hospital Pharmacy LLC, a UAE-based limited liability company operating in the healthcare sector, from 2007G to 2023G. - Director, Response Plus Manpower Supply, a UAE-based limited liability company operating in the healthcare sector, from 2018G to 2022G. - Vice Chairman and Managing Director, Amanat Holdings, a UAE-based public joint-stock company operating in investing in the healthcare and education sector, from 2017G to 2022G. - Director, International Knee & Joint Centre, a UAE-based limited liability company operating in the healthcare sector, from 2013G to 2022G. - Director, LLH Hospital LLC, a UAE-based limited liability company operating in the healthcare sector, from 2006G to 2022G. - Director, Response Plus Drug Stores LLC, a UAE-based limited liability company operating in the healthcare sector, from 2019G to 2021G. - Director, OccuMed Clinic, a UAE-based limited liability company operating in the healthcare sector, from 2015G to 2021G. - Director, Response Plus Medical Services, a UAE-based limited liability company operating in the healthcare sector, from 2013G to 2021G.
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Source: The Company



Table (5.5): Summary Biography of Kamal Abdullah Bahamdan – Vice Chairman

Name	Kamal Abdullah Salem Bahamdan
Age	54
Nationality	Saudi
Current Position	Vice Chairman
Academic Qualifications	Bachelor's degree in Manufacturing Engineering, Boston University, USA, 1994G.
Other Current Positions	- Vice Chairman, Bahamdan Group (Sara Trade Holding), a KSA-based limited liability company operating in the investment sector, from 1999G to the date of this Prospectus. - Director, Safanad Limited, a Cayman Islands-based limited liability company operating in the investment sector, from 2009G to the date of this Prospectus. - Founder and CEO, Safanad Limited, a Cayman Islands-based limited liability company operating in the investment sector, from 2009G to the date of this Prospectus. - Director, Safanad Patron Investors 1 Limited, a Cayman Islands-based limited liability company operating in the investment sector, from 2013G to the date of this Prospectus. - Director, Pansophic Learning LTD, a Cayman Islands-based limited liability company operating in the education sector, from 2014G to the date of this Prospectus. - Director, Global School Management, a Cayman Islands-based limited liability company operating in the education sector, from 2022G to the date of this Prospectus. - Director, Kohat Limited, a limited liability company based in the Cayman Islands operating in the investment sector, from 2010G to the date of this Prospectus. - Director, K12 Middle East, a limited liability company based in the Cayman Islands operating in the education sector, from 2008G to the date of this Prospectus. - Director, HC-One Topco Limited, a limited liability company based in the Cayman Islands operating in the healthcare sector, from 2021G to the date of this Prospectus. - Director, Badad International Company for Trading and Contracting LTD, a KSA-based limited liability company operating in the investment sector, from 1999G to the date of this Prospectus. - Director, Health Water Bottling Co. LTD, a KSA-based unlisted joint-stock company operating in the water bottling sector, from 2015G to the date of this Prospectus. - Chairman, Tadrees Education Company, a KSA-based limited liability company operating in the education sector, from 2009G to the date of this Prospectus.
Previous Positions	- CEO, Bahamdan Group (Sara Trade Holding), a KSA-based limited liability company operating in the investment sector, from 1999G to 2017G. - Director, Tasheelat Company, a KSA-based limited liability company operating in the fuel stations sector, from 2009G to 2019G. - Director, Gulf Finance House, a Bahrain-based joint-stock company operating in the investment sector, from 2017G to 2018G. - Director, Amanat Holdings, a UAE-based public joint-stock company operating in the investment sector, from 2014G to 2016G.

Source: The Company



Table (5.6): Summary Biography of Barton John Ireland – Director

Name	Barton John Ireland
Age	44
Nationality	British
Current Position	Director
Academic Qualifications	ACA, Institute of Chartered Accountants in Britain and Wales, 2005G. Bachelor's degree in Business Administration, University of Exeter, UK, 2001G.
Other Current Positions	– CEO, Amanat Holdings, the ultimate owner of the Company, a UAE-based public joint-stock company operating in investing in the health and education sector, from 2024G to the date of this Prospectus. – Director, Royal Specialist Hospital, a Bahrain-based limited liability company operating in the healthcare sector, from 2024G to the date of this Prospectus. – Director, WMCE, a Bahrain-based limited liability company operating in the investment sector, from 2024G to the date of this Prospectus. – Director, HC Investments 1 Holdings Limited, a subsidiary of the Group, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, NEMA Holding Company, a subsidiary of the Group, a UAE-based limited liability company operating in the education sector, from 2023G to the date of this Prospectus. – Director, MDX Associates, a subsidiary of the Group, a UAE-based limited liability company operating in the higher education sector, from 2023G to the date of this Prospectus. – Director, HDC, a subsidiary of the Group, a KSA-based limited liability company operating in the special education and care sector, from 2023G to the date of this Prospectus. – Director, AH Alpha Investments Holdings 1 LTD, a subsidiary of the Group, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AH Alpha Investments Holdings 2 LTD, a subsidiary of the Group, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AH Alpha Investments Holdings 3 LTD, a subsidiary of the Group, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AHE Alpha Limited, a subsidiary of the Group, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AHE Ethos LTD, a limited liability company based in Jebel Ali Free Zone operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AHE Ethos LTD (Abu Dhabi Global Market), a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AHE Investments LTD, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AHH Alpha Limited, a subsidiary of the Group, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, AHH Investments LTD, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, Amanat Education Investments LLC, a UAE-based limited liability holding company without any activities, from 2023G to the date of this Prospectus. – Director, Amanat HE Alpha Investments LLC, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, Amanat Healthcare Investments LLC, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, Amanat HH Alpha Investments LLC, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, Amanat Higher Education Holdings Limited, a UAE-based limited liability holding company without any activities, from 2023G to the date of this Prospectus. – Director, Amanat Investments LLC, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, Amanat Inclusive Education and Care LTD, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus.



Other Current Positions	- Director, Amanat Ventures Holdings Limited, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. - Director, Maternity Holding Co. LTD, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. - Director, Talent Investment LLC, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. - Director, Cambridge Medical and Rehabilitation Holdings Limited, a UAE based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. - Director, HC Investments LTD, a KSA-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. - Director, CMRC Saudi Arabia, a KSA-based limited liability company operating in the healthcare sector, from 2023G to the date of this Prospectus. - Director, Cambridge Medical and Rehabilitation Centre, a UAE-based limited liability company operating in the healthcare sector, from 2023G to the date of this Prospectus. - Member of the Audit Committee, NEMA Holding Company, a UAE-based limited liability company operating in the education sector, from 2022G to the date of this Prospectus.
Previous Positions	- CFO, Amanat Holdings, a UAE-based public joint-stock company operating in investing in the healthcare and education sector, from 2021G to 2024G. - CFO and Strategy Manager, Qiddiya Investment Company, a KSA-based closed joint-stock company operating in the entertainment and tourism sector, from 2020G to 2021G. - CFO, DXB Entertainments, a UAE-based public joint-stock company operating in the entertainment sector, from 2017G to 2020G. - CFO, Rotana Holding, a UAE-based limited liability company operating in the media sector, from 2011G to 2017G. - Finance, Strategy and Business Development Manager, News International, a UK-based limited liability company operating in the media sector, from 2007G to 2011G. - Audit Manager, Deloitte, a UK-based limited liability company operating in the professional services sector, from 2005G to 2007G.

Source: The Company



Table (5.7): Summary Biography of Ali Saeed Sultan Aldhaheeri – Director

Name	Ali Saeed Sultan Aldhaheeri
Age	50
Nationality	Emirati
Current Position	Director
Academic Qualifications	– PhD in Business Administration, Durham University, United Kingdom, 2019G. – MBA, American University, USA, 2001G. – Bachelor's degree in Business Administration, United Arab Emirates University, UAE, 1997G.
Other Current Positions	– CEO, NEMA Holding Company, a subsidiary of the Group, a UAE-based limited liability company operating in the education sector, from 2006G to the date of this Prospectus. – Managing Director, Bin Harmal Group, a UAE-based limited liability company operating in the investment sector, from 2001G to the date of this Prospectus. – Chairman of the Board of Trustees, Liwa International Schools, a UAE-based limited liability company operating in the education sector, from 1994G to the date of this Prospectus. – Chairman and Founder, BHS Investments, a UAE-based limited liability company operating in the investment sector, from 2001G to the date of this Prospectus. – Chairman, Exceed Information Technology (GCC), a UAE-based limited liability company operating in the information technology sector, from 2001G to the date of this Prospectus. – Member of the Board of Trustees, Abu Dhabi University, a UAE-based limited liability subsidiary operating in the education sector, from 2003G to the date of this Prospectus. – Chairman, Abu Dhabi University, a UAE-based limited liability subsidiary operating in the higher education sector, from 2014G to the date of this Prospectus. – Chairman and Founder, Arclight Services, a UAE-based limited liability subsidiary operating in the real estate sector, from 2005G to the date of this Prospectus. – Chairman, NEMA Holding Company, a UAE-based limited liability subsidiary operating in the education sector, from 2018G to the date of this Prospectus. – Chairman, Magna Investment, a UAE-based limited liability company operating in the investment sector, from 2006G to the date of this Prospectus. – Chairman of the Board of Trustees, Ali Bin Harmal Educational Award, a non-profit initiative in the UAE, from 2006G to the date of this Prospectus. – Chairman, Watania International Holding Company, a UAE-based public joint-stock company operating in the insurance sector, from 2022G to the date of this Prospectus. – Chairman, Al Ain Homes, a Jordan-based limited liability company operating in the real estate sector, from 2013G to the date of this Prospectus. – Chairman of the Board of Trustees, Bin Harmal Quran Center, a UAE-based non-profit initiative, from 2015G to the date of this Prospectus. – Chairman, Liwa Education, a subsidiary of the Group, a UAE-based limited liability company operating in the education sector, from 2016G to the date of this Prospectus. – Chairman, NEMA Education, a subsidiary of the Group, a UAE-based limited liability company operating in the education sector, from 2015G to the date of this Prospectus. – Director, Sandoq Al Watan, UAE Social Welfare Fund, a UAE-based fund operating in the public sector, from 2020G to the date of this Prospectus. – Head of the Donations and Collection Committee, UAE Social Welfare Fund, a UAE-based fund operating in the public sector, from 2020G to the date of this Prospectus. – Director, Abu Dhabi Public and Private Sector Economic Committee, based in the UAE and operating in the public sector, from 2020G to the date of this Prospectus. – Director, Amanat Holdings, a UAE-based public joint-stock company operating in the investment sector, from 2018G to the date of this Prospectus. – Member of the Strategies and Investment Committee, Amanat Holdings, a UAE-based public joint-stock company operating in the investment sector, from 2020G to the date of this Prospectus. – Head of the Audit Committee, Amanat Holdings, a UAE-based public joint-stock company operating in the investment sector, from 2022G to the date of this Prospectus.



Other Current Positions	- Member of the Venture Capital Investment Committee, Amanat Holdings, a UAE-based public joint-stock company operating in the investment sector, from 2022G to the date of this Prospectus. - First Vice Chairman, Abu Dhabi Chamber of Commerce and Industry, a UAE-based government entity, from 2021G to the date of this Prospectus. - Chairman, Abu Dhabi International Arbitration Centre, Abu Dhabi Chamber of Commerce and Industry, a UAE-based government entity, from 2024G to the date of this Prospectus. - Head of the Government Laws and Legislation Review Committee, Abu Dhabi Chamber of Commerce and Industry, from 2021G to the date of this Prospectus. - Head of the Commercial Arbitration Committee, Abu Dhabi Chamber of Commerce and Industry, from 2024G to the date of this Prospectus. - Deputy Head of the Trade, Agreement and Arbitration Committee, UAE Ministry of Human Resources and Emiratisation, from 2021G to the date of this Prospectus. - Member of the Collective Labor Dispute Resolution Committee, Ministry of Human Resources and Emiratisation, a UAE-based government entity, from 2021G to the date of this Prospectus. - Member of the Higher Committee, Sheikha Fatima Fund for Women Refugees, a UAE-based humanitarian organization, from 2023G to the date of this Prospectus. - Member of the Advisory Board, TRENDS Research & Advisory, Abu Dhabi, a center involved in research and advisory services in various sectors, from 2024G to the date of this Prospectus.
Previous Positions	- Chairman, Desert Adventures Tourism, a UAE-based limited liability company operating in the tourism and travel services sector, from 1997G to 2008G. - Chairman, Emirates International Hospital, a UAE-based private healthcare facility operating in the health sector, from 2001G to 2012G. - Head of the Founding Committee, Abu Dhabi University, a UAE-based limited liability company operating in the education sector, from 2001G to 2003G. - Chairman of the Executive Council, Abu Dhabi University, a UAE-based limited liability company operating in the education sector, from 2003G to 2014G. - Secretary General, Al Ain Club, a UAE-based government sports club, from 2005G to 2008G. - Managing Director, Abu Dhabi National Exhibitions Company, a UAE government company, from 2008G to 2016G. - Director, Abu Dhabi National Exhibitions Company, a UAE government company, from 2006G to 2016G. - Chairman of the Audit Committee, Abu Dhabi National Exhibitions Company, a UAE government company, from 2011G to 2016G. - Director, Excel London, a UK-based limited liability company operating in the events and exhibitions management sector, from 2008G to 2016G. - Member of the Audit Committee, Excel London, a UK-based limited liability company operating in the events and exhibitions management sector, from 2011G to 2015G. - Chairman of the Nomination and Remuneration Committee, Excel London, a UK-based limited liability company operating in the events and exhibitions management sector, from 2011G to 2016G. - Vice Chairman, Higher Education Sports Federation, a UAE-based government entity operating in the sports and education sector, from 2008G to 2020G. - Director, Emirates Red Crescent Authority, a UAE-based government entity operating in the humanitarian and social services sector, from 2009G to 2011G. - Member of the Audit Committee, Abu Dhabi Tourism and Culture Authority, a UAE-based government entity operating in the tourism and culture sector, from 2011G to 2015G. - Member of the Audit Committee, National Takaful Company, a UAE-based public joint-stock company operating in the insurance sector, from 2011G to 2015G. - Member of the Nomination and Remuneration Committee, National Takaful Company, a UAE-based public joint-stock company operating in the insurance sector, from 2017G to 2022G. - Chairman, National Takaful Company, a UAE-based public joint-stock company operating in the insurance sector, from 2017G to 2022G. - Chairman, Khwarizmi Holding, a UAE-based limited liability company operating in the education, technology and investment sectors, from 2015G to 2021G. - Director, Al Ramz Corporation, a UAE-based public joint-stock company operating in the financial services and investment sector, from 2017G to 2024G. - Chairman of the Nomination and Remuneration Committee, Al Ramz Corporation, a UAE-based listed joint-stock company operating in the financial services and investment sector, from 2017G to 2024G. - Member of the Board of Trustees, Mohamed bin Zayed University, a UAE-based government higher education institution, from 2020G to 2023G.

Source: The Company



Table (5.8): Summary Biography of Dhafer Sahmi Jaber Mufreh Al Ahbabi – Director

Name	Dhafer Sahmi Jaber Mufreh Al Ahbabi
Age	55
Nationality	Emirati
Current Position	Director
Academic Qualifications	Bachelor's degree in Science and Economics, United Arab Emirates University, UAE, 1992G.
Other Current Positions	- Chairman, Al Ramz, a UAE-based public joint-stock company operating in the financial services sector, from 2015G to the date of this Prospectus. - Director, Amanat Holdings, a UAE-based public joint-stock company operating in the healthcare sector, from 2020G to the date of this Prospectus. - Chairman of the Nomination and Remuneration Committee, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2020G to the date of this Prospectus.
Previous Positions	- Director, First Abu Dhabi Bank, a UAE-based public joint-stock company operating in the financial services sector, from 2000G to 2007G. - Director, Abu Dhabi Islamic Bank, a UAE-based public joint-stock company operating in the banking sector, from 1998G to 2000G. - Director, Investment Bank, a UAE-based public joint-stock company operating in the banking sector, from 2016G to 2019G. - Director, Abu Dhabi Holding Group, a UAE-based private joint-stock company operating in the education sector, from 2002G to 2017G.

Source: The Company

Table (5.9): Summary Biography of Fawaz Talal Abdelqadr Goth – Director

Name	Fawaz Talal Abdelqadr Goth
Age	40
Nationality	Saudi
Current Position	Director
Academic Qualifications	- Executive Master's degree in Business Administration, American University of Sharjah, UAE, 2017G. - Bachelor's degree in Civil Engineering, University of Sharjah, UAE, 2007G.
Other Current Positions	- Director, Tahaluf Company, a KSA-based limited liability company operating in the events organization sector, from 2024G to the date of this Prospectus. - Chief Development Officer, Saudi Events Investment Fund, from 2023G to the date of this Prospectus.
Previous Positions	- Acting Chief Executive Officer, Saudi Events Investment Fund, from 2023G to 2025G. - Advisor, Royal Commission for Riyadh City, from 2020G to 2023G. - Head of Project Management Department, Dubai Holding, a UAE-based semi-governmental limited liability company operating in the real estate sector, from 2017G to 2019G. - Head of Project Management Department, Meraas Holding Company, a UAE-based semi-governmental limited liability company operating in the real estate sector, from 2014G to 2017G. - Engineer, Saudi Aramco, a KSA-based public joint-stock company operating in the energy sector, from 2012G to 2013G. - Senior Project Director, Nakheel, a UAE-based governmental private joint-stock company operating in the real estate sector, from 2007G to 2012G. - Development Director, Nakheel, a UAE-based governmental private joint-stock company operating in the real estate sector, from 2007G to 2012G.

Source: The Company



Table (5.10): Summary Biography of Fadi Habib – Managing Director

Name	Fadi Habib
Age	41
Nationality	Canadian
Current Position	Managing Director
Academic Qualifications	– Certificate of Chartered Financial Analyst (CFA), Chartered Institute of Finance, 2012G. – Master's degree in Financial Business Administration, McMaster University, Canada, 2007G. – Bachelor's degree in Computer Engineering, Queen's University, Canada, 2005G.
Other Current Positions	– Director, HC Investments 1 Holdings, a UAE-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, NEMA Holding Company, a Group company, a UAE-based limited liability company operating in the education sector, from 2023G to the date of this Prospectus. – Member of the Executive Committee, Liwa College Company, a Group company, a UAE-based limited liability company operating in the education sector, from 2023G to the date of this Prospectus. – Director, HDC, a Group company, a KSA-based limited liability company operating in the special education and care sector, from 2023G to the date of this Prospectus. – Director, MDX Associates, a Group company, a UAE-based limited liability company operating in the education sector, from 2020G to the date of this Prospectus. – Director, Amanat Special Education and Care Holdings Ltd, a UAE-based limited liability company operating in the investment sector, from 2024G to the date of this Prospectus. – Director, Amanat Inclusive Education and Care LTD, a UAE-based limited liability company operating in investing in the investment sector, from 2024G to the date of this Prospectus. – Director, Amanat Higher Education Holdings Limited, a UAE-based limited liability holding company without any activities, from 2024G to the date of this Prospectus. – Director, Amanat Ventures Holding Limited, a UAE-based limited liability holding company without any activities, from 2024G to the date of this Prospectus. – Director, AH Alpha Investments Holdings 1 LTD, a Group company, a UAE-based limited liability company operating in the investment sector, from 2024G to the date of this Prospectus. – Director, AH Alpha Investments Holdings 2 LTD, a Group company, a UAE-based limited liability company operating in the investment sector, from 2024G to the date of this Prospectus. – Director, AH Alpha Investments Holdings 3 LTD, a Group company, a UAE-based limited liability company operating in the investment sector, from 2024G to the date of this Prospectus. – Director, AHE Ethos LTD, a UAE-based limited liability company operating in the investment sector, from 2024G to the date of this Prospectus. – Member of the Finance Committee, Abu Dhabi University, a UAE-based limited liability company operating in the higher education sector, from 2020G to the date of this Prospectus
Previous Positions	– Head of Investments, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2023G to 2025G. – Head of Educational Investments, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2020G to 2023G. – Member of the Audit Committee, NEMA Holding Company, a UAE-based limited liability company operating in the higher education sector, from 2020G to 2022G. – Head of Investments, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, 2020G. – Deputy Head of Investments, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2017G to 2020G. – Investment Assistant, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2015G to 2017G. – Senior Advisor, Bank of Nova Scotia, a Canada-based public joint-stock company operating in the banking sector, from 2011G to 2014G. – Advisor, Canadian Imperial Bank of Commerce, a Canada-based public joint-stock company operating in the banking sector, from 2010G to 2011G. – Analyst, Manulife Financial Corporation, a Canada-based public joint-stock company operating in the insurance sector, from 2008G to 2009G.

Source: The Company



Table (5.11): Summary Biography of Muhannad Mohammed Saud Aldawood – Director

Name	Muhannad Mohammed Saud Aldawood
Age	37
Nationality	Saudi
Current Position	Director
Academic Qualifications	– MBA, Prince Sultan University, Riyadh, 2016G. – Bachelor's degree in Electrical Engineering, King Saud University, Riyadh, 2009G.
Other Current Positions	– Chief Strategy Officer, Qiddiya Investment Company, a KSA-based closed joint-stock company operating in the entertainment and tourism sector, from 2020G to the date of this Prospectus.
Previous Positions	– Chief Delivery Officer, Quality of Life Program Center, KSA, from 2019G to 2020G. – Executive Director, MISA, from 2017G to 2019G. – Director, Saudi Council of Economic and Development Affairs, from 2016G to 2017G. – Director, Tadawul Group, a KSA-based public joint-stock company operating in the capital market sector, from 2014G to 2016G. – Director, Etihad Etisalat (Mobily), a KSA-based public joint-stock company operating in the telecommunications and information network sector, from 2013G to 2014G.

Source: The Company

Table (5.12): Summary Biography of Abdulwahab Al-Halabi – Director

Name	Abdulwahab Al-Halabi
Age	50
Nationality	British
Current Position	Director
Academic Qualifications	– Executive Master's degree in Business Administration, Ecole Nationale des Ponts Chaussées, France, 2005G. – Fellowship, Institute of Chartered Accountants, England and Wales, 2009G. – Bachelor's degree in Economics, London School of Economics and Political Science, UK, 1996G.
Other Current Positions	– Managing Director, Embassy Capital Limited, a UAE-based limited liability company operating in the financial sector, from 2020G to the date of this Prospectus. – Partner, Decker & Halabi DMCC Limited, a UAE-based limited liability company operating in the consulting sector, from 2018G to the date of this Prospectus. – Vice Chairman, Union Properties, a UAE-based public joint-stock company operating in the real estate sector, from 2020G to the date of this Prospectus. – Director, Abu Dhabi Islamic Bank, a UAE-based public joint-stock company operating in the banking sector, from 2022G to the date of this Prospectus. – Director, TBL REIT Management Limited, a Pakistan-based limited liability company operating in the investment sector, from 2019G to the date of this Prospectus. – Director, TBL Investment Management Limited, a UAE-based limited liability company operating in the investment sector, from 2019G to the date of this Prospectus. – Director and Partner, FFAA Limited, a limited liability company based in the British Virgin Islands operating in the financial services and investment sector, from 2020G to the date of this Prospectus. – Director and Partner, Proximus Limited, a Jersey-based limited liability company operating in the telecommunications sector, from 2022G to the date of this Prospectus. – Director, AAH Limited, a limited liability company based in the British Virgin Islands operating in the investment sector, from 2012G to the date of this Prospectus. – Director, Al Massaleh Real Estate, a Kuwait-based closed joint-stock company operating in the real estate sector, from 2020G to the date of this Prospectus. – Director, BET Jerseyco Limited, a Jersey-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus.



Other Current Positions	– Director, PET UK Medco Limited, a UK-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, PET Belgium UK Limited, a UK-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, PET Bahrain UK Limited, a UK-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, JBFBH Business Management and Investment, a Bahrain-based limited liability company operating in the investment sector, from 2023G to the date of this Prospectus. – Director, Aurum (Cayman) Limited, a Cayman Islands-based limited liability company operating in the real estate sector, from 2024G to the date of this Prospectus. – Director, SNB Capital Private Real Estate Fund, a KSA-based private fund operating in the financial and real estate sector, from 2023G to the date of this Prospectus.
Previous Positions	– Director, United Arab Bank, a UAE-based public joint-stock company operating in the banking sector, from 2022G to 2023G. – Director, ABFAB Limited, a UAE-based limited liability company operating in the food and beverages sector, from 2021G to 2022G. – Chairman, Dubai Parks and Resorts, DXB Entertainments, a UAE-based limited liability company operating in the entertainment sector, from 2014G to 2021G. – Director, NMC Healthcare, a UAE-based limited liability company operating in the healthcare sector, from 2020G to 2021G. – Chief Investment Officer, Equitativa Group, a UAE-based limited liability company operating in the REIT sector, from 2016G to 2020G. – Director and CEO, Global Investment House, a Kuwait-based closed joint-stock company operating in the investment sector, from 2015G to 2020G. – Vice Chairman, Planet Pharmacy, a UAE-based limited liability company operating in the pharmaceutical sector, from 2017G to 2019G. – Director, Emirates REIT, a UAE-based real estate fund operating in the REIT sector, from 2012G to 2016G. – General Manager of Operations and General Manager of Investment, Meraas Holding Group, a UAE-based limited liability company operating in the real estate sector, from 2010G to 2016G. – Partner in Restructuring and Debt Advisory, KPMG, a UAE-based limited liability company operating in the consulting sector, from 2012G to 2013G. – CEO, Dubai Properties, a UAE-based limited liability company operating in the real estate sector, from 2009G to 2010G. – Vice President, Mizan, a UAE-based limited liability company operating in the real estate sector, from 2008G to 2009G. – General Manager of Operations, Dubai Land Company, a UAE-based limited liability company operating in the real estate sector, from 2006G to 2008G. – Recovery and Collection Director, KPMG, a UAE-based limited liability company operating in the consulting sector, from 1996G to 2005G.

Source: The Company

Table (5.13): Summary Biography of Yehia Yasser Abdelmonem Khorshed – Board Secretary

Name	Yehia Yasser Abdelmonem Khorshed
Age	27
Nationality	Egyptian
Current Position	Board Secretary
Academic Qualifications	– Certified Secretary, Hawkamah Institute for Corporate Governance, UAE, 2023G. – Master's degree in Corporate Law and Commercial Law, Queen Mary University of London, 2019G. – Bachelor's degree in Law (Hons.), Brunel University of London, 2018G.
Other Current Positions	– Legal Assistant, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2023G to the date of this Prospectus. – Board Secretary, HDC, a KSA-based limited liability company operating in the special needs education and care sector, from 2023G to the date of this Prospectus.
Previous Positions	– Junior Lawyer, Danone Middle East, a UAE-based limited liability company operating in the foodstuffs sector, from 2022G to 2023G. – Legal Assistant, Danone Middle East, a UAE-based limited liability company operating in the foodstuffs sector, from 2020G to 2022G.

Source: The Company



5.4 Responsibilities and Powers of the Board of Directors

Subject to the powers assigned to the General Assembly, the Board of Directors (the “Board”) shall have the power and authority to manage the affairs of the Company, handle its business, and carry out all works and actions to achieve its purposes. In order to carry out its duties, the Board may exercise the following powers:

1. representing the Company and signing in its name and on its behalf before third parties and notaries public within the KSA and abroad, as well as before the judiciary, ministries, governmental and non-governmental bodies, authorities and institutions, in addition to individuals, companies, all governmental and private financing funds and institutions, and Saudi and non-Saudi banks and financial institutions;
2. handling disputes, litigation, pleading, defense, attending hearings on behalf of the Company, requesting and accepting arbitration, filing and hearing all lawsuits and claims, submitting and challenging statements and memoranda, requesting oaths, reconciliation, waivers and acknowledgments, accepting, challenging and appealing judgments and awards, taking all legal procedures to implement judgments and awards issued in favor of the Company, appointing and dismissing arbitrators, experts and lawyers, determining lawyers' fees, receiving and delivering commercial registration certificates, licenses, judgment deeds, clearances, commercial papers, checks and all other documents;
3. registering agencies and trademarks, extracting, amending and canceling commercial registration certificates and licenses, opening subscriptions with the Chamber of Commerce, delivering, receiving and completing all transactions and procedures related to the Company with all ministries, governmental, public and private bodies, agencies and institutions within the KSA and abroad;
4. entering into or terminating any partnership or joint venture agreements and real estate contributions, or establishing, disposing of or closing any branches;
5. signing, terminating, or amending in the name of the Company and on its behalf all agreements, contracts, tenders, bids, resolutions, minutes, records and other documents, including, but not limited to, development and construction agreements;
6. signing in the name of the Company and on its behalf the memoranda of association of companies in which the Company is a partner or shareholder, and all kinds of resolutions to amend the same, including, but not limited to, resolutions to increase or decrease the capital, amend the Company's purposes, the exit of one of the shareholders or the assignment of shares and acceptance of the price, amending any of the memoranda of association of such companies in which the Company is a partner, opening branches therefor or appointing their directors before the MOC, MISA, notaries public, the Ministry of Interior, the Ministry of Municipal and Rural Affairs and Housing and other relevant authorities;
7. opening, managing, depositing in, withdrawing from and closing bank accounts and letters of credit;
8. signing on behalf of the Company credit facility contracts, commercial loans of all kinds, promissory notes and all other instruments and documents necessary for this purpose in the name of the Company and on its behalf from governmental and private funds and financial institutions and banks;
9. mortgaging the Company's assets or providing them as a guarantee after obtaining the approval of the shareholders in line with the business plan;
10. approving guarantees, compensation and pledges provided by the Company that were not included in the financial plan and/or budget;
11. purchasing, leasing and renting plots and properties in the name of the Company and on its behalf, signing release deeds and related contracts and receiving and paying the price;
12. purchasing and selling movables within the scope of the Company's ordinary business in the name of the Company and on its behalf, signing the related contracts and receiving and paying the price;
13. approving and amending the Company's internal regulations, determining the responsibilities of the Company's Executive Management and their remuneration and having the right to delegate any of its powers to the Company's Executive Management;
14. establishing or dissolving the committees emanating from the Board and/or approving the scope of delegation of powers to such committees;
15. appointing or replacing the CEO, CFO and any other Senior Executives, as well as determining their powers and dismissing them; and
16. delegating and authorizing others with respect to all or some of the aforementioned powers.
17. The General Assembly may grant further powers to the Board of Directors through an independent resolution.



18. The Board of Directors must obtain the approval of the General Assembly when selling assets whose value exceeds fifty percent of its total assets, whether the sale is made through a single or several transactions. In such case, the transaction that leads to exceeding fifty percent of the value of the assets is deemed the transaction that requires the approval of the General Assembly. This percentage is calculated from the date of the first transaction that took place during the previous twelve months.

In addition to the above, the Board shall have all the responsibilities and powers set out in Chapters 2 and 3 of the CGRs, including:

- approving and amending the organizational structure of the Company;
- approving and amending the Company's general policies;
- approving the formation of the Board's committees and appointing their members;
- approving the Company's annual plans and strategy, supervising their implementation and periodic review thereof, as well as ensuring the availability of the necessary human and financial resources to achieve the same;
- approving the appointment of the Company's CEO, determining their remuneration, adopting annual performance indicators therefor, and conducting an evaluation thereof based thereon, as well as dismissing them;
- approving the CEO's code of conduct, making amendments thereto and exemptions therefrom;
- approving the Company's work salary scale and incentives along with any amendments thereto; and
- establishing and supervising systems and controls for internal audit and control.

5.4.1 Responsibilities and Tasks of the Chairman

The Chairman shall represent the Company and act on its behalf before government departments and courts of all levels and categories, notaries public, the Board of Grievances, offices for the resolution of securities disputes, arbitration bodies and chambers of commerce and industry of all levels and categories. To this end, they have the right to plead and defend the Company, provide evidence and documents, conclude settlements and waivers, provide release, denial, acknowledgment and request oaths within the limits of the resolutions issued by the Board, receive judgments, appeal and enforce judgments, sell and purchase plots in the name of the Company, convey and receive the price, appear before the MOC and MISA, extract commercial registration certificates and licenses, execute additions and deletions, issue a replacement for lost certificates and licenses, as well as amend, cancel and remove the same. They have the right to sign the memoranda of association of companies established by the Company or co-founded thereby, including increasing the capital of such companies, as well as other contracts, deeds and transfer documents before notaries public and official and civil authorities. They also have the right to delegate or authorize others to perform a specific work or works within their powers, all within the limits of the code of conduct determined by the Board therefor. Otherwise, their actions shall be void, and they alone shall be responsible therefor in their separate financial liability.

In addition, the Chairman or the Vice Chairman shall lead the Board and supervise the workflow and performance of its duties effectively. In particular, the duties and powers of the Chairman shall include the following:

1. The Chairman shall preside over Board meetings and manage, control and direct such meetings. The Vice Chairman shall act in place of the Chairman in their absence.
2. General Assemblies shall be presided over by the Chairman, or the Vice Chairman in the absence of the Chairman, or any Director designated by the Board in the absence of both the Chairman and Vice Chairman.
3. The Chairman of the Board shall invite the Board to convene at the written request of any Director to discuss one or more topics.
4. The Chairman of the Board may propose the issuance of a General Assembly resolution in urgent matters to be presented to the shareholders to be passed by circulation, without convening a meeting, unless any of the shareholders submits a written request to hold a General Assembly meeting to deliberate the matter. Such resolutions shall be issued with the approval of the majority of votes, and such resolutions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting. Any resolution may also be issued without holding a Board meeting, provided that the resolution is sent to all Directors and is approved in writing by the majority of the Directors, unless any of the Directors submits a written request for a meeting to discuss the issue in question, after which the resolution shall be placed before the Board at its next subsequent meeting.



5.4.2 Responsibilities and Duties of the Board Secretary

The Board shall appoint a secretary (the “Secretary”) from among its members or others, and the Board shall determine the remuneration and competencies of the Board Secretary pursuant to a Board resolution. The Secretary’s competencies shall include the following:

- a. recording and preparing minutes for Board meetings, including the discussions and deliberations that took place within the meetings, mentioning the location, date and start and end times of the meeting;
- b. recording the Board’s resolutions and voting results, maintaining the minutes in a dedicated and organized register, recording the names of the Directors present and the reservations expressed by them, if any, as well as having such minutes signed by all attendees;
- c. maintaining the reports submitted to and prepared by the Board;
- d. providing the Directors with the Board’s agenda in accordance with the Chairman’s instructions, as well as working papers, relevant documents and information and any additional documents or information required by any Director in relation to the topics included in the meeting agenda;
- e. verifying that the Directors adhere to the procedures approved by the Board;
- f. notifying the Directors of the dates of Board meetings with sufficient advance notice;
- g. presenting draft minutes to the Directors for them to provide their views thereon prior to signature thereof;
- h. ensuring that the Directors have full and prompt access to a copy of the minutes of Board meetings and the information and documents related to the Company;
- i. coordinating between the Directors;
- j. organizing a record of disclosures of the Directors and the Executive Management; and
- k. providing assistance and advice to the Directors.

5.5 Senior Executives

5.5.1 Overview of the Group’s Management

The Executive Management consists of qualified and experienced members who have the necessary knowledge and expertise to manage the Group’s business, in line with the objectives and directives of the Board of Directors.

Taking into account the powers assigned to the Board of Directors under the provisions of the Companies Law and its Implementing Regulations, the Corporate Governance Regulations, the Company’s Bylaws and its internal policies, the Executive Management is responsible for implementing the Company’s main plans, policies, strategies and goals to achieve its objectives.

The following table sets out the names and details of the Company’s Senior Executives and their ownership in the Company as at the date of this Prospectus.

Table (5.14): Details of the Company’s Senior Executives

	Name	Position	Nationality	Age	Date of Appointment	Ownership in the Company Pre-Offering (%)	Ownership in the Company Post-Offering (%)
1	Majed Bejed Sudhan Almutairi	CEO of the Company	Saudi	62	1 September 2024G	-	-
2	Ahmad Jamal Addin Ahmad Abdulwahab	CFO of the Company	Egyptian	52	17 December 2024G	-	-
3	Fadi Habib	Managing Director	Canadian	41	24 September 2024G	-	-
4	Hassan Kalakeche	Chief Business Development and Strategic Planning Officer	Canadian	49	15 June 2025G	-	-
5	Khalid Mohammed Abdullah Alsubaie	Director of Internal Audit	Saudi	38	25 May 2025G	-	-
6	Akram Alsayed Ali AbdulRazek	Legal Counsel	Egyptian	47	15 June 2025G	-	-

Source: The Company



The following table sets out the names and details of the executive directors of each of the Company's Material Subsidiaries and their ownership in the Company as at the date of this Prospectus.

Table (5.15): Details of the Executive Directors of the Material Subsidiaries

#	Name	Position	Nationality	Age	Date of Appointment	Ownership in the Company Pre-Offering (%)	Ownership in the Company Post-Offering (%)
1	Cedwyn Joseph Fernandes	Director of MDX Associates and Pro-Vice Chancellor of MDX Dubai	Indian	63	1 September 2014G	-	-
2	Dr. Omar Ibrahim Abdullah Al-Mudaifer	CEO of HDC	Saudi	57	23 October 2022G	-	-
3	Dr. Ali Saeed Sultan Aldhaferi	CEO of NEMA Holding Company	Emirati	50	25 August 2008G	1.0363%*	0.7254%

* Indirect ownership through his ownership of 1.0363% of the Company's shares pre-Offering (equivalent to 0.7254% post-Offering) through his direct ownership of 1.0363% in Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings Ltd, which owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which in turn owns 100% of the Company's shares prior to the Offering.

Source: The Company

5.5.2 Summary Biographies of the Company's Senior Executives

Table (5.16): Summary Biography of Majed Bejed Sudhan Almutairi – CEO of the Company

Name	Majed Bejed Sudhan Almutairi
Current Position	CEO of the Company
Academic Qualifications	Bachelor's degree in Computer Engineering and Science, University of Arkansas at Little Rock, USA, 1987G.
Other Current Positions	N/A.
Previous Positions	– CEO, CareTech, a KSA-based limited liability company operating in the special needs education and care sector, from 2021G to 2024G. – CEO, GEMS MENASA Education, a KSA-based limited liability company operating in the education sector, from 2017G to 2021G. – CEO, Maarif Education, a KSA-based limited liability company operating in the education sector, from 2020G to 2021G. – Deputy CEO, Zahran Holding Company, a KSA-based limited liability company operating in the trade and real estate sector, from 2013G to 2016G. – Director General of Saudization, Saudi Aramco, a KSA-based public joint-stock company operating in the energy sector, from 1997G to 2013G. – Director General of Information Systems, Saudi Basic Industries Corporation (SABIC), a KSA-based limited liability company operating in the petrochemical sector, from 1993G to 1997G. – Head of Commercial Applications Department, Saudi Electricity Company, a KSA-based public joint-stock company operating in the electricity sector, from 1987G to 1993G.

Source: The Company



Table (5.17): Summary Biography of Ahmad Jamal Addin Ahmad– CFO of the Company

Name	Ahmad Jamal Addin Ahmad
Current Position	CFO of the Company
Academic Qualifications	– Master’s degree in Business Administration, American University in Cairo, Egypt, 2005G. – Fellowship, American Association of Management Accountants, USA, 1997G. – Bachelor’s degree in Accounting, Cairo University, Egypt, 1993G.
Other Current Positions	N/A
Previous Positions	– CFO, Magrabi Healthcare, a joint-stock company based in the Kingdom operating in the healthcare sector, from 2023G to 2024G. – CFO, Cleopatra Hospitals Group, a joint-stock company based in the Arab Republic of Egypt operating in the healthcare sector, from 2019G to 2023G. – CFO, Egypt Foods, a joint-stock company based in the Arab Republic of Egypt operating in the food sector, from 2017G to 2019G. – Financial Controller, PepsiCo Egypt, a joint-stock company based in the Arab Republic of Egypt operating in the food and beverage sector, from 2011G to 2017G. – Regional CFO, Lundbeck, a joint-stock company based in the Arab Republic of Egypt operating in the pharmaceutical sector, from 2009G to 2011G. – Financial Controller, Cadbury Egypt, a joint-stock company based in the Arab Republic of Egypt operating in the food sector, from 2003G to 2009G. – Consultant, KPMG Egypt, a joint-stock company based in the Arab Republic of Egypt operating in the auditing and consultancy sector, from 1994G to 2002G.

Source: The Company

Table (5.18): Summary Biography of Fadi Habib – Managing Director

Please refer to Table 5.10 (“**Summary Biography of Fadi Habib – Managing Director**”) for further details regarding the experience, qualifications and current and previous positions of Fadi Habib.

Table (5.19): Summary Biography of Hassan Kalakeche – Chief Business Development and Strategic Planning Officer

Name	Hassan Kalakeche
Current Position	Chief Business Development and Strategic Planning Officer
Academic Qualifications	– Master’s degree in Business Administration, Queen’s University, Canada, 2009G. – Bachelor’s degree in Financial Management and Accounting, Lebanese University, Lebanon, 2000G. – Bachelor’s degree in Financial Management and Marketing, Lebanese University, Lebanon, 1999G.
Other Current Positions	Consultant, Qatar Foundation, a Qatar-based non-profit organization operating in the education sector, from 2024G to date.
Previous Positions	– CFO, GBM, a UAE-based limited liability company operating in the technology sector, from 2023G to 2025G. – COO, Maarif Education, a KSA-based limited liability company operating in the education sector, from 2019G to 2023G. – Deputy CEO, GEMS Education, an Egypt-based limited liability company operating in the education sector, from 2017G to 2019G.

Source: The Company



Table (5.20): Summary Biography of Khalid Mohammed Abdullah Alsubaie – Director of Internal Audit

Name	Khalid Mohammed Abdullah Alsubaie
Current Position	Director of Internal Audit
Academic Qualifications	Bachelor's degree in Financial Management and Accounting, Canterbury Christ Church University, UK, 2014G.
Other Current Positions	N/A
Previous Positions	– Senior Internal Audit Manager, American Express Saudi Arabia, a KSA-based limited liability company operating in the financial sector, from 2023G to 2025G. – Director of Internal Audit, Energy City Development Company, a KSA-based limited liability company operating in the energy sector, from 2021G to 2022G. – Internal Auditor, Johns Hopkins Aramco Healthcare, a KSA-based limited liability company operating in the healthcare sector, from 2015G to 2021G. – Assistant Internal Auditor, Deloitte & Touche & Co. Chartered Accountants & Auditors, a KSA-based limited liability company operating in the finance and accounting sector, from 01/02/2015G to 01/10/2015G. – Administrative Officer, Al-Dawaa Medical Services Co., a KSA-based listed joint-stock company operating in the healthcare sector, from 2008G to 2009G. – Administrative Officer, Educational and Pedagogical Services Company Limited, a KSA-based listed joint-stock company operating in the education sector, from 2007G to 2008G.

Source: The Company

Table (5.21): Summary Biography of Akram Alsayed Ali AbdulRazek – Legal Counsel

Name	Akram Alsayed Ali AbdulRazek
Current Position	Legal Counsel
Academic Qualifications	Bachelor's degree in Law, Cairo University, Arab Republic of Egypt, 1999G
Other Current Positions	N/A
Previous Positions	– Lawyer, Al Kamel Law Firm, an Egypt-based law firm operating in the legal consulting sector, from 1999G to 2000G. – International Trade Lawyer, Ministry of Trade and Industry, an Egypt-based governmental body, from 2000G to 2003G. – Economic Affairs Officer, United Nations Economic and Social Commission for Western Asia, a Lebanon-based international body operating in the international affairs sector, 2003G. – Lawyer, Ernst & Young, an Egypt-based limited liability company operating in the consulting sector, from 2004G to 2007G. – Lawyer, Zaki Hashem & Partners - Attorneys at Law, an Egypt-based law firm operating in the legal consulting sector, from 2007G to 2009G. – Director of Legal Affairs, PepsiCo, a limited liability company with offices in the KSA, the UAE and Egypt operating in the marketing sector, from 2009G to 2019G. – Legal Counsel, Astellas Pharma Inc., a UAE-based limited liability company operating in the pharmaceutical sector, from 2019G to 2025G.

Source: The Company



5.5.3 Summary Biography of the CEO of Each of the Material Subsidiaries

Table (5.22): Summary Biography of Cedwyn Joseph Fernandes – CEO of MDX Associates

Name	Cedwyn Joseph Fernandes
Current Position	CEO of MDX Associates, since 2014G
Academic Qualifications	– PhD in Economics, University of Mumbai, 1988G. – Master's degree in Economics, University of Mumbai, 1983G. – Bachelor's degree in Economics, University of Mumbai, 1981G.
Other Current Positions	N/A.
Previous Positions	– Vice Chairman, MDX Dubai, a UAE-based private university, from 2014G to 2015G. – CEO, IMT Dubai, from December 2013G to September 2014G. – Dean of Academic Affairs, Emirates College of Technology Abu Dhabi, from June 2013G to December 2013G. – Head of the MBA Program, MDX Dubai, from September 2008G to June 2013G. – Head of the Graduate School, University of Wollongong in Dubai, from September 2002G to September 2008G. – International Investment Specialist, Saudia Airlines, a KSA-based limited liability company operating in the aviation sector, from 1990G to 2002G. – Head of the Economics Department, St. Andrew's College, a private university in India, from 1983G to 1990G.

Source: The Company

Table (5.23): Summary Biography of Omar Ibrahim Abdullah Al-Mudaifer – CEO of HDC and HRC

Name	Dr. Omar Ibrahim Abdullah Al-Mudaifer
Current Position	Chairman and CEO of HDC
Academic Qualifications	– Specialized fellowship in Pediatrics and Adolescent Medicine, University of Calgary, Canada, 1999G. – Sub-specialty in Psychiatry, American Board of Adolescent Medicine, USA, 1999G. – Fellowship in Psychiatry, Royal College of Physicians and Surgeons, Canada, 1998G. – Fellowship in Psychiatry, King Saud University, KSA, 1995G. – Diploma in Psychiatry, King Saud University, KSA, 1993G. – Bachelor of Medicine and Surgery, King Saud University, KSA, 1990G.
Other Current Positions	Head of the National Committee for Special Needs Services, Federation of Saudi Chambers, since 2024G.
Previous Positions	– Senior Psychiatry Consultant, Human Development Company, a limited liability company operating in the special needs education and care sector, from 1999G to 2022G. – Academic Assistant Professor, College of Medicine, King Saud University for Health Sciences, from 2005G to 2022G. – Head of the Department of Mental Health, National Guard Health Affairs, from 2002G to 2022G. – Founder and Director of the Family Therapy Department, National Guard Health Affairs, from 2005G to 2021G.

Source: The Company

Table (5.24): Summary Biography of Ali Saeed Sultan Aldhaheeri – Chairman of the Boards of NEMA Holding Company and NEMA Education and CEO of NEMA Holding Company

Please refer to Table 5.6 (“Summary Biography of Barton John Ireland – Director”) for further details regarding the experience, qualifications and current and previous positions of Ali Saeed Sultan Aldhaheeri.



5.6 Declarations of the Directors, Senior Executives and Board Secretary

Each of the Directors, Senior Executives and Board Secretary declare that:

1. None of them have ever been declared bankrupt, been subject to bankruptcy proceedings, or been subject to any insolvency.
2. No insolvency has been declared during the previous five years, nor has there been any insolvency involving a company in which any of the Directors, proposed directors, Senior Executives or Board Secretary were appointed to an administrative or supervisory position.
3. Except as disclosed in Section 5.9.2 (“**Interests of the Directors, Senior Executives and Board Secretary in the Shares and Debt Instruments of the Company and its Subsidiaries**”) of this Prospectus, none of the Directors, Senior Executives, Board Secretary nor any of their relatives have any direct or indirect interest in the shares or debt instruments of the Company or its Subsidiaries, or any interest in any matters that may have an impact on the Company’s operations.

5.7 Remuneration and Compensation of the Directors and Senior Executives

Pursuant to the Company’s Bylaws, the Company’s General Assembly shall approve the remuneration of the Chairman and Directors, in accordance with the official decisions and directives issued by the competent authorities in this regard and within the framework of the provisions stipulated in the Companies Law and its Implementing Regulations and the CGRs. The Board’s report to the General Assembly must include a comprehensive statement of all remuneration, expense allowances and other benefits received by the Directors during the financial year. It shall also include a statement of the amounts received by the Directors as employees or managers and amounts they received for technical, administrative or advisory works. In addition, the report shall include a statement of the number of Board meetings and the number of meetings attended by each Director from the date of the last General Assembly meeting.

Directors’ remuneration shall be a specific amount or an allowance for attendance of meetings, in-kind benefits, or a specific percentage of the net profits. Two or more of these benefits may be combined as determined by the remuneration policy approved by the General Assembly. No remuneration has been paid to the Directors as of the date of this Prospectus (except as disbursed to them in their capacities as executives of the Company or its Subsidiaries, as set forth below).

As of the date of this Prospectus, no Senior Executives have been granted any remuneration by the Company.

The table below shows the total remuneration paid to the Directors and Senior Executives by the Company and its Subsidiaries. Such remuneration includes salaries, benefits and allowances for the financial years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2025G.

Table (5.25): Remuneration of the Board of Directors and Senior Executives

	Financial Year Ended 31 December 2022G (SAR)	Financial Year Ended 31 December 2023G (SAR)	Financial Year Ended 31 December 2024G (SAR)	Financial Period Ended 31 March 2025G (SAR)
Directors	13,156,287	13,010,291	17,191,171	3,404,882
Senior Executives	-	-	1,388,497	767,602
Total	13,156,287	13,010,291	18,579,667	4,172,484

Source: The Company

None of the Directors receive any in-kind benefits. Senior Executives receive medical and life insurance according to the Group’s policies, and certain Senior Executives receive a transportation and accommodation allowance.

It should be noted that the Directors, Senior Executives and Board Secretary do not have the right to vote on any matters relating to the remuneration granted to them, nor do they have any authority to borrow from the Company or to vote on a contract or arrangement in which they have an interest.



5.8 Contracts Concluded with Directors and Senior Executives

5.8.1 Contracts Concluded with Directors

Except for the contract concluded with Fadi Habib in his capacity as the Company's Managing Director, no contracts have been entered into with the Directors. For further information regarding the employment contract concluded with Mr. Fadi Habib, please refer to Table 5.26 ("Summary of Employment Contracts Concluded with the Senior Executives") of this Prospectus.

5.8.2 Contracts Concluded with Senior Executives

The Group has concluded employment contracts with all Senior Executives. These contracts stipulate their salaries and bonuses according to their qualifications and experience, including several benefits such as granting a monthly transportation allowance and an accommodation allowance or both, in addition to medical and life insurance. These contracts are renewable.

The following table shows a brief overview of the employment contracts concluded with the Senior Executives:

Table (5.26): Summary of Employment Contracts Concluded with the Senior Executives

Name	Position	Contract Date	Contract Term
Majed Bejed Sudhan Almutairi	CEO	01/09/2024G	Unspecified
Fadi Habib	Managing Director	01/06/2025G	One year
Ahmad Jamal Addin Ahmad	CFO	17/12/2024G	One year
Hassan Kalakeche	Chief Business Development and Strategic Planning Officer	15/06/2025G	One year
Khalid Mohammed Abdullah Alsubaie	Director of Internal Audit	25/05/2025G	One year
Akram Alsayed Ali AbdulRazek	Legal Counsel	15/06/2025G	One year

5.9 Conflicts of Interest

The Company's Bylaws and internal regulations and policies do not provide any powers that enable any Director to vote on a contract, business or an offer in which they have a direct or indirect interest. This is in accordance with Article 27 and Article 71 of the Companies Law, which provides that Directors may not have a direct or indirect interest in the business and contracts made for the Company's account except with an authorization from the Ordinary General Assembly, the shareholders, or their delegates. In addition, Article 27 of the Companies Law prohibits Directors from participating in any business that would compete with the Company, or from competing with the Company in any branches of the Company's activity, except with authorization from the General Assembly, the shareholders, or their delegates.

Pursuant to Article 71 of the Companies Law, Directors must disclose and notify the Board of Directors of their personal interests in business and contracts made for the Company's account, or if they have an interest competing with the Company. Such notification shall be recorded in the minutes of the meeting of the Board upon convening. The Chairman of the Board shall notify the Ordinary General Assembly of the business and contracts in which a Director has a direct or indirect interest, and such notification shall be accompanied by a special report from the Company's Auditor prepared according to the auditing standards endorsed in the KSA.

A Director who has a direct or indirect interest in the business and contracts made for the Company's account may not participate in the deliberations or vote on the resolutions issued in respect of such contracts and business.

The Company has developed and implemented a clear written policy to address conflicts of interest and dealings with Related Parties which accounts for the size of the Company, the nature of its business and its internal organization, in order to ensure that there is a clear mechanism for identifying conflicts of interest and Company competition standards and cases in which the approval of the General Assembly must be obtained. The policy on conflicts of interest and dealings with Related Parties sets out strict procedures that aim to comply with the general rules under the Companies Law, the CGRs, the regulatory rules relating to listed companies and other relevant requirements. The Board of Directors approved the policy on conflicts of interest and dealings with Related Parties on 27/04/1446H (corresponding to 30/10/2024G). The approval of the General Assembly was obtained during its meeting held on 28/04/1446H (corresponding to 31/10/2024G).



5.9.1 Interests of the Directors and Senior Executives in Contracts and Agreements Entered into by the Company and Subsidiaries

As at the date of this Prospectus, neither the Directors nor the Senior Executives or any of their relatives have any direct or indirect interest in the contracts and agreements entered into by the Company or its subsidiaries, with the exception of an annual consultancy agreement entered into between NEMA Holding Company (a subsidiary of the Company) and Magna Company, under which Magna Company provides consultancy services, including advising on strategy, mergers and acquisitions, growth initiatives, and any feasibility studies, to NEMA Holding Company in consideration of an annual amount of AED 500,000 (equivalent to SAR 505,500). This agreement is automatically renewable on an annual basis. The Director Ali Saeed Sultan Aldhaheeri has an indirect interest in the aforementioned agreement represented by the ownership of his father, Saeed Bin Harmal Aldhaheeri, of 50% of Magna's share capital. The aforementioned agreement does not include any preferential terms, and the Company confirms that it has been executed on an arm's length basis.

5.9.2 Interests of the Directors, Senior Executives and Board Secretary in the Shares and Debt Instruments of the Company and its Subsidiaries

The table below shows the direct and indirect interests of each of the Directors, Senior Executives and Board Secretary and any of their relatives in the shares of the Company or its Subsidiaries.

Table (5.27): Interests of the Directors and Senior Executives in the Company's Shares

Name	Ownership (%)	Description
Shamsheer Vayalil Parambath (Chairman)	17.0525% (indirectly)	Indirectly owns 17.0525% of the Company's shares pre-Offering (equivalent to 11.9368% post-Offering) through his direct ownership of 0.0094% of the share capital of Amanat Holdings and his ownership of 100% of the share capital of Solidus Investment Holdings Limited, which owns 17.0431% of Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings Ltd, which owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which in turn owns 100% of the Company's shares prior to the Offering.
Ali Saeed Sultan Aldhaheeri (Director)	1.0363% (indirectly)	Indirectly owns 1.0363% of the Company's shares pre-Offering (equivalent to 0.7254% post-Offering) through his direct ownership of 1.0363% of Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings Ltd, which owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which in turn owns 100% of the Company's shares prior to the Offering.
Dhafer Sahmi Jaber Al Ahbabi (Director)	0.8130% (indirectly)	Indirectly owns 0.2130% of the Company's shares pre-Offering (equivalent to 0.1491% post-Offering) through his direct ownership of 0.2130% of the shares in Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings, which in turn owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which owns 100% of the Company's shares pre-Offering.
Abdulwahab Al-Halabi (Director)	0.02% (indirectly)	Indirectly owns 0.02% of the Company's shares pre-Offering (equivalent to 0.014% post-Offering) through his direct ownership of 0.02% of the shares in Amanat Holdings. Amanat Holdings owns the entire share capital of Amanat Inclusive Education and Care Holdings, which in turn owns the entire share capital of Amanat Special Education and Care Holdings Ltd, which owns 100% of the Company's shares pre-Offering.

Table (5.28): Interests of the Directors and Senior Executives in the Shares of the Subsidiaries

Name	Subsidiary	Ownership (%)	Description
Dhafer Sahmi Jaber Al Ahbabi (Director)	AH Alpha Investments Holdings 2 LTD	29% directly	Owns 29% of the share capital as a trustee of AH Alpha Investments Holdings 3 LTD, which is wholly owned by the Company.*

*For further details on the structure of the trust, please refer to Section 11.4 ("Subsidiaries") of this Prospectus.

The Company Director, Ali Saeed Sultan Aldhaheeri, holds an interest in NEMA Holding Company and each of its subsidiaries represented by the commitment of these companies to pay 10% of their net profits to him. As stipulated in the articles of association of NEMA Holding Company and all its subsidiaries, 10% of net profits generated by all these companies shall be



designated as an annual remuneration payable to the Company Director Ali Saeed Sultan Aldhaheeri in return for his management and supervision duties, as he is the CEO of NEMA Holding Company and oversees the management of its subsidiaries. None of these companies have any commitment to pay any amounts related to the aforementioned remuneration in the event the respective company does not generate any net profits.

Except as mentioned above, as at the date of this Prospectus, none of the Directors, Senior Executives, Board Secretary or any of their relatives have any direct or indirect interest in the shares or debt instruments of the Company or its Subsidiaries or in any other matter that may affect the Company's business. For the purposes of this Section 5.9.2 ("**Interests of the Directors, Senior Executives and Board Secretary in the Shares and Debt Instruments of the Company and its Subsidiaries**"), the definition of a relative includes a Director's husband, wife and minor children.

5.9.3 Business of Directors Competing with the Company

The Director Kamal Abdullah Salem Bahamdan is involved in the management of Tadrees Education Company and owns, directly and indirectly, significant shares therein as well as in Global School Management, all of which are companies and entities operating in the education sector. The Group currently provides mainstream education services in the Group's schools, and the Company is examining the extent of expansion in this sector in the KSA in the coming years. Accordingly, the provisions of Paragraph 2 of Article 27 of the Companies Law apply, which require obtaining permission from the Company's General Assembly. The approval of the Company's Ordinary General Assembly was obtained for Mr. Kamal Abdullah Salem Bahamdan to participate in such business and activities that compete with the Company or its Subsidiaries in its meeting held on 28/04/1446H (corresponding to 31/10/2024G). The Company and the relevant Director will adhere to the necessary procedures as outlined in the Companies Law and relevant regulations (including the post-listing CGRs and the Internal Corporate Governance Manual). For further details regarding the risks related to such competing business, please refer to Section 2.1.28 ("**Risks Related to Transactions and Contracts with Related Parties and the Company's Directors and Senior Executives Competing with the Group's Business and Activities**") of this Prospectus.

Except as stated above, as at the date of this Prospectus, the Company's Directors do not engage in any business that competes with the business of the Company or its Subsidiaries in any of the branches of activity they undertake.

Based on the foregoing, the Board of Directors affirms and acknowledges that each Director shall:

1. Adhere to Articles 27 and 71 of the Companies Law and Articles 42 and 44 of the Corporate Governance Regulations.
2. Refrain from voting on resolutions of the Board of Directors or the General Assembly related to business, contracts or transactions entered into with Related Parties that are carried out for the Company if they have a direct or indirect interest in such business and contracts or have a direct or indirect competing interest therein.
3. Not participate in any business that competes with the Company or competes with the Company in one of the branches of its activity except with authorization from the Ordinary General Assembly pursuant to the provisions of Article 27 of the Companies Law.
4. Ensure that all future transactions and contracts, including those in which a Director has an interest, are concluded in accordance with the provisions of the CGRs and the regulatory controls and procedures issued in implementation of the Companies Law, that they do not include preferential terms for the Director and are on the same terms and conditions the Company follows in ordinary transactions and contracts with others.

5.10 Board Committees and Responsibilities

The Company's Board has a number of committees that contribute to the effective performance of the Company's functions in addition to meeting the relevant regulatory requirements. As at the date of this Prospectus, the committees formed by the Board of Directors consist of the Nomination and Remuneration Committee and the Audit Committee.

5.10.1 Audit Committee

In accordance with the CGRs, the Audit Committee was formed pursuant to a Board Resolution dated 27/04/1446H (corresponding to 30/10/2024G). The Audit Committee Charter has been drafted and was approved by the General Assembly on 28/04/1446H (corresponding to 31/10/2024G).

The current Audit Committee consists of four (4) non-executive members from the Board and from outside the Board who were appointed by the Company's Board of Directors. According to the Audit Committee Charter, the term of membership on the Committee is four (4) years, which may be extended subject to the approval of the Board of Directors. The Audit Committee monitors the Company's business and verifies the integrity and soundness of its reports, financial statements and internal control systems. The tasks of the Audit Committee include the following:



5.10.1.1 Preparation of Financial Reports

The Audit Committee is responsible for monitoring and ensuring the integrity and correctness of the Company's financial statements and reviewing any financial information contained in other documents. As part of its regular duties, the Audit Committee reviews the following matters:

1. Examining the interim and annual financial statements of the Company before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
2. Providing a technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
3. Studying any important or unusual issues contained in the financial reports.
4. Accurately investigating any issues raised by the Company's CFO or any person assuming their duties or the Company's compliance officer or Auditor.
5. Verifying accounting estimates with respect to significant matters contained in the financial reports.
6. Studying the accounting policies adopted by the Company and expressing an opinion and providing recommendations to the Board in this regard.

5.10.1.2 Internal Audit

The Audit Committee undertakes tasks related to internal audit, which include the following:

1. Examining and reviewing the Company's internal and financial control and risk management systems.
2. Analyzing the internal audit reports and following up the implementation of the corrective measures with respect to the remarks made in such reports.
3. Monitoring and supervising the performance and activities of the Company's internal auditor and Internal Audit Department to verify the availability of the necessary resources and their effectiveness in performing the duties and tasks assigned thereto.
4. Providing recommendations to the Board on the appointment of the Head of the Internal Audit Unit or Department or the internal auditor and suggesting their remuneration.

5.10.1.3 Auditor

The Committee undertakes tasks related to the Auditor, which include the following:

1. Providing recommendations to the Board on the nomination and dismissal of Auditors, determining their remuneration and assessing their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
2. Verifying the independence, objectivity and fairness of the Auditor and the effectiveness of audit activities, taking into account the relevant rules and standards.
3. Reviewing the Auditor's action plan and activities, verifying that no technical, administrative or advisory work was submitted outside the scope of the audit works and providing its opinions in this regard.
4. Answering the inquiries of the Company's Auditor.
5. Studying the Auditor's report and notes on the financial statements and following up on steps taken in this regard.

5.10.1.4 Ensuring Compliance

The Audit Committee undertakes tasks related to ensuring compliance, which include the following:

1. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
2. Ensuring the Company's compliance with the relevant laws, regulations, policies and directives.
3. Reviewing proposed Related Party contracts and transactions and providing its recommendations to the Board in connection therewith.
4. Reporting any matters it deems necessary to take action on to the Board and making recommendations for the actions to be taken.



As at the date of this Prospectus, the Audit Committee is composed of the following members:

Table (5.29): Members of the Audit Committee

Name	Position
Abdulwahab Al-Halabi	Chairman of the Audit Committee – (Independent) – (Non-Executive)
Fawaz Talal Abdelqadr Goth	Member of the Audit Committee – (Independent) – (Non-Executive)
Barton John Ireland	Member of Audit Committee – (Non-Executive) – (Non-Independent)
Mukesh Sodani Jani Sodani	Member of Audit Committee – (Non-Director)

Source: The Company

5.10.1.5 Summary Biographies of the Members of the Audit Committee

The experiences, qualifications and previous positions of each member of the Audit Committee are set out below:

Table (5.30): Summary Biography of Abdulwahab Al-Halabi – Chairman of the Audit Committee

Please refer to Table 5.12 (“**Summary Biography of Abdulwahab Al-Halabi – Director**”) for further details regarding the experience, qualifications and current and previous positions of Abdulwahab Al-Halabi.

Table (5.31): Summary Biography of Fawaz Talal Abdelqadr Goth – Member of the Audit Committee

Please refer to Table 5.9 (“**Summary Biography of Fawaz Talal Abdelqadr Goth – Director**”) for further details regarding the experience, qualifications and current and previous positions of Fawaz Talal Abdelqadr Goth.

Table (5.32): Summary Biography of Barton John Ireland – Member of the Audit Committee

Please refer to Table 5.6 (“**Summary Biography of Barton John Ireland – Director**”) for further details regarding the experience, qualifications and current and previous positions of Barton John Ireland.

Table (5.33): Summary Biography of Mukesh Sodani Jani Sodani – Member of the Audit Committee

Name	Mukesh Sodani Jani Sodani
Current Position	Member of the Audit Committee
Academic Qualifications	– Certificate of Academic Excellence for Certified Internal Auditors, Institute of Internal Auditors, USA, 1997G. – Diploma in Business Finance, Chartered Financial Analyst Institute, India, 1995G. – Certificate in Accounting and Certification in Public Accounting, Institute of Certified Public Accountants, Denver Colorado, 1994G. – Professional Certification for Accountants, Institute of Chartered Accountants of India, 1987G. – Postgraduate Degree in Commerce, University of Bombay, India, 1986G.
Other Current Positions	Director and Partner, SMS Growth FZCO, a UAE- based limited liability company operating in the consulting sector, from 2024G to the date of this Prospectus.
Previous Positions	– CFO, Aircraft Leasing Company (AviLease), a Riyadh-based single shareholder closed joint stock company operating in the aircraft leasing sector, from 2023G to 2024G. – Advisor to the Minister’s Office, Federal Ministry of Finance in the UAE, from 2021G to 2023G. – Executive Director, Dubai Holding Entertainment, a UAE-based limited liability company operating in the entertainment sector, from 2007G to 2021G. – CFO, flydubai, a UAE-based limited liability company operating in the aviation sector, from 2011G to 2017G. – CFO, Meraas Holding Group, a UAE-based limited liability company operating in the real estate, tourism and entertainment sectors, from 2008G to 2010G. – Head of Financial Structuring and Investment Banking, Noor Islamic Bank, Dubai, from 2007G to 2008G. – Vice President, Emirates Group (Dnata), a UAE-based limited liability company operating in the aviation services sector, from 1993G to 2007G. – Audit Supervisor, Ernst & Young (EY), a Dubai- and Kuwait-based limited liability company, from 1989G to 1992G. – Finance Officer, Grasim Industries, an India-based public joint-stock company operating in the raw materials sector, from 1987G to 1988G.

Source: The Company



5.10.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed pursuant to a Board of Directors' resolution dated 27/04/1446H (corresponding to 30/10/2024G). The General Assembly approved the Nomination and Remuneration Committee Charter and the Remuneration Policy on 28/04/1446H (corresponding to 31/10/2024G). The current Nomination and Remuneration Committee consists of three non-executive Directors appointed by the Company's Board of Directors. According to the Nomination and Remuneration Committee Charter, the term of membership on the Nomination and Remuneration Committee is four (4) years and is renewable. The responsibilities of the Nomination and Remuneration Committee are summarized as follows:

1. Proposing clear policies and criteria for membership of the Board of Directors and the Executive Management.
2. Providing recommendations to the Board of Directors for the nomination or re-nomination of its members in accordance with the approved policies and standards, provided that nomination does not include any person convicted of a crime involving moral turpitude or dishonesty.
3. Preparing a description of the skills and qualifications required for membership on the Board of Directors and for Executive Management positions.
4. Determining the time that Directors must allocate for Board activities.
5. Undertaking an annual review of the skills and experience required of members of the Board and Executive Management.
6. Ensuring the independence of the independent Directors annually and ensuring that there is no conflict of interest if a Director acts as a director of another company.
7. Preparing a description of the capabilities and qualifications required for membership of the Board and for Executive Management positions.
8. Determining the strengths and weaknesses of the Board and recommending corrective solutions that serve the interests of the Company.
9. Reviewing the structure of the Board of Directors and Executive Management and presenting recommendations on changes that can be made thereto.
10. Developing the procedures to be followed in the event a Board or Senior Executive position becomes vacant.
11. Preparing a clear policy on the remuneration of members of the Board of Directors, Board committees and Executive Management, and submission thereof to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account the adoption of standards related to performance and disclosure, as well as ensuring implementation thereof.
12. Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving its objectives.
13. Providing recommendations to the Board of Directors on the remuneration of members of the Board of Directors, Board committees and Senior Executives in accordance with the approved policy.
14. Clarifying the relationship between the remuneration granted and the applicable remuneration policy, as well as indicating any material deviation from such policy.
15. Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the desired objectives.
16. Providing appropriate and timely training, whether in the form of an orientation program for new Directors or on an ongoing basis for all Directors.
17. Taking due consideration of relevant laws and regulations that may apply to its scope of work.
18. Overseeing any investigation into activities that fall within its powers in accordance with this Charter.
19. Working with all other Board Committees and liaising therewith as needed.
20. Making necessary arrangements for the periodic evaluation of its performance.
21. Attending the Company's General Assembly (through its Chairman or a representative from among the Committee members) to answer any questions raised by shareholders.



As at the date of this Prospectus, the Nomination and Remuneration Committee is composed of the following members:

Table (5.34): Members of the Nomination and Remuneration Committee

Name	Position
Muhannad Mohammed Saud Aldawood	Chairman of the Nomination and Remuneration Committee – (Independent) – (Non-Executive)
Barton John Ireland	Member of the Nomination and Remuneration Committee (Non-Executive) – (Non-Independent)
Kamal Abdullah Salem Bahamdan	Member of the Nomination and Remuneration Committee (Non-Executive) – (Non-Independent)

Source: The Company

5.10.2.1 Summary Biographies of the Members of the Nomination and Remuneration Committee

An overview of the experience, qualifications, and current and previous positions of the members of the Nomination and Remuneration Committee is set out below:

Table (5.35): Summary Biography of Muhannad Mohammed Saud Aldawood – Chairman of the Nomination and Remuneration Committee

Please refer to Table 5.11 (“**Summary Biography of Muhannad Mohammed Saud Aldawood – Director**”) for further details regarding the experience, qualifications, and current and previous positions of Muhannad Mohammed Saud Aldawood.

Table (5.36): Summary Biography of Barton John Ireland – Member of the Nomination and Remuneration Committee

Please refer to Table 5.6 (“**Summary Biography of Barton John Ireland – Director**”) for further details regarding the experience, qualifications and current and previous positions of Barton John Ireland.

Table (5.37): Summary Biography of Kamal Abdullah Salem Bahamdan – Chairman of the Nomination and Remuneration Committee

Please refer to Table 5.37 (“**Summary Biography of Kamal Abdullah Salem Bahamdan – Chairman of the Nomination and Remuneration Committee**”) for further details regarding the experience, qualifications, and current and previous positions of Kamal Abdullah Salem Bahamdan.

5.11 Corporate Governance

5.11.1 Overview

The principal sources for the Company’s governance are the CGRs issued by the CMA, certain provisions of the Companies Law and the best practices in corporate governance within the KSA.

The framework of the CGRs regulates the various relationships between the Board of Directors, executive Directors, shareholders and other stakeholders by establishing rules and procedures to facilitate decision-making processes with the aim of protecting the rights of shareholders and other stakeholders and promoting the values of credibility, fairness, competitiveness and transparency in the Company’s conduct in the context of the Exchange and the business environment.

The CGRs also require developing clear methods and procedures for disclosure and transparency, which ensure that the Board of Directors serves the best interests of shareholders and provides a clear and fair picture of the Company’s financial position and results of operations.

The Company’s policy aims to adopt high standards of corporate governance and to apply the CGRs to the Company as of the date of its Listing, noting that the Company currently applies majority of the provisions of the CGRs and will be in full compliance with the CGRs as of the date of Listing. The Company believes that its commitment to compliance with the CGRs and other relevant laws and regulations is an important factor in its continued success. The Company will continue to update the internal corporate governance regulations when needed to reflect best practices. The provisions of the CGRs are mandatory, except for those referred to as guiding provisions.



5.11.2 Key Corporate Governance Requirements

The CGRs outline the key governance requirements to which the Company adheres and will adhere. These requirements cover, but are not limited to, the following broad areas:

- general rights of shareholders (Articles 4 to 9);
- rights relating to meetings of the General Assembly (Articles 10 to 15);
- the Board of Directors: its composition, responsibilities, competencies, working procedures and training (Articles 16 to 39);
- cases of conflicts of interest (Articles 40 to 46);
- Company committees (Articles 47 to 69); and
- internal controls, external auditors, Company reports and policies, as well as other matters (Articles 70 to 94).

5.11.3 Corporate Governance and Internal Regulations

On 27/04/1446H (corresponding to 30/10/2024G), the Board of Directors approved the Company's Internal Corporate Governance Manual.

The Company's Internal Corporate Governance Manual and other policies of the Company approved by the Board of Directors contain provisions relating to the following:

- Shareholders' rights;
- the Board of Directors, including its formation, membership rules, Board meetings, work procedures, competencies and powers;
- Company committees, including their composition, membership rules, committee meetings, work procedures, competencies and powers;
- control, internal audit and the Auditor;
- conflicts of interest policy; and
- disclosure and transparency policies.

On 28/04/1446H (corresponding to 31/10/2024G), the Company's General Assembly approved certain policies and regulations requiring its approval in accordance with the CGRs, including the Audit Committee Charter, the Nomination and Remuneration Committee Charter, the policies, criteria and procedures for Board membership, the Remuneration Policy, the Conflicts of Interest Policy and Related Party Transaction Policy.

5.11.4 Compliance with the CGRs

The Directors declare that the Company is currently in compliance with the majority of the provisions of the CGRs and will fully comply with the provisions of the CGRs from the date of Listing.

As at the date of this Prospectus, the Company's Board of Directors consists of nine (9) members appointed by the shareholder for a term not exceeding four (4) years, with the possibility of reappointment for additional terms. Moreover, all members of the Company's Board of Directors are non-executive Directors except for one executive Director. The Board includes three (3) independent Directors.

The Company is currently in compliance with the mandatory governance requirements that apply to joint-stock companies in the KSA. However, the Company is currently not in compliance with the provisions that are mandatory only in relation to listed companies and therefore do not apply to the Company at present as it is not yet listed on the Exchange. However, the Company will apply and comply with such provisions as at the date the Company's shares are listed on the Exchange. These requirements include the following provisions set forth in the CGRs:

- Article 8(a) with respect to announcing information regarding the nominees for Board membership on Tadawul's website when calling for a meeting of the General Assembly.
- Article 8(b) with respect to the limitation of voting in the General Assembly to the Board nominees whose information has been announced in accordance with Article 8(a).
- Article 13(d) with respect to the publication of the invitation to the General Assembly on the websites of Tadawul and the Company.



- Article 13(e) with respect to the Company's announcement of any amendment to the agenda of the General Assembly during the period between the publication of the announcement and the date of convening the General Assembly meeting.
- Article 14(c) with respect to making information related to the items of the General Assembly available to shareholders through the websites of Tadawul and the Company, and accessing information related to the items of the General Assembly agenda, particularly the Board and Auditor reports, the financial statements and the Audit Committee's report.
- Article 15(d) with respect to providing the CMA with a copy of the General Assembly meeting minutes.
- Article 15(e) in relation to announcing to the public and notifying the CMA and the Exchange of the results of General Assembly meetings immediately following their conclusion.
- Article 17(d) in relation to notifying the CMA of the Directors' names, membership capacities, and any changes to their membership within five working days from the date of such changes.
- Article 47(6) relating to notifying the CMA of the names and membership descriptions of committee members within five business days of their appointment and any subsequent changes within five business days of such changes.
- Article 65 with respect to publication of the nomination announcement on the websites of the Company and the Exchange to invite persons wishing to be nominated to Board membership, provided that the nomination period remains open for at least one month from the date of the announcement.
- Article 88(b) with respect to depositing sufficient copies of the Audit Committee report at the Company's head office and the publication thereof on the Exchange's website upon publication of the call to convene the General Assembly.

The Company is also in compliance with the mandatory governance requirements applicable to joint-stock companies in the Kingdom with respect to the internal audit and risk management. Pursuant to Article 71(b) of the CGRs issued by the CMA Board, the Company hired an external party with extensive experience in these fields to perform the functions and responsibilities of the internal audit and risk management and assessment units. The Company concluded an agreement with the relevant external party on 24 September 2024G and this agreement will continue until 31 August 2026G.

5.12 Employee Share Scheme

As at the date of this Prospectus, there are no employee share schemes entitling employees to participate in the Company's share capital, nor are there any other similar arrangements in place.





Management Discussion and Analysis of Financial Position and Results of Operations

6



6. Management Discussion and Analysis of Financial Position and Results of Operations

6.1 Introduction

The Group's Management Discussion and Analysis of Financial Position and Results of Operations section provides an analytical view of the Group's operational performance and financial position for the years ended 31 December 2022G, 2023G and 2024G, and the three-month periods ended 31 March 2024G and 2025G. This section and the attached notes have been prepared based on the special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2024G and 2025G.

Almasar Alshamil Education Company (the "Company") is a single shareholder closed joint stock company (formerly known as Amanat Special Education and Care Investments LLC) registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010831769 dated 6 October 2022G and under Saudi Arabian Ministry of Investment license number 102114402166741 dated 1 September 2022G.

The Company is a wholly owned subsidiary of Amanat Special Education and Care Holdings LTD registered as Private Company Limited by shares within the Abu Dhabi Global Market in the United Arab Emirates and ultimately owned by Amanat Holdings PJSC (the "Ultimate Parent Company" or "Amanat").

The principal activities of Amanat are to invest in companies and enterprises in the fields of education and healthcare as well as managing, developing and operating such companies and enterprises. Amanat is registered as a Public Joint Stock Company listed on the Dubai Financial Market, U.A.E.

The principal activities of the Company are to invest in companies and enterprises in the fields of education as well as managing, developing and operating such companies and enterprises. The registered address of the Company is Tawuniya Tower, King Fahad Road, Al Olaya District, Riyadh, Kingdom of Saudi Arabia.

The operational performance and financial position presented in this section are the first set of consolidated financial statements of the Company and its subsidiaries which include Middlesex Associates FZ-LLC ("Middlesex University", or "MDX"), Human Development Company LLC ("HDC") and Human Rehabilitation Company LLC ("HRC") (which is an investment held via HDC) (HDC and HRC together the "HDC Group") (collectively the "Group") following the reorganization of Amanat group (the "reorganization") on 27 June 2024G for the purpose of an initial public offering to be filed with the Capital Market Authority in the Kingdom of Saudi Arabia on the Tadawul.

Following the completion of the restructuring at Amanat on 27 June 2024G, the ownership of Middlesex Associates FZ-LLC and NEMA Holding Company LLC "NEMA" investees was transferred to the Company through transfer of shares. The special purpose consolidated financial statements, the consolidated financial statements and the unaudited interim condensed consolidated financial statements reflect the financial performance and position of the Company and its subsidiaries as well as the carrying amount and the share of results of its associate as if the combination had occurred from the beginning of the earliest period presented in this section.

The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the attached notes have been prepared in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (here in after referred to as "International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia") and have been audited by Deloitte and Touche & Co. Chartered Accountants (hereinafter referred to as the "Auditor"). The unaudited interim condensed consolidated financial statements for the three-month periods ended 31 March 2024G and 2025G have been prepared in accordance with the International Accounting Standard 34: Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Neither the Auditor nor any of its subsidiaries, affiliates or any of their employees (from the engagement team serving the Group) or relatives, own any shares or shares of any kind in the Group, which may affect its independence as at the date of



issuance of the special purpose consolidated financial statements. As of the date of this Prospectus, the Auditor provided the written consent to the reference to their role as Auditors of the Group's accounts for the financial years ended on 31 December 2022G, 2023G and 2024G, and for the three-month periods ended 31 March 2024G and 2025G, and this approval has not been withdrawn or amended as at the date of this Prospectus.

All amounts in this section have been rounded to the nearest thousand Saudi Riyals unless stated otherwise, and numbers and percentages have been rounded to the nearest decimal place. Therefore, the sum of these numbers may differ from what is stated in the tables. Accordingly, all ratios, key performance indicators, annual expenditures, and compound annual growth rates are based on rounded figures.

The financial information for the financial years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 31 March 2025G was extracted from the financial statements the financial year ended 31 December 2024G (and its comparative period 31 December 2023G), and from the special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, and from the unaudited interim condensed consolidated financial statements for the three-month periods ended 31 March 2025G (and its comparative period 31 March 2024G).

This section may include statements in connection with the Group's future prospects, based on the executive management's current plans and expectations regarding the Group's growth and results of operations, and financial position, and therefore such statements may involve risks and unconfirmed expectations that may lead to material differences from the Group's actual results as a result of multiple factors and events, including the factors discussed in Section No. 2 "**Risk Factors**" in this Prospectus.

6.2 Directors' declaration for financial information

The Board of Directors declare the following:

1. The members of the Board of Directors declare that the financial information contained in this section was extracted without material change and is presented in accordance with the special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, and with the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month periods ended 31 March 2025G, which have been reviewed by the Group's auditor Deloitte and Touche & Co. Chartered Accountants and the accompanying notes that were prepared by the Group in accordance with International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia for The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, and with the consolidated financial statements for the year ended 31 December 2024G and in accordance with the International Accounting Standard 34: Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia.
2. The members of the Board of Directors declare that the Group has sufficient working capital for a period of at least (12) months immediately following the date of publication of the Prospectus.
3. The members of the Board of Directors confirm that all material facts related to the Group and its financial performance have been disclosed in this Prospectus, and that there is no other information, documents, or facts if they are omitted, the data contained in this Prospectus will become misleading.
4. The Directors declare that the Group does not have any property, including any contractual securities or other assets, the value of which is subject to fluctuations or is difficult to ascertain, which significantly affects the assessment of its financial position.
5. The members of the Board of Directors declare that the Group has not provided any commissions, discounts, brokerage fees or any other non-cash compensation in connection with the issuance or offering of any securities to any of the members of the Board of Directors or suggested members of the Board of Directors and senior executives and those in charge of issuance or offering of these securities or the experts who received any of these payments or benefits during the three years immediately preceding the date of submitting an application for acceptance and offering of securities subject to this Prospectus.
6. The members of the Board of Directors declare that the Group does not have any loans or other liabilities whether covered by a personal guarantee or other kind of guarantee or covered by a mortgage, including any overdrafts from bank accounts, and does not have any secured liabilities or liabilities under acceptance or acceptance credit or any lease purchase liabilities except for what was disclosed in Section No. (11-8) (**Credit Facilities and Loans**) of this Prospectus.



7. The members of the Board of Directors acknowledge that, except as disclosed in Section No 6.5 “**Key factors affecting the Group’s operations**” and Section No. 2 “**Risk Factors**” of this Prospectus, to their knowledge the Group has no information on any government policies or economic, financial, monetary, political or any other factors that have a material impact (directly or indirectly) on the Group’s operations.
8. The members of the Board of Directors declare that the Group has no intention of making any material change in its activity.
9. The members of the Board of Directors declare that the Group’s operations have not been interrupted in a way that have affected or significantly affected its financial position during the last twelve months.
10. The members of the Board of Directors declare that none of the Company or its subsidiaries’ capital are subject to the right of option, except as disclosed in Section No. [●] “[●]” of this Prospectus.
11. The members of the Board of Directors declare that the Group has provided comprehensive details in this section of any potential liabilities and has accounted for and recorded a provision for the obligations contained in management’s discussion and analysis of the financial position and results of operations (for more information, refer to Section No. 6 “**Management Discussion and Analysis of Financial Position and Results of Operations**” of this Prospectus).
12. The members of the Board of Directors declare that the Group’s properties are not subject to any mortgages, rights, or encumbrances as at the date of this Prospectus, except for what was disclosed in Section No. 11.9 “**Real Estate**” of this Prospectus.
13. The members of the Board of Directors declare that the Group has provided extensive details in this section of all fixed assets and investments, including contractual securities and other assets whose value is volatile or difficult to estimate.
14. The members of the Board of Directors declare that the Group has not issued debt instruments, term loans, secured or unsecured mortgages, current or approved, but not issued, except for what was disclosed in Section No. 11.8 “**Credit Facilities and Loans**” of this Prospectus.
15. The members of the Board of Directors declare that there was no qualification on the financial statements of the Company and its material subsidiaries in the past three years preceding the date of submitting the registration application and initial public offering application of this Prospectus.
16. The members of the Board of Directors declare that there have been no material changes in the accounting policies of the Group in the past three years preceding the date of submitting the registration application and initial public offering application of this Prospectus.
17. The members of the Board of Directors declare that there have been no material changes in the published special purpose financial statements of the Group in the past three years preceding the date of submitting the registration application and initial public offering application of this Prospectus.
18. The members of the Board of Directors declare that no material restructuring has been made to the Group in the past three years preceding the date of submitting the registration application and initial public offering application of this Prospectus, in addition to the end of the period covered in the auditor’s report up to the date of this Prospectus.
19. The members of the Board of Directors declare that except for what is mentioned in this Prospectus, neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the Company or any of its subsidiaries, if applicable.
20. The members of the Board of Directors declare that the Group is not aware of any seasonal factors or economic cycles related to business activities that may impact the business and financial position of the Group, except as disclosed in Section No. 2 “**Risk Factors**” of this Prospectus.
21. The members of the Board of Directors declare that the Group has not made any changes to the issuer’s capital or any material changes to the capital of its significant subsidiaries during the three years immediately preceding the date of the application for registration and offering of the securities subject to this Prospectus.



6.3 Group overview

Almasar Alshamil Education (the “Company”) is a single shareholder closed joint stock company (formerly known as Amanat Special Education and Care Investments Company LLC) registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010831769 dated 06 October 2022G and pursuant to the license issued by the Ministry of Investment in the Kingdom of Saudi Arabia No. 102114402166741 dated 01 September 2022G.

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

The principal activities of the Company are to invest in companies and enterprises in the fields of education as well as managing, developing and operating such companies and enterprises. The registered address of the Company is Tawuniya Tower, King Fahad Road, Al Olaya District, Riyadh, Kingdom of Saudi Arabia.

The operational performance and financial position presented in this section are the first set of consolidated financial statements of the Company and its subsidiaries which include Middlesex Associates FZ-LLC (“Middlesex University”), Human Development Company LLC (“HDC”) and Human Rehabilitation Company LLC (“HRC”) (which is an investment held via HDC) (HDC and HRC together the “HDC Group”) (collectively the “Group”) following the reorganization of Amanat group (the “reorganization”) on 27 June 2024G for the purpose of an initial public offering to be filed with the Capital Market Authority in the Kingdom of Saudi Arabia.

Following the completion of the restructuring at Amanat on 27 June 2024G, the ownerships of Middlesex Associates FZ-LLC and NEMA Holding Company LLC “NEMA” investees were transferred to the Company through transfer of shares. The consolidated financial statements and the condensed interim consolidated financial statements reflect the financial performance and position of the Company and its subsidiaries as well as the carrying amount and the share of results of its associate as if the combination had occurred from the beginning of the earliest period presented in this section.

During the period ended 31 March 2025G the shareholders of the Company had resolved to:

- Convert the shareholder contribution balance amounting to SAR 1,024 million as of June 2024G to Share Capital
- Change the legal name of the Company to “Almasar Alshamil Education Company” from “Amanat Special Education and Care Investments LLC”
- Convert the legal status of the Company from a single shareholder foreign limited liability Company to a single shareholder closed Joint Stock Company. The required regulatory approvals were obtained subsequently during October 2024G.

The following table summarizes the subsidiaries of Almasar Alshamil Education Company:

Table (6.1): Almasar Alshamil Education Company subsidiaries

Subsidiary name	Country of incorporation	Principal business activity	Equity interest			
			As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Middlesex Associates FZ-LLC (“Middlesex University”)	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates	100%	100%	100%	100%
Human Development Company LLC (“HDC”)	Kingdom of Saudi Arabia	Special education and care needs	60%	60%	60%	60%
Human Rehabilitation Company LLC*	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services	60%	60%	60%	60%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

* Investment held via Human Development Company LLC



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

The following table summarizes the associates of Almasar Alshamil Education Company:

Table (6.2): Almasar Alshamil Education Company associates

Subsidiary name	Country of incorporation	Principal business activity	Equity interest			
			As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
NEMA Holding Company LLC (“NEMA”)*	United Arab Emirates	Leading tertiary education provider	35%	35%	35%	35%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

*In 2022G, Abu Dhabi University Holding LLC changed its legal name to NEMA Holding Company LLC.

6.4 Material subsidiaries

Middlesex Associates FZ-LLC (“Middlesex University”) and Human Development Company LLC (“HDC”) and Human Rehabilitation Company LLC (“HRC”) (which is an investment held via HDC) (HDC and HRC together the “HDC Group”) have been identified as material subsidiaries based on their contribution to the Group’s revenue, net profit / (loss), assets and liabilities as shown in the analysis below.

The following table summarizes the contribution of reach of the subsidiaries to the Group’s revenue and profit for the financial years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 2025G:

Table (6.3): Revenue and net profit / (loss) by subsidiary

SAR in 000s	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		Three-month period ended 31 March 2024G		Three-month period ended 31 March 2025G	
	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)
Pre-elimination										
Almasar Alshamil Education Company (the “Company”)	-	64,783	-	79,777	-	120,126	-	37,448	-	40,243
Middlesex University	149,711	37,742	177,535	49,060	221,769	60,514	69,044	22,947	84,229	27,671
HDC Group	31,300	12,379	164,319	60,029	215,296	66,084	55,788	21,191	69,568	21,292
Total	181,011	114,904	341,854	188,866	437,065	164,264	124,832	81,586	153,797	89,206
Post-elimination										
Almasar Alshamil Education Company (the “Company”) ⁽¹⁾	-	19,613	-	(40,729)	-	21,520	-	1,786	-	(192)
Middlesex University	149,711	37,742	177,535	49,060	221,769	60,514	69,044	22,947	84,229	27,671
HDC Group	31,300	12,379	165,022	60,559	215,296	66,084	55,788	21,191	69,568	21,292
Total	181,011	69,734	342,557	68,890	437,065	148,118	124,792	45,924	153,797	48,770

Source: Management information

⁽¹⁾ Almasar Alshamil Education Company (the “Company”) post elimination net profit represents 35% of the net income of NEMA Holding Company along with consolidation adjustments. This excludes the year ended 31 December 2023G where the Group incurred deferred tax expenses related to the purchase price allocation adjustments listed in the special purpose consolidated financial statements, attributed to entities of the Group located in the United Arab Emirates. This was coupled with finance costs related to the potential consideration for the acquisition of HDC Group, payable in two tranches amounting to SAR14.7 million in 2022G and SAR32.5 million in 2023G, depending on the financial performance.



Table (6.4): Revenue and net profit / (loss) by subsidiary post-elimination as a percentage of total

As a % of total	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		Three-month period ended 31 March 2024G		Three-month period ended 31 March 2025G	
	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)	Revenue	Net profit / (loss)
Almasar Alshamil Education Company (the "Company")	0.0%	28.1%	0.0%	(59.1%)	0.0%	14.5%	0.0%	3.9%	0.0%	(0.4%)
Middlesex University	82.7%	54.1%	51.8%	71.2%	50.7%	40.9%	55.3%	50.0%	54.8%	56.7%
HDC Group	17.3%	17.8%	48.2%	87.9%	49.3%	44.6%	44.7%	46.1%	45.2%	43.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Management information

The following table summarizes the contribution of each of the subsidiaries to the Group's assets and liabilities as at 31 December 2022G, 2023G and 2024G and 31 March 2025G:

Table (6.5): Assets and liabilities by subsidiary

SAR in 000s	As at 31 December 2022G		As at 31 December 2023G		As at 31 December 2024G		As at 31 March 2025G	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Pre-elimination								
Almasar Alshamil Education Company (the "Company")	1,069,053	44,656	1,128,182	42,607	1,217,810	18,853	1,257,188	58,688
Middlesex University	133,147	118,278	157,367	123,775	183,502	148,041	210,164	147,033
HDC Group	184,412	95,785	222,223	89,251	348,747	188,326	422,078	240,354
Total	1,386,611	258,718	1,507,773	255,632	1,750,059	355,219	1,889,430	446,075
Post-elimination								
Almasar Alshamil Education Company (the "Company") ⁽¹⁾	1,016,056	44,656	1,019,332	42,607	1,062,270	35,744	1,060,152	32,817
Middlesex University	133,098	118,169	157,064	164,068	183,502	148,040	210,164	147,033
HDC Group	179,866	112,784	217,680	88,722	348,747	188,326	422,078	240,354
Total	1,329,020	275,610	1,394,077	295,397	1,594,519	372,100	1,692,394	421,204

Source: Management information

⁽¹⁾ Almasar Alshamil Education Company (the "Company") assets represent the 35% investment in NEMA Holding Company and the intangibles arising from the acquisitions of both MDX and HDC Group. The liabilities of the Company relate to the contingent consideration paid to the former shareholders of HDC Group.



Table (6.6): Assets and liabilities by subsidiary post-elimination as a percentage of total

As a % of total	As at 31 December 2022G		As at 31 December 2023G		As at 31 December 2024G		As at 31 March 2025G	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Almasar Alshamil Education Company (the “Company”)	76.5%	16.2%	73.1%	14.4%	68.6%	22.1%	64.2%	7.8%
Middlesex University	10.0%	42.9%	11.3%	55.5%	9.5%	27.3%	10.8%	35.1%
HDC Group	13.5%	40.9%	15.6%	30.0%	21.9%	50.6%	24.9%	57.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Management information

6.5 Key factors affecting the Group’s operations

Below is a discussion of the most important factors that have affected or are expected to affect the Group’s business, its financial position, and the results of operations thereof. These factors are based upon the information currently available to the Group and may not represent all the factors that could affect the Group’s business. For further information please refer to Section 2 (“**Risk Factors**”) of this Prospectus.

6.5.1 Macroeconomic and demographic factors

The Kingdom’s robust economic performance is expected to significantly support demand for the special needs education sector in Saudi Arabia. With GDP projected to grow at a 5.6% CAGR between 2023G and 2028E, and consumer expenditure on education expected to increase at a 6.1% CAGR during the same period, there is likely to be continued investment in the sector. This will come not only from the government, which allocated 17% of its total spending to education in 2023G, but also from private-sector involvement, actively supported by the government’s open stance towards and active support for privatization. Together, these create a favorable environment for expanding and improving the special needs education services.

In the UAE on the other hand economic expansion, changing household structures, and increased demand for women’s education are expected to fuel demand for higher education. The country’s higher education sector is looking ahead to promising growth opportunities, with all segments projected to expand from 2023G to 2028E. Specifically, undergraduate programs are expected to grow at a CAGR of 5.3%, postgraduate programs at 7.5%, and foundation programs at 7.7%, during the forecast period. This growth is supported by the UAE’s strong economic outlook, with GDP anticipated to increase at a CAGR of 5.4% between 2023G and 2028E, which will drive disposable incomes to rise at a CAGR of 4.5% and likely support additional demand, which will translate into a projected increase in consumer spending on education at a CAGR of 5.9%. Favorable demographic trends are also contributing positively, particularly the faster contraction of household sizes compared to the GCC average. Changing household structures, characterized by a rise in smaller families, are leading to increased educational investments, as these households are more likely to prioritize education spending. The focus on women’s empowerment, seen in growing female representation in politics and STEM fields, will also likely boost demand for higher education among women.

Should there be material changes to these macroeconomic or demographic factors, then this may have an impact on the Group’s financial performance and financial position.

6.5.2 Governmental and sector specific factors

Government initiatives promoting inclusivity and support for individuals with disabilities, such as large-scale awareness campaigns, early diagnosis programs, and subsidy systems covering fees for all Saudis and some eligible non-Saudis, are expected to drive higher enrolment and demand for specialized services. As awareness increases and cultural stigma decreases, accompanied by improved access to diagnostic services, the gap between diagnosed and actual cases of disabilities is expected to narrow. By 2028E, the number of diagnosed students enrolled in special education is projected to rise from 48.0% in 2023G to 66.1%. This will contribute to an overall growth in special needs education enrolment, forecasted to rise at a CAGR of 8.6%, with those attending special education institutes and programs anticipated to grow at a higher rate of 12.9% between 2023G and 2028E. The faster growth in enrolment at specialized institutions reflects the trend toward privatization and specialization, indicating a future where Saudi Arabia’s special needs education becomes more accessible, higher in quality, and better tailored to the needs of students with disabilities and their parents.

The UAE’s higher education sector is adapting to job market demands and is growing its educational offer, thereby naturally increasing its attractiveness for local and international students alike. As the UAE continues to position itself as a global business hub, the evolving labor market offers higher quality yet more competitive job opportunities. This dynamic aligns with the country’s



transition toward a technology-based economy, motivating not only Emiratis and expatriate children but also international students, particularly those from Asia, the Middle East, and Africa, to pursue higher education in the country. While favorable policies and efforts of selected institutes, such as Middlesex university attract international students to the UAE, another catalyst for the country's growing appeal in higher education is found in the significant adaptations and improvements on the supply side, with higher education institutes adapting to market needs and strengthening their offer of international programs. This appeal is further strengthened by increasing privatization, with private institutions expanding across all segments through innovative programs, international accreditations, flexible learning models, and a focus on specialization to better align with industry needs and global trends.

Should there be material changes to government or sector specific factors, then this may have an impact on the Group's financial performance and financial position.

6.5.3 Reliance on government employee programs and impact on the Group's cost structure

The Group, through its subsidiary HDC Group, relies on employees who are supported by the MHRSD through the Tamheer program whereby the latter pays in full the salary of each Tamheer employee (SAR 3.0 thousand) for a period of six months. Upon completion of the six months, most of the employees are hired by HDC Group (with HDC Group incurring the related costs). The monthly average number of Tamheer supported employees amounted to 138 employees in 2022G, 110 employees in 2023G, 111 employees in 2024G, 224 employees in the Three-month period ended 31 March 2024G and 142 employees in the Three-month period ended 31 March 2025G.

The portion of HDC Group employees (on HDC Group's payroll), not supported by the Tamheer program amounted to 86.2% in 2022G, 91.6% in 2023G and 93.3% in the Three-month period ended 31 March 2025G. This resulted in a gradual increase in direct staff costs as a percentage of revenue from 25.9% in 2022G to 29.9% in the Three-month period ended 31 March 2025G. In the Three-month period ended 31 March 2025G, the Group's staff costs were also impacted by the increase in the minimum wage of MHRSD sponsored employees leading to an increase in average monthly salary per staff member from SAR 4.0 thousand in 2023G to SAR 5.3 thousand in the Three-month period ended 31 March 2025G. The increase was partially compensated through an increase in MHRSD grant income recorded under other operating income.

Other operating income comprised of grant income relating to a contribution received by the Group's subsidiary, HDC Group, from the Ministry of Human Resources and Social Development (MHRSD) in relation to Saudization initiatives, amongst other income.

Other operating income increased by 388.8% from SAR 3.8 million in 2022G to SAR 18.7 million in 2023G reflecting the full year impact of the acquisition of HDC Group as grant income amounted to SAR 15.6 million in 2023G.

Other operating income increased by 78.5% from SAR 18.7 million in 2023G to SAR 33.4 million in 2024G driven by the increase in grant income from SAR 15.6 million to SAR 28.2 million on the back of the increase in the average number of qualified employees from 733 employees in 2023G to 873 employees in 2024G, coupled with the increase in the minimum salary of MHRSD qualified employees. During 2024G, the Group reversed an impairment of property, plant and equipment amounting to SAR 2.1 million, relating to a purchase price adjustment booked at acquisition related to IT software (SAR 0.3 million) and learning tree project (SAR 1.8 million). These were subsequently reversed due to profitability, as agreed with external auditors.

Other operating income increased by 24.3% from SAR 7.6 million in the Three-month period ended 31 March 2024G to SAR 9.5 million in the Three-month period ended 31 March 2025G driven by the increase in grant income from SAR 6.8 million to SAR 8.1 million due to the increase in the average number of qualified employees from 998 employees in the Three-month period ended 31 March 2024G to 1,295 employees in the Three-month period ended 31 March 2025G.

Should the Tamheer program cease to exist or if the growth in revenue does not offset the increasing salary cost structure, the Group's financial performance and financial position might be adversely impacted given that the Group reliance on such employees.

Furthermore, grant income had a direct impact on the Group's reported net income throughout the historical period. In the event that this grant income is terminated by the MHRSD or are not obtained in any given year/period resulting from not achieving the respective KPIs by the Group, then this may have an impact on the Group's financial performance and financial position.



6.5.4 Impact of revenue recognition over quarterly reporting

The Group operates in the education/special needs sector and such, its operations witness a slowdown in the summer period (June to August). The Group's revenue from the university, centres, schools and jointly operated schools, is mainly generated during the academic year mostly spanning over a period of nine months of each calendar year over which the performance obligations are met.

In MDX, the tuition fee of the January intake students is recognized over a six and a half months period as opposed to nine months for September intake students, hence resulting in a higher average tuition per student (when comparing student intakes). Moreover, net tuition revenue generated from the January intake students constitutes a larger portion of total net tuition revenue in the quarterly reporting periods. It is worth noting that operational costs remain to be incurred by the Group during the summer period (yet to a lesser extent).

Accordingly, quarterly reporting for the first, second and fourth quarter of a financial year will not include the impact of the summer period costs and as such, might exhibit relatively higher profitability margins when compared to the respective full calendar year. On the other hand, quarter three from each calendar year will include minimal levels of revenue recognized and might exhibit lower profitability levels when compared to other quarters of the same calendar year.

6.5.5 Impact of receivables due and concentration from Government clients on the Group's DSO and working capital financing needs

HDC Group's trade receivable accounted for approximately 78.1% of the Group's gross trade receivables as at 31 December 2022G, 77.1% as at 31 December 2023G, 82.4% as at 31 December 2024G, and 87.1% as at 31 March 2025G. HDC Group's operations rely heavily on the government's payments (likely from MHRSD) on behalf of student receiving special care educational services. The consolidation of HDC Group impacted the Group DSO, which decreased 233 days as at 31 December 2022G (which includes 2 months of HDC Group revenue post-acquisition while accounting for the full trade receivables balance as at 31 December 2022G) to 143 days as at 31 December 2023G then to 133 days as at 31 December 2024G and 132 days as at 31 March 2025G.

HDC Group's government clients receivable balance constituted 69.2% of the Group's gross trade receivables as at 31 December 2022G, 67.8% as at 31 December 2023G, 78.7% as at 31 December 2024G, and 85.2% as at 31 March 2025G. Meanwhile, Government Client 1 constituted 60.2% of HDC's gross trade receivables as at 31 December 2022G, 67.6% as at 31 December 2023G, 90.5% as at 31 December 2024G, and 94.3% as at 31 March 2025G and constituted 47.0% of the Group's gross trade receivables as at 31 December 2022G, 52.2% as at 31 December 2023G, 74.6% as at 31 December 2024G and 82.1% as at 31 March 2025G.

The relatively longer tenure of government receivable collections (which are also concentrated with 2 clients) has driven HDC Group to resort to short-term credit facilities to manage the working capital needs due to the working capital gap created by the relatively delayed collections and the salary payments of HDC Group. Additional delays in collection of receivables might have an impact on the Group's financial position as financing facilities are accompanied by financing costs that are impacted by prevailing interest rates and thus impacting the Group's profit for the year. This is also in addition to the risk associated with the ability to obtain additional working capital facilities in the event the gap becomes larger.

6.6 Material accounting policy information

6.6.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS endorsed in the Kingdom of Saudi Arabia").

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

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



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

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

6.6.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the periods presented in these consolidated financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the special purpose consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated statement of profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit or loss. Any investment retained is recognised at fair value.

6.6.3 Summary of material accounting policy information

Business Combination under common control

A business combination is a business combination involving entities under common control, if the combining entities are ultimately controlled by the same party (or parties) both before and after the combination and common control is not transitory.

Business combinations involving entities under common control are accounted for using the pooling of interests' method. Under this method, assets and liabilities are recognised at carrying values already recorded in the financial statements (i.e. book values) of the acquirees and no fair value adjustments are made therein. Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquirees in accordance with applicable IFRS.



The cost of acquisition is measured as the aggregate of consideration transferred and the value of net assets of the acquirees as at the date of acquisition. Acquisition costs incurred are expensed and included in administrative and general expenses.

Goodwill is not recognised at acquisition and the difference between the acquirer's cost of investment and the acquiree's equity is presented as adjustment within equity on consolidation.

Non-controlling interests, if any, are measured as a proportionate share of the book values of the related assets and liabilities. Profit or loss includes results of the acquirees for the period from the first day of the year in which acquisition occurs till the reporting date.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are generally prepared for the same reporting period as the Group, when necessary, adjustments are made to bring the accounting period and policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognises the loss within 'Share of results of associates' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

The Group measures financial instruments such as financial assets at FVOCI, derivative financial instruments and contingent consideration at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's 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 asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the special purpose consolidated financial statements are categorised 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 or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the special purpose 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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Revenue

The Group provides education services. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.



Tuition fees

Revenue from tuition fees is recognised over the period of each academic term and is reduced by scholarships awarded to students during that period.

Special Care and Education service fees

Revenue from special care and education services is recognized over the period of the academic term in which the services are provided, net of any discounts, as the customer simultaneously receives and consumes the benefits provided by the Group.

Administrative and other service fees from students

Administrative and other service fees from students are recognized either at a point in time when the services have been rendered to the students or over time when the students simultaneously receive and consume the benefits provided by the Group, net of any discounts.

Joint services agreements (Schools)

Share of revenue from joint services agreements, is recognized on a straight-line basis over the period of each academic term.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in section (I) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (I) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Government grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received. Grants are recognised in the consolidated statement of profit or loss over the period necessary to match them with the expense that they are intended to compensate.

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the special purpose consolidated financial statements.



Foreign currencies

The Group's special purpose consolidated financial statements are presented in SAR, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into SAR at the rate of exchange prevailing at the reporting date and their consolidated statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Saudi Arabia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred.



Construction in progress is stated at cost, net of accumulated impairment losses, if any. No depreciation is charged on capital work in progress.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

The following table summarizes estimated useful lives of the assets under property and equipment:

Table (6.7): Estimated useful lives of the assets

Asset name	Estimated useful lives
Leasehold improvements	Shorter of asset life and lease term
Academic equipment	3 to 6 years
Medical equipment	6 years
Furniture and fixtures	6 to 10 years
Other assets	3 to 10 years

Source: The special purpose consolidated financial statements for the years ended 31 December 2023G, and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

The following table summarizes the estimated useful lives of the assets under right-of-use assets:

Table (6.8): Estimated useful lives of the assets

Asset name	Estimated useful lives
Buildings and offices	3 to 10 years

Source: The special purpose consolidated financial statements for the years ended 31 December 2022G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section “**Impairment of non-financial assets**”.



Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section "Revenue".

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.



Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables and due from related parties.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, lease liabilities, due to related parties, loans and borrowings and other long-term liabilities.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated a contingent consideration for the acquisition of a subsidiary as a financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.



For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average basis. Net realisable value is the estimated selling price for inventories less estimated costs of completion and cost necessary to make the sale. Write-down of inventories to net realisable value is recognised in the consolidated statement of profit or loss and other comprehensive income.

Cash and bank balances

Cash and bank balances in the consolidated statement of financial position comprise cash at banks and on hand and term deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an initial maturity of three months or less, net of any outstanding bank overdrafts.

Provisions, contingent assets and liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent assets and liabilities

Contingent liabilities are not recognized in the special purpose consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the special purpose consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Employee benefits

Employee defined benefit liabilities

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the special purpose consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and are not reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined



benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- re-measurements

The Group presents the first two components of defined benefit costs (i.e. service cost and interest expense) in profit or loss in relevant line items.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, and annual leave which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits

Retirement benefits made to defined contribution plans are expensed when incurred.

Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The Group's intangible assets are amortised on a straight-line basis over useful economic lives of the assets.

The following table summarizes the estimated economic lives of the intangible assets:

Table (6.9): Estimated useful economic lives of the assets

Asset name	Estimated useful lives
Technical expertise	4 years
Expat student relationships	14 years
Licensing and academic services agreement	30 years
Brand names	10 to 25 years

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.



Tax and Zakat

Current taxes

The Group is subject to Zakat on the computed Zakat base in accordance with the regulations of Zakat, Tax and Customs Authority (“Authority” or “ZATCA”) in the Kingdom of Saudi Arabia which is subject to interpretations. The Group is also subject to the income tax in accordance with the UAE corporate tax. The Group’s Tax and is charged to the consolidated statement of profit or loss.

The Group’s management establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA and UAE Federal Tax Authority and periodically evaluates positions taken in the Zakat and Tax returns with respect to applicable pronouncements and interpretation in subsequent periods.

Deferred taxes

Deferred taxes are amounts payable or recoverable in future periods with respect to taxable temporary differences. The Group recognizes a deferred tax liability / (asset) whenever recovery or settlement of the carrying amount of a liability or an asset would make future tax payments larger / (smaller) than they would be if such recovery or settlement were to have no tax consequences. Any such deferred tax liabilities / (assets) are recorded at the tax rates that are expected to apply when the liability is settled or asset is realized and have been enacted or substantively enacted at the reporting period date. No deferred taxes are recorded on Goodwill and intangible balances acquired in business combinations.

The Group’s management also applies judgement in determining the amount of deferred taxes to be recorded based on their understanding of the relevant tax laws and re-evaluates the impact of any subsequent issuance of interpretations and clarifications by the relevant tax authorities.

6.6.4 New standards, interpretations and amendments of accounting standards

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

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

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments that are listed below apply for the first time in 2025G, but do not have a significant impact on the interim condensed consolidated financial statements of the Group.

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

Accounting standards issued but still subject to the endorsement by SOCPA

IFRS S1, ‘General requirements for disclosure of sustainability-related financial information

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain. The standard is effective from 1 January 2024G subject to the endorsement by SOCPA, and accordingly, has not yet adopted by the Group.

IFRS S2, ‘Climate-related disclosures’

This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. The standard is effective from 1 January 2024G subject to the endorsement by SOCPA, and accordingly, has not yet been adopted by the Group.

Standards and interpretations issued but not yet effective

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



Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely)

Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations, and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures and (effective 1 January 2026G)

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. The effective date is 1 January 2026G.

IFRS 18, Presentation and Disclosure in Financial Statements (effective 1 January 2027G)

IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as management-defined performance measures (MPMs). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.

IFRS 19 - Reducing subsidiaries disclosures (effective 1 January 2027G)

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.

6.6.5 Significant accounting judgments, estimates and assumptions

The preparation of the Group's special purpose consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal periods as part of the lease term for leases of campus building and offices with shorter remaining non-cancellable period (i.e., one year). The Group typically exercises its option to renew these leases because there will be a significant negative effect on the business if a replacement asset is not readily available and with significant costs to be incurred. The renewal periods for leases of land, buildings with longer remaining non-cancellable periods (i.e., 6 to 39 years from the reporting date) are not included part of the lease terms as they are not reasonably certain to be exercised.



Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described on the next page. The Group based its assumptions and estimates on parameters available when the special purpose consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets (including goodwill and intangible asset with indefinite useful life)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the most recent projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and intangible asset with indefinite useful life recognised by the Group.

Fair value measurement of other long-term liabilities

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Allowance for expected credit losses of fee receivables

The Group uses a provision matrix to calculate ECLs for fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.



6.7 Results of operations of Almasar Alshamil Education Company LLC and its subsidiaries

6.7.1 Consolidated statement of comprehensive income

The following table summarizes the special purpose consolidated statement of comprehensive income for the three years ended 31 December 2022G, 2023G and 2024G and the consolidated statement of comprehensive income for the three-month periods ended 31 March 2024G and 2025G:

Table (6.10): Consolidated statement of comprehensive income data

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Revenue	181,011	342,557	437,065	89.2%	27.6%	55.4%	124,792	153,797	23.2%
Cost of revenue	(88,346)	(175,383)	(234,001)	98.5%	33.4%	62.7%	(60,727)	(80,918)	33.2%
Gross profit	92,665	167,174	203,064	80.4%	21.5%	48.0%	64,065	72,879	13.8%
General, selling and administrative expenses	(48,134)	(74,814)	(98,630)	55.4%	31.8%	43.1%	(24,710)	(33,989)	37.6%
Share of results of an associate	24,163	18,080	29,885	(25.2%)	65.3%	11.2%	3,222	5,425	68.4%
Other operating income	3,825	18,696	33,378	388.8%	78.5%	195.4%	7,632	9,486	24.3%
Operating profit	72,519	129,136	167,697	78.1%	29.9%	52.1%	50,209	53,801	7.2%
Finance income	344	1,913	3,664	456.1%	91.5%	226.4%	1,023	1,200	17.3%
Finance costs	(2,689)	(8,380)	(9,192)	211.6%	9.7%	84.9%	(1,792)	(2,263)	26.3%
Profit for the period before zakat and income tax	70,174	122,669	162,169	74.8%	32.2%	52.0%	49,440	52,738	6.7%
Zakat and income taxes	(440)	(2,728)	(14,051)	520.0%	415.1%	465.1%	(3,516)	(3,968)	12.9%
Deferred taxes	-	(51,051)	-	N/A	(100.0%)	N/A	-	-	N/A
Profit for the year/period	69,734	68,890	148,118	(1.2%)	115.0%	45.7%	45,924	48,770	6.2%
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:									
Remeasurement loss on employees' benefit obligations	(130)	1,315	1,375	N/A	4.6%	N/A	-	-	N/A
Total comprehensive income for the year/period	69,604	70,205	149,493	0.9%	112.9%	46.6%	45,924	48,770	6.2%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G



The following table summarizes the key performance indicators for the three years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 2025G:

Table (6.11): Statement of comprehensive income key performance indicators

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G- 31 March 2025G
Reported EBITDA	96,718	168,353	215,561	74.1%	28.0%	49.3%	60,525	66,739	10.3%
As a % of revenue				Percentage points			As a % of revenue	Percentage points	
Cost of revenue	48.8%	51.2%	53.5%	2.4	2.3	4.7	48.7%	52.6%	4.0
Gross profit margin	51.2%	48.8%	46.5%	(2.4)	(2.3)	(4.7)	51.3%	47.4%	(4.0)
General, selling and administrative expenses	26.6%	21.8%	22.6%	(4.8)	0.7	(4.0)	19.8%	22.1%	2.3
EBITDA margin	53.4%	49.1%	49.3%	(4.3)	0.2	(4.1)	48.5%	43.4%	(5.1)
Net profit margin	38.5%	20.1%	33.9%	(18.4)	13.8	(4.6)	36.8%	31.7%	(5.1)

Source: Management information.

The following table summarizes the calculation of the Group's earnings before interest, tax, depreciation and amortization (EBITDA) for the three years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 2025G:

Table (6.12): Earnings before interest, tax, depreciation and amortization

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Profit for the year/period	69,734	68,890	148,118	(1.2%)	115.0%	45.7%	45,924	48,770	6.2%
Add back:									
Deferred taxes	-	51,051	-	N/A	(100.0%)	N/A	-	-	N/A
Zakat and income taxes	440	2,728	14,051	520.0%	415.1%	465.1%	3,516	3,968	12.9%
Finance costs	2,689	8,380	9,192	211.6%	9.7%	84.9%	1,792	2,263	26.3%
Depreciation of right-of-use assets	13,297	21,433	26,712	61.2%	24.6%	41.7%	5,632	6,836	21.4%
Amortization of intangible assets	4,550	5,954	5,750	30.9%	(3.4%)	12.4%	1,437	1,437	57.0%
Depreciation of property and equipment	3,319	8,797	12,369	165.0%	40.6%	93.0%	2,488	3,906	57.0%
Amortization of PPA assets	3,033	3,033	3,033	0.0%	0.0%	0.0%	759	759	0.0%
Deduct:									
Finance income	(344)	(1,913)	(3,664)	456.1%	91.5%	226.4%	(1,023)	(1,200)	17.3%
Reported EBITDA	96,718	168,353	215,561	74.1%	28.0%	49.3%	60,525	66,739	10.3%

Source: Management information.



Almasar Alshamil Education is 100% owned by Amanat Holdings PJSC and owns 60% of Human Development Company (“HDC”). HDC together with its 100% owned subsidiary, Human Rehabilitation Company (“HRC”), operates 36 daycare centres and 10 schools as at 31 March 2025G. It is noted that 8 schools are jointly operated with other parties, whereby HDC and HRC entered joint operations arrangements to jointly operate and manage educational service schools for special care and needs students. Almasar Alshamil Education also owns 100% of Middlesex University in Dubai, UAE (“MDX”), which operates through two leased campuses and has an average of 6,478 students. Moreover, the Group has a 35% investment in NEMA Holding Company which is accounted for as an associate in accordance with IFRS.

On 27 October 2022G, the Group acquired 60% of the voting shares of HDC, an unlisted holding company based in KSA and its 100% owned subsidiary, HRC. The acquisition was accounted for using the acquisition method under the IFRS 3 Business Combinations. During 2022G, the special purpose consolidated financial statements include the results of HDC and its subsidiary from 01 November 2022G to 31 December 2022G, as the transactions between 27 October 2022G and 31 October 2022G were not deemed material to the Group. In 2022G, HDC Group contributed SAR 31.3 million to revenue, SAR 15.4 million to EBITDA, and SAR 12.4 million to profit for the year. Had the acquisition occurred on the first day of 2022G, the impact on the Group’s results would have been SAR 125.4 million on revenue, SAR 53.5 million on EBITDA, and SAR 37.0 million on profit for the year.

It is worth noting that the HDC Group consolidated revenue generated from special education and care needs services amounted to SAR 25.0 million out of the total consolidated HDC Group revenue of SAR 31.3 million while the remaining related to administrative fees, other service fees from students and the Group’s share of revenue from joint services agreements.

Revenue

Revenue comprises mainly (i) tuition fees, net of scholarship awarded for students and beneficiaries, related to the revenue from programs offered in MDX and the tuition fees of schools operated by HDC Group, (ii) special education and care needs services, related to the centres operated by HDC Group (iii) administrative and other service fees from students and beneficiaries enrolled in the university, schools and centres, and (iv) share of revenue from joint services agreements in HDC Group.

Revenue increased by 89.2% from SAR 181.0 million in 2022G to SAR 342.6 million in 2023G mainly due to:

1. the increase in revenue generated from HDC by SAR 133.7 million due to the full year acquisition impact as opposed to 2 months consolidated during 2022G. The HDC consolidated revenue amounted to SAR 165.0 million in 2023G of which SAR 127.1 million was related to special education and care needs services revenue. It is worth noting that during 2023G the Group added 6 new centres increasing the total number of centres from 21 centres in 2022G and further to 27 centres in 2023G with the average number of beneficiaries increasing from 2,653 beneficiaries in 2022G to 3,541 beneficiaries in 2023G; and
2. the increase in MDX tuition fees, net of scholarship awarded revenue by SAR 27.5 million primarily driven by an increase in the average number of students from 4,374 students to 5,041 students over the same period, mainly driven by the increase in international students on the back of the influx of the Russian and countries of the Commonwealth of Independent States (CIS) students in the UAE.

Revenue increased by 27.6% from SAR 342.6 million in 2023G to SAR 437.1 million in 2024G mainly due to:

1. the increase in MDX tuition fees, net of scholarship awarded revenue by SAR 42.1 million mainly driven by an increase in the average number of students from 5,041 students to 5,828 students primarily driven by the increase in international student enrolments; and
2. the increase in HDC special education and care needs services revenue mainly stemming from the ramp up of newly added centres in 2022G and 2023G, coupled with the opening of 8 new centres in 2024G, all of which resulted in an increase in the average number of beneficiaries from 3,541 beneficiaries in 2023G to 4,491 beneficiaries in 2024G.

Revenue increased by 23.2% from SAR 124.8 million in the three-month period ended 31 March 2024G to SAR 153.8 million in the three-month period ended 31 March 2025G mainly due:

1. the increase in MDX tuition fees, net of scholarship awarded revenue by SAR 14.7 million mainly driven by an increase in the average number of students from 5,549 students to 6,478 students primarily driven by the increase in international student enrolments; and
2. the increase in HDC special education and care needs services revenue mainly stemming from the ramp up of newly added centres in 2023G and 2024G, coupled with the opening of a new centre in the three-month period ended 31 March 2025G, all of which resulted in an increase in the average number of beneficiaries from 3,915 beneficiaries to 5,163 beneficiaries.



It is worth noting that newly added centres typically need an average of 12-24 months to ramp up and hence need to have been operational for 2 years or more to be considered a mature centre. Mature centres are defined as centres that have opened prior to 2021G.

Cost of revenue

Cost of revenue comprised mainly salaries and employees' related costs, royalty and profit-sharing arrangements for academic services, and student related expenses among others.

Cost of revenue increased by 98.5% from SAR 88.3 million in 2022G to SAR 175.4 million in 2023G mainly driven by:

1. the increase in salaries and employee related costs by SAR 51.6 million reflecting the full year impact of the acquisition of HDC (+SAR 48.9 million) coupled with the increase in MDX salaries by SAR 2.7 million in line with the increase in the average number of teachers over the period to support higher student enrolment; and
2. the increase in depreciation of right-of-use assets by SAR 8.1 million driven by the full year impact of acquisition of HDC (+SAR 6.5 million) coupled with the addition of leasehold improvements in MDX (+SAR 1.6 million); and
3. the increase in student related expenses and share of cost from joint services agreements mainly driven by the full year impact of the acquisition of HDC.

Cost of revenue increased by 33.4% from SAR 175.4 million in 2023G to SAR 234.0 million in 2024G mainly driven by:

1. the increase in HDC salaries by SAR 33.5 million, mainly driven by the increase in the average number of direct staff from 1,253 direct staff members in 2023G to 1,712 direct staff members 2024G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.0 thousand in 2023G to SAR 4.6 thousand in 2024G in line with the inflationary pay rises in KSA, and the increase in the minimum salary of the MHRSD qualified employees (which was partially compensated through an increase in grant income, recorded under other operating income); and
2. an increase in MDX salaries by SAR 5.0 million driven by the increase in the average part-time teacher's headcount by 32 teachers.

Cost of revenue increased by 33.2% from SAR 60.7 million in the three-month period ended 31 March 2024G to SAR 81.0 million in the three-month period ended 31 March 2025G mainly driven by the increase in salaries and employees' related costs by SAR 11.0 million due to:

1. the increase in HDC salaries by SAR 9.7 million, mainly driven by the increase in the average number of direct staff from 1,831 direct staff members in the three-month period ended 31 March 2024G to 2,111 direct staff members the three-month period ended 31 March 2025G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.4 thousand in the three-month period ended 31 March 2024G to SAR 5.3 thousand in the three-month period ended 31 March 2025G in line with the inflationary pay rises in KSA, and the increase in the minimum salary of the MHRSD qualified employees (which was partially compensated through an increase in grant income, recorded under other operating income); and
2. an increase in MDX salaries by SAR 1.3 million driven by the increase in the average part-time teachers' headcount by 24 teachers.

Gross profit

Gross profit increased by 80.4% from SAR 92.7 million in 2022G to SAR 167.2 million in 2023G driven by the full year impact of the acquisition of HDC on both revenue and direct costs. It is worth noting that MDX salaries and employee related costs constituted 21.2% of MDX revenue in 2023G while HDC salaries and employee related costs constituted 37.1% of HDC revenue in 2023G. As such, the increased contribution of HDC to the Group has resulted in an increase of total salaries and employee related costs as a percentage of revenue from 25.9% in 2022G to 28.7% in 2023G. This has resulted in a decline in gross margin from 51.2% to 48.8% over the same period.

Gross profit increased by 21.5% from SAR 167.2 million in 2023G to SAR 203.1 million in 2024G driven by the growth in revenue mainly stemming from the tuition fees net of scholarship awarded in MDX (+SAR 27.4 million) and the special education and care needs services in HDC (+SAR 45.2 million) at the back of the opening of 8 new centres.

This was partly offset by the increase in cost of revenue (+SAR 58.6 million) mainly stemming from the increase in salaries and employee related costs driven by the addition of HDC direct staff members in line with the addition of new centres during the period. The new additions that are still in ramp up phase in HDC and their associated costs (along with the increase in average monthly salaries of HDC direct staff members in 2024G) have resulted in a decline in gross margin from 48.8% in 2023G to 46.5% in 2024G.



Gross profit increased by 13.8% from SAR 64.1 million in the three-month period ended 31 March 2024G to SAR 72.9 million in the three-month period ended 31 March 2025G driven by the growth in revenue mainly stemming from the tuition fees net of scholarship awarded in MDX (+SAR 14.7 million) and the special education and care needs services in HDC (+SAR 11.0 million).

This was partly offset by the increase in salaries and employee related costs driven by the addition of HDC direct staff members in line with the addition of new centres during the period. The new additions that are still in ramp up phase in HDC and their associated costs (along with the increase in average monthly salaries of HDC direct staff members in the three-month period ended 31 March 2025G) have resulted in a decline in gross margin from 51.3% in the three-month period ended 31 March 2024G to 47.4% in the three-month period ended 31 March 2025G.

Throughout the historical period, HDC utilized employees who are supported by the MHRSD through the Tamheer program whereby the latter pays in full the salary of each Tamheer employee (SAR 3 thousand) for a period of 6 months. Upon completion of the 6 months, most of the employees are hired by HDC (with HDC incurring the related costs). The monthly average number of Tamheer supported employee amounted to 138 employees in 2022G, 110 employees in 2023G, 111 employees in 2024G, 224 employees in the three-month period ended 31 March 2024G and 142 employees in the three-month period ended 31 March 2025G. The increase in contribution of the employed direct staff no longer supported by Tamheer had an adverse impact on HDCs' contribution margin and gross profit across the period as the Group had to incur a larger portion of staff costs.

General, selling and administrative expenses

General, selling and administrative expenses mainly comprised salaries and employees' related costs, expected credit losses on trade receivables, amortisation of intangible assets, and marketing and communications expenses, among others.

General, selling and administrative expenses increased by 55.4% from SAR 48.1 million in 2022G to SAR 74.8 million in 2023G mainly reflecting the full year impact of the acquisition of HDC. As a result, salaries and employees' related costs increased by SAR 13.4 million of which SAR 10.2 million stemmed from HDC, coupled with the further increase in MDX administrative staff salaries (+SAR 3.8 million), on the back of an increase in average headcount. This was coupled with the increase in expected credit loss on trade receivables by SAR 5.3 million in line with the increase in students' enrolments while no reversals were recorded during the period. This was also coupled by the increase in MDX marketing expenses (+SAR 1.1 million) to enhance domestic and international student enrolments. General, selling and administrative expenses decreased as a percentage of revenue from 26.6% in 2022G to 21.8% in 2023G on the back of the overall growth in revenue.

General, selling and administrative expenses increased by 31.8% from SAR 74.8 million in 2023G to SAR 98.6 million in 2024G mainly driven by an increase in average headcount, coupled with an increase in the average monthly salary from SAR 19.7 thousand in 2023G to SAR 21.6 thousand in 2024G due to the onboarding of the CEO and CFO of the Group in the last quarter of 2024G.

This was coupled with the increase in MDX overseas recruitment agents' fees and the inception of Almasar Alshamil Education Company (holding company of the Group) during the period, which incurred exceptional general and financial advisory fees amounting to SAR 982.4 thousand. The exceptional costs incurred under legal and professional fees, resulted in an increase in general, selling and administrative expenses as a percentage of revenue from 21.8% in 2023G to 22.6% in 2024G.

General, selling and administrative expenses increased by 37.6% from SAR 24.7 million in the three-month period ended 31 March 2024G to SAR 34.0 million in the three-month period ended 31 March 2025G mainly driven by an increase in employee related expenses by SAR 3.7 million attributed to the increased headcount mainly relating to Almasar Alshamil Education Company (holding company of the Group). The seniority level of the hires in the holding company has resulted in an increase in average monthly salary from SAR 18.5 thousand in the three-month period ended 31 March 2024G to SAR 23.1 thousand in the three-month period ended 31 March 2025G. This was coupled with the continued increase in legal and professional fees by SAR 2.8 million driven by the continued increase in overseas recruitment agents fees, and resulted in an increase in general, selling and administrative expenses as a percentage of revenue from 19.8% in the three-month period ended 31 March 2024G to 22.1% in the three-month period ended 31 March 2025G.

Share of results of an associate

Share of result in an associate relates to a 35% investment in NEMA Holding Company, that was acquired on 6 March 2018G. The associate is involved in the provision of education services including undergraduate and graduate degrees, academic research, offering diploma, language education, computer software training, administrative business training, enterprise investment, institution and management in Abu Dhabi, United Arab Emirates. NEMA is a private entity that is not listed on any public exchange. The Group's interest in NEMA is accounted for using the equity method in the special purpose consolidated financial statements.



Share of result in an associate decreased by 25.2% from SAR 24.2 million in 2022G to SAR 18.1 million in 2023G as the associate recorded a decrease in profits from SAR 77.7 million in 2022G to SAR 60.3 million in 2023G as the majority of students took their credit hours during the COVID-19 period and which subsequently normalized post the COVID-19 period. This was coupled with the introduction of Tax in the UAE from June 2023G onwards and higher market financing rates.

Share of result in an associate increased by 65.3% from SAR 18.1 million in 2023G to SAR 29.8 million in 2024G in line with the increase in profit generated by NEMA over the period from SAR 60.3 million to SAR 94.1 million, driven by the growth in NEMA's operations as a result of an increase in enrolments, partially offset by the impact of UAE corporate tax.

Share of result in an associate increased by 68.4% from SAR 3.2 million in the three-month period ended 31 March 2024G to SAR 5.4 million in the three-month period ended 31 March 2025G in line with the increase in profit generated by NEMA over the period from SAR 11.4 million to SAR 17.7 million driven by the growth in NEMA's operations as a result of a continued increase in enrollments.

Other operating income

Other operating income comprised of grant income relating to a contribution received by the Group's subsidiary, HDC, from the Human Resources Development Fund (MHRSD) of the Kingdom of Saudi Arabia in relation to Saudization initiatives, and other income relating to penalties on delayed tuitions, consultancy income and foreign exchange gains/losses.

Other operating income increased by 388.8% from SAR 3.8 million in 2022G to SAR 18.7 million in 2023G reflecting the full year impact of the acquisition of HDC as grant income amounted to SAR 15.6 million in 2023G.

Other operating income increased by 78.5% from SAR 18.7 million in 2023G to SAR 33.4 million in 2024G driven by the increase in grant income from SAR 15.6 million to SAR 28.2 million on the back of the increase in the average number of qualified employees from 733 employees in 2023G to 873 employees in 2024G, coupled with the increase in the minimum salary of MHRSD qualified employees. During 2024G, the Group reversed an impairment of property, plant and equipment amounting to SAR 2.1 million, relating to a purchase price adjustment booked at acquisition related to IT software (SAR 0.3 million) and learning tree project (SAR 1.8 million). These were subsequently reversed due to profitability, as agreed with external auditors.

Other operating income increased by 24.3% from SAR 7.6 million in the three-month period ended 31 March 2024G to SAR 9.5 million in the three-month period ended 31 March 2025G driven by the increase in grant income from SAR 6.8 million to SAR 8.1 million due to the increase in the average number of qualified employees from 998 employees in the three-month period ended 31 March 2024G to 1,295 employees in the three-month period ended 31 March 2025G.

EBITDA

EBITDA increased by 74.1% from SAR 96.7 million in 2022G to SAR 168.4 million in 2023G driven by:

1. the full year impact of HDC Group's acquisition and the continued increase in the number of students of MDX, reflected in an increase in gross profit by SAR 74.5 million;
2. the increase in other operating income by SAR 14.9 million on the back of grant income for HDC Group during the period.

This was partially offset by the increase in general, selling, and administrative expenses by SAR 26.7 million mainly driven by the full year impact of the HDC Group acquisition and the decline in the Group's share of result in an associate as the associate recorded an additional decrease in profits from SAR 77.7 million in 2022G to SAR 60.3 million in 2023G. EBITDA margin decreased from 53.4% in 2022G to 49.1% in 2023G impacted by the decline in gross margin as HDC Group's contribution increased further during the period and the decrease in share of result in an associate.

EBITDA increased by 28.0% from SAR 168.4 million in 2023G to SAR 215.6 million in 2024G mainly driven by the growth in (i) gross profit by SAR 35.9 million, (ii) the increase in other operating income by SAR 14.7 million due the increase in MHRSD grants and (iii) share of result in an associate by SAR 11.8 million. The decline in gross margin due to the ramp up of the new centres added during the period, was partly offset by the exceptional gain recorded under other operating income from the reversal of impairment of property, plant and equipment during 2024G. EBITDA margin increased over the 2023G - 2024G period, recording 49.1% in 2023G and 49.3% in 2024G.

EBITDA increased by 10.3% from SAR 60.5 million in the three-month period ended 31 March 2024G to SAR 66.7 million in the three-month period ended 31 March 2025G mainly driven by the growth in (i) gross profit by SAR 8.8 million, (ii) the increase in other operating income by SAR 1.9 million due the increase in MHRSD grants and (iii) share of result in an associate by SAR 2.2 million. The decline in gross margin due to the ramp up of the new centres added during the period, was accompanied by an increase in general, selling and administrative expenses by SAR 9.2 million as a result of the incorporation



of the holding company of the Group and the hiring of the CEO and CFO of the Group. As such, EBITDA margin decreased over the three-month period ended 31 March 2024G - the three-month period ended 31 March 2025G period, recording 48.5% in the three-month period ended 31 March 2024G and 43.4% in the three-month period ended 31 March 2025G.

Finance income

Finance income related to interest on term deposits and was generated exclusively from MDX. Finance income was SAR 0.3 million in 2022G and increased further by 456.1% to SAR 1.9 million in 2023G due to the higher level of deposits undertaken by MDX during the period, mainly driven by the increase in deposit rates during 2023G.

Finance income increased by 91.5% from SAR 1.9 million in 2023G to SAR 3.6 million in 2024G due to the continued increase in the level of deposits undertaken by the Group during the period.

Finance income increased by 17.3% from SAR 1.0 million in the three-month period ended 31 March 2024G to SAR 1.2 million in the three-month period ended 31 March 2025G due to the continued increase in the level of deposits undertaken by the Group during the period.

Finance cost

Finance costs comprised mainly finance cost on lease liabilities, finance costs on financing from banks and other finance costs relating to the unwinding of the long-term contingent consideration.

Finance costs increased by 211.6% from SAR 2.7 million in 2022G to SAR 8.4 million in 2023G due to the full year impact of the acquisition of HDC Group's finance costs relating to leases and short-term financing from banks.

Finance costs increased by 9.7% from SAR 8.3 million in 2023G to SAR 9.1 million in 2024G mainly due to the increase in finance costs on financing from banks from SAR 1.0 million in 2023G to SAR 2.5 million in 2024G in line with the new financing taken by HDC to (i) fund working capital requirements and (ii) purchase of a plot of land and a building to be used for new centres under construction.

Finance costs increased by 26.3% from SAR 1.8 million in the three-month period ended 31 March 2024G to SAR 2.3 million in the three-month period ended 31 March 2025G mainly due to the increase in finance costs on lease liabilities from SAR 1.2 million in the three-month period ended 31 March 2024G to SAR 1.6 million in the three-month period ended 31 March 2025G due to the addition of 3 new leases relating to centres in HDC.

Zakat and income taxes

Zakat and income taxes increased by 520.0% from SAR 0.4 million in 2022G to SAR 2.7 million in 2023G following the acquisition of HDC Group in October 2022G.

Zakat and income taxes increased by 415.1% from SAR 2.7 million in 2023G to SAR 14.1 million in 2024G mainly due to the enactment of UAE Corporate Tax Law in the UAE during January 2023G and subsequent issuance of further clarifications during the second half of 2023G.

Zakat and income taxes increased by 12.9% from SAR 3.5 million in the three-month period ended 31 March 2024G to SAR 4.0 million in the three-month period ended 31 March 2025G the Three-month period ended 31 March 2025G in line with the growth in the Group's operations.

The Group's subsidiaries in the UAE, are subject to UAE Corporation Tax Law with effect from 1 January 2024G and the related current taxes are accounted for in the financial statements from the period beginning 1 January 2024G. In addition to UAE Corporation Tax, the Group's subsidiary in the Kingdom of Saudi Arabia is subject to the regulations of the General Authority of Zakat, Tax and Customs Authority ("ZATCA"). Zakat is provided on an accrual basis. The Zakat charge is computed at 2.5% of the Zakat base or the adjusted net income, whichever is higher. Zakat is charged to statement of profit or loss. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Deferred taxes

Deferred tax expense relates to the initial recognition of a deferred tax liability (DTL) in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's special purpose consolidated statement of financial position and attributable to the UAE-based Group entities.

On 9 December 2022G, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022G on the Taxation of Corporations and Businesses to enact a Federal Corporate Tax (CT) regime in the UAE. The Corporate Tax regime is effective from 1 June 2023G and accordingly, it has an income tax related impact on the financial statements for accounting periods



beginning on or after 1 June 2023G. The UAE CT Law applied to the Group with effect from 1 January 2024G. The MoF continues to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Accordingly, the current income taxes are accounted for in the financial statements from the period beginning 1 January 2024G. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023G. Accordingly, the Group has recorded a deferred tax liability of SAR 51.1 million in 2023G. This relates to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future. During the three-month period ended 31 March 2025G, the Group has recorded a gain of SAR 853 thousand to unwind the temporary differences in its deferred tax provisions.

Profit for the year / period

Profit for the year decreased by 1.2% from SAR 69.7 million in 2022G to SAR 68.9 million in 2023G whereby the overall growth in results and EBITDA by SAR 71.6 million was more than offset by deferred tax expenses amounting to SAR 51.1 million recorded during the period post implementation of corporate tax in the UAE and the increase in depreciation and amortization expenses (including amortisation of PPA assets) by SAR 15.0 million. Accordingly, profit margin for the year decreased from 38.5% in 2022G to 20.1% in 2023G. Excluding the deferred tax and income expenses, profit margin for 2022G would have amounted to SAR 122.7 million and recorded a net income margin of 35.8% in 2023G.

Profit for the period increased by 115.0% from SAR 68.9 million in 2023G to SAR 148.1 million in 2024G, in line with the increase in EBITDA during the period, which has contributed towards the profit margin increase from 20.1% in 2023G to 33.9% in 2024G.

Profit for the period increased by 6.2% from SAR 45.9 million in the three-month period ended 31 March 2024G to SAR 48.8 million in the three-month period ended 31 March 2025G in line with the increase in EBITDA during the period. The decline in gross margin and the increase in general, selling and administrative expenses as a result of the establishment and hiring of the senior management of the holding company of the Group (Almasar Alshamil Education Company), has resulted in a decline in profit margin from 36.8% in the three-month period ended 31 March 2024G to 31.7% in the three-month period ended 31 March 2025G.

6.7.1.1 Revenue by subsidiary

The following table summarizes the revenue by subsidiary for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2024G and 2025G:

Table (6.13): Revenue by subsidiary

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Middlesex University	149,711	177,535	221,769	18.6%	24.9%	21.7%	69,004	84,229	22.1%
HDC Group	31,300	165,022	215,296	427.2%	30.5%	162.3%	55,788	69,568	24.7%
Total	181,011	342,557	437,065	89.2%	27.6%	55.4%	124,792	153,797	23.2%
As a % of total	Percentage points						As a % of total	Percentage points	
Middlesex University	82.7%	51.8%	50.7%	(30.9)	(1.1)	(32.0)	55.3%	54.8%	(0.5)
HDC Group	17.3%	48.2%	49.3%	30.9	1.1	32.0	44.7%	45.2%	0.5
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-
Key performance indicators									
Average number of students / beneficiaries									
Middlesex University	4,374	5,041	5,828	15.2%	15.6%	15.4%	5,549	6,478	16.7%



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR, 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
HDC Group	3,619	4,635	5,629	28.1%	21.5%	24.7%	4,997	6,396	28.0%
Total	7,993	9,676	11,458	21.1%	18.4%	19.7%	10,546	12,874	22.1%
Average revenue per student / beneficiary (SAR)									
Middlesex University ⁽¹⁾	34,227	35,218	39,237	2.9%	11.4%	7.1%	36,659	38,331	4.6%
HDC Group ⁽²⁾	34,664	35,603	38,245	2.7%	7.4%	5.0%	37,216	36,258	(2.6%)
Total	34,425	35,404	38,146	2.8%	7.7%	5.3%	39,445	39,822	1.0%

Source: Management information.

⁽¹⁾ Average revenue per student for the three-month periods ended 31 March 2024G and 2025G were annualized based on 3-months of revenue for comparative basis.

⁽²⁾ HDC Group average revenue per beneficiary in 2022G has been annualized (based on the actual 2 month of revenue that was consolidated and annualized for the full year). Average revenue per student for the three-month periods ended 31 March 2024G and 2025G were annualized based on 12-months of revenue for comparative basis.

Middlesex University

Middlesex University operates through two main campuses located in Dubai, United Arab Emirates. The university offers three main programs (Foundation, Undergraduate and Postgraduate). Foundation program comprises of a one-year program with fixed fees for all students, and upon meeting certain requirements students can enrol into the undergraduate programs, for which the university offers 8 different faculties, with relatively similar tuition fees. Postgraduate program includes 6 different faculties, with varying tuition fees depending on the degree pursued. The university is affiliated with Middlesex University in the United Kingdom and encompasses both a Domestic and International student body. The arrangement includes a royalty fee and a profit share agreement with MDX United Kingdom.

Middlesex University revenue comprised tuition fees net of scholarships awarded and administrative and other service fees. MDX revenue grew steadily over the 2022G – 2024G period primarily due to an increase in the average number of students from 4,374 students in 2022G to 5,828 students in 2024G driven mainly by the increase in international students on the back of the increase in international marketing and recruitment efforts (primarily India and Africa). MDX revenue increased by 22.1% from SAR 69.0 million in the three-month period ended 31 March 2024G to SAR 84.2 million in the three-month period ended 31 March 2025G driven by an increase in the average number of students from 5,549 students to 6,478 students, mainly driven by the increase in international student enrolments (+890 students).

Human Development Company ("HDC Group")

HDC Group revenue comprised mainly of revenue from special education and care needs services, among other revenue such as administrative and other service from students and share from joint services agreements. HDC Group revenue increased from SAR 31.3 million in 2022G to SAR 165.0 million in 2023G reflecting the full year impact of the consolidation.

It is worth noting that HDC revenue on a standalone basis (i.e. including the portion prior to acquisition) increased gradually from SAR 125.4 million in 2022G and to SAR 165.0 million in 2023G. This was also a result of the addition of new centres which increased from 21 centres in 2022G to 27 centres in 2023G.

HDC Group revenue increased from SAR 165.0 million in 2023G to SAR 215.3 million in 2024G mainly driven by the ramp up of 6 newly added centres in 2023G, coupled with the addition of 8 new centres in 2024G, all of which resulted in an increase in the average number of beneficiaries from 3,541 beneficiaries to 4,491 beneficiaries.

HDC Group revenue increased from SAR 55.8 million in the three-month period ended 31 March 2024G to SAR 69.6 million in the three-month period ended 31 March 2025G mainly driven by the ramp up of newly added centres in 2024G, coupled with the addition of 1 new centres in the three-month period ended 31 March 2025G, all of which resulted in an increase in the average number of beneficiaries from 3,915 beneficiaries to 5,163 beneficiaries.



6.7.1.2 Revenue by type of goods or service

The following table summarizes the revenue by type of goods or service for the three years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 2025G:

Table (6.14): Revenue by type of goods or service

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Tuition fees, net of scholarship awarded	145,679	184,603	226,651	26.7%	22.8%	24.7%	70,577	85,530	21.2%
Special education and care needs services	25,016	127,110	168,268	408.1%	32.4%	159.4%	42,771	53,754	25.7%
Administrative and other service fees from students	6,016	18,936	26,870	214.8%	41.9%	111.3%	7,048	10,691	51.7%
Share of revenue from joint services agreements	4,300	11,908	15,276	176.9%	28.3%	88.5%	4,396	3,822	(13.1)
Total	181,011	342,557	437,065	89.2%	27.6%	55.4%	124,792	153,797	23.2%
As a % of total	Percentage points						As a % of total	Percentage points	
Tuition fees, net of scholarship awarded	80.5%	53.9%	51.9%	(26.6)	(2.0)	(28.6)	56.6%	55.6%	(0.9)
Special education and care needs services	13.8%	37.1%	38.5%	23.3	1.4	24.7	34.3%	35.0%	0.7
Administrative and other service fees from students	3.3%	5.5%	6.1%	2.2	0.6	2.8	5.6%	7.0%	1.3
Share of revenue from joint services agreements	2.4%	3.5%	3.5%	1.1	0.0	1.1	3.5%	2.5%	(1.0)
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

Tuition fees, net of scholarship awarded

Tuition fees, net of scholarship awarded accounted for 80.5% of revenue in 2022G, 53.9% in 2023G, 51.9% in 2024G, 56.6% in the Three-month period ended 31 March 2024G, and 55.6% in the Three-month period ended 31 March 2025G and comprised mainly (i) fees paid by enrolled undergraduate, postgraduate and foundation students in MDX, net of the scholarships offered, in addition to (ii) tuition revenue generated from HDC Group schools primarily focused on special education needs students.

It is worth noting that HDC was acquired by the Group in October 2022G, and consolidated commencing November 2022G. HDC's schools' revenue related to the period post-acquisition in 2022G amounted to SAR 1.9 million and was recorded under 'special education and care needs services' during the period.

MDX tuition revenue is recognized at the start of the academic year and amortized over the period of each academic semester, reduced by scholarships offered during the same period. Students book their place through a non-refundable tuition deposit paid at the inception of the registration contract, which is recorded under deferred revenue and amortized across the first semester.

Similarly, HDC schools' tuition revenue is recognized at the start of the academic year (net of scholarships) and amortized over the academic semesters.



Tuition fees, net of scholarship awarded increased by 26.7% from SAR 145.7 million in 2022G to SAR 184.6 million in 2023G mainly on the back of an increase in:

1. undergraduate net tuition revenue by SAR 17.0 million driven by the increase in the average number of students from 2,943 students to 3,377 students due to the further increase in the average number of international students (+281 students), mainly due to the continuous growth in core international markets such as India and Africa, as well as the influx of students from Russia and countries of the Commonwealth of Independent States (CIS). This was coupled with the increase in average gross tuition per student from SAR 50.2 thousand to SAR 51.9 thousand during the period, largely due to an increase in the undergraduate fees for the newly enrolled students of the academic year 2022G/2023G;
2. postgraduate net tuition revenue by SAR 4.4 million driven by the increase in the average number of students from 855 students to 988 students stemming from the increase in the average number of international students (+125 students), augmented by the influx of Russian students and countries of the Commonwealth of Independent States (CIS) in the UAE. This was coupled with an increase in average gross tuition per student from SAR 41.8 thousand to SAR 43.0 thousand due to a more favourable student mix with a higher number of students enrolled in the more expensive programs, partially offset by the increase in scholarships offered from SAR 9.1 million to SAR 11.5 million;
3. foundation net tuition revenue by SAR 3.4 million driven by the increase in the average number of students from 577 students to 677 students in line with the sustained spending on domestic and international marketing resulting in an increase in international students by 54 students attributed mainly to the continuous growth in core international markets such as India and Africa, as well as the influx of students from Russia and countries of the Commonwealth of Independent States (CIS), and domestic students by 46 students. This was coupled with the increase in the average gross tuition per student from SAR 41.2 thousand to SAR 42.2 thousand largely due to an increase in the fees during the year; and
4. the impact of the acquisition of HDC Group during 2022G which generated SAR 10.8 million during 2023G. HDC Group revenue from tuition fees (for schools) on a standalone basis increased from SAR 6.4 million to SAR 10.8 million driven by an increase in the average number of students from 327 students in 2022G to 351 students in 2023G.

Tuition fees, net of scholarship awarded increased by 22.8% from SAR 184.6 million in 2023G to SAR 226.7 million in 2024G mainly on the back of an increase in:

1. undergraduate net tuition revenue by SAR 26.2 million driven by the increase in the average number of students from 3,377 students to 3,851 students stemming from the increase in the average number of international students (+343 students) supported by the further increase of marketing and recruitment efforts resulting in a further increase in overseas agent costs and marketing spend. This was coupled with the increase in average gross tuition per student from SAR 51.9 thousand to SAR 54.6 thousand, largely due to (i) an increase in the undergraduate fees for the newly enrolled academic year 2023G/2024G students from SAR 56.3 thousand in academic year 2022G/2023G to SAR 58.2 thousand in academic year 2023G/2024G and (ii) the decrease in scholarships as a percentage of gross tuition from 28.2% to 27.7%;
2. postgraduate net tuition revenue by SAR 10.5 million driven by the increase in the average number of students from 988 students to 1,225 students largely international students (+173 students), in line with the continued increased in marketing and recruitment efforts resulting in an increase in marketing expenditure and overseas agents during the period. This was coupled with an increase in average gross tuition per student from SAR 43.0 thousand to SAR 47.2 thousand mainly attributed to imposing a minimum tuition fee of SAR 68.5 thousand per program, which resulted in an increase of some of the programs in academic year 2023G/2024G; partially offset by the increase in scholarships as a percentage of gross tuition from 27.0% to 28.3%; and
3. foundation net tuition revenue by SAR 3.3 million driven by the increase in the average number of students from 677 students to 752 students supported by the further increase in marketing and recruitment efforts resulting in a further increase of overseas agent costs and marketing spend, coupled with the decrease in scholarships as a percentage of gross tuition from 35.6% to 34.8% over the period. The average gross tuition per student increased from SAR 42.2 thousand in 2023G to SAR 44.2 thousand in 2024G.

Tuition fees, net of scholarship awarded increased by 21.2% from SAR 70.5 million in the three-month period ended 31 March 2024G to SAR 85.5 million in the three-month period ended 31 March 2025G mainly on the back of:

1. an increase in undergraduate net tuition revenue by SAR 9.0 million driven by the increase in the average number of students from 3,665 students to 4,211 students stemming from the increase in the average number of international students (+460 students) supported by the further increase of marketing and recruitment efforts resulting in a further increase in overseas agent costs and marketing spend. This was coupled with the decrease in scholarships as a percentage of gross tuition from 28.1% to 27.2%. Average gross tuition per student remained stable at an average of SAR 55.0 thousand during the period;



2. an increase in postgraduate net tuition revenue by SAR 6.3 million driven by the increase in the average number of students from 1,139 students to 1,507 students largely international students (+355 students), in line with the continued increased in marketing and recruitment efforts resulting in an increase in marketing expenditure and overseas agents during the period. This was coupled with an increase in average gross tuition per student from SAR 45.6 thousand to SAR 50.9 thousand mainly attributed to the increase in tuition fees in academic year 2024G/2025G; coupled with the decrease in scholarships as a percentage of gross tuition from 28.3% to 28.0%; and
3. a decrease in foundation net tuition revenue by SAR 0.2 million driven by the decrease in the foundation revenue generated from domestic students, as the program is facing increasing competition from preparatory high school programs in the domestic market. The increasing competition was accompanied by an increase in scholarships as a percentage of gross tuition from 34.2% to 37.3% over the period. This was partially offset by the increase in the average number of students from 745 students to 760 students, driven by the growth in international students and supported by the increase in marketing and recruitment efforts resulting in a further increase of overseas agent costs and marketing spend. As a result of the increasing competition the average gross tuition per student remained relatively stable at SAR 46.3 thousand in each of the three-month period ended 31 March 2024G and the three-month period ended 31 March 2025G.

It is worth noting that the fluctuation in the postgraduate average gross tuition is mainly attributed to the student mix across different programs (e.g. Business, Computer Engineering & Informatics, MBA etc.), as the tuition fees vary across the programs.

Special education and care needs services

Special education and care needs services represented revenue from daycare centres and clinics exclusively for HDC Group and accounted for 13.8% of revenue in 2022G, 37.1% in 2023G, 38.5% in 2024G, 34.3% in the Three-month period ended 31 March 2024G, and 35.0% in the Three-month period ended 31 March 2025G.

It is worth noting that the reported results correspond to the calendar year (beginning January and ending December), while the centres and schools operations extend over the academic year (September to May), accordingly the reported results represent the financial performance of the second and the first semester of the prior and current academic year respectively. As a result, the average number of beneficiaries during the fiscal year is monitored rather than the academic year end number of beneficiaries.

HDC Group was acquired in October 2022G and consolidated commencing November 2022G, therefore special education and care needs services only represented 2 months of revenue in 2022G.

It is worth noting that HDC Group revenue from special education and care needs services prior to acquisition amounted to SAR 91.9 million in 2022G with 2,769 beneficiaries. Post acquisition, the two-months portion reflected in the list co. financials amounted to SAR 25.0 million in 2022G.

Special education and care needs services revenue increased from SAR 25.0 million in 2022G to SAR 127.1 million in 2023G reflecting the full year impact of the acquisition of HDC Group coupled with the ramp up of 6 new centres added in 2023G. Revenue in 2023G was generated from 27 centres and an average of 3,541 beneficiaries with an average tuition of SAR 34.8 thousand per beneficiary.

Special education and care needs services revenue increased by 32.4% from SAR 127.1 million in 2023G to SAR 168.3 million in 2024G on the back of the ramp up of centres opened in 2022G and 2023G, and the addition of 8 new centres during 2024G. Accordingly, the average number of beneficiaries increased from 3,541 beneficiaries in 2023G to 4,491 beneficiaries in 2024G coupled with an increase in average tuition per beneficiary from SAR 34.8 thousand to SAR 37.5 thousand during the period mainly attributed to additional services offered to beneficiaries such as speech therapy which resulted in the increase in average number of beneficiaries enrolled in the ancillary courses during the period.

Special education and care needs services revenue increased by 25.7% from SAR 42.7 million in the three-month period ended 31 March 2024G to SAR 53.8 million in the three-month period ended 31 March 2025G on the back of the ramp up of centres added in 2024G, in addition to the addition of 1 new centre during the three-month period ended 31 March 2025G. Accordingly, the average number of beneficiaries increased from 3,915 beneficiaries in the three-month period ended 31 March 2024G to 5,163 beneficiaries in the three-month period ended 31 March 2025G coupled with a decrease in average revenue per beneficiary from SAR 36.4 thousand to SAR 34.7 thousand. The price lists (tuition fees) of the centres remained unchanged across the historical period, as determined by MHRSD, with fluctuations only stemming from the number of ancillary courses offered to existing beneficiaries.



Administrative and other service fees from students

Administrative and other service fees from students accounted for 3.3% of revenue in 2022G, 5.5% in 2023G, 6.1% in 2024G, 5.6% in the three-month period ended 31 March 2024G, and 7.0% in the three-month period ended 31 March 2025G. Administrative and other service fees from students related to both MDX and HDC Group and comprised transportation revenue, clinical revenue, and short courses revenue, among others.

Administrative and other service fees from students revenue increased by 214.7% from SAR 6.0 million in 2022G to SAR 18.9 million in 2023G reflecting the full year impact of HDC Group's acquisition as transportation revenue increased by SAR 12.9 million, out of which SAR 12.6 million is stemming from HDC Group, slightly offset by a decrease in other administrative and other service fees from students by SAR 0.3 million driven by the decrease in miscellaneous student income by SAR 0.9 million as a result of the change in accounting policy commencing October 2021G, relating to the recognition of non-refundable student fee deposits, as the Group started recognising tuition fee deposits over the period of provision of the educational service instead of at a specific point in time.

Administrative and other service fees from students' revenue increased by 41.9% from SAR 18.9 million in 2023G to SAR 26.9 million in 2024G on the back of the increase in transportation revenue by SAR 4.5 million, coupled with the increase in MDX short courses (+SAR 1.9 million) driven mainly by a newly implemented team focusing on utilising classrooms during the summer period for pre-session English classrooms, Russian student groups, summer courses.

Administrative and other service fees from students revenue increased by 51.7% from SAR 7.0 million in the three-month period ended 31 March 2024G to SAR 10.7 million in the three-month period ended 31 March 2025G on the back of the increase in transportation revenue by SAR 3.1 million driven by the increase in the number of HDC centres beneficiaries subscribed to the service.

Share of revenue from joint services agreements

Share of revenue from joint services agreements accounted for 2.4% of revenue in 2022G, 3.5% in 2023G, 3.5% in 2024G, 3.5% in the three-month period ended 31 March 2024G, and 2.5% in the three-month period ended 31 March 2025G. Share of revenue from joint services agreements related exclusively to HDC Group. These represent the share of revenue from joint services agreements relating to 6 schools in each of 2022G and 2023G, 8 schools (including 1 which was discontinued during the year) in 2024G and 5 schools in the three-month period ended 31 March 2024G and 7 schools in the three-month period ended 31 March 2025G.

Share of revenue from joint services agreements revenue was SAR 4.3 million in 2022G reflecting 2 months of revenue post-acquisition.

The parties agreed to allocate a certain portion of net profit (depending on the school) to be shared with the Group and the remaining to the counterparty, whereby the operation costs will be allocated on an agreed upon share for each party.

Share of revenue from joint services agreements increased by 176.9% from SAR 4.3 million in 2022G to SAR 11.9 million in 2023G reflecting the full year impact of HDC Group's acquisition during 2022G, whereby the share of revenue from joint services agreements for HDC Group on a standalone basis increased by 4.7% from SAR 11.4 million in 2022G to SAR 11.9 million in 2023G.

Share of revenue from joint services agreements increased by 28.3% from SAR 11.9 million in 2023G to SAR 15.3 million in 2024G driven by the increase in the average number of beneficiaries during the period, coupled with a more favourable beneficiary mix across grades associated with higher fees and the launch of two new schools during the period.

Share of revenue from joint services agreements decreased by 13.1% from SAR 4.4 million in the Three-month period ended 31 March 2024G to SAR 3.8 million in the three-month period ended 31 March 2025G mainly due to the decrease in the average revenue per student from SAR 19.5 thousand in the three-month period ended 31 March 2024G to SAR 14.3 thousand in the three-month period ended 31 March 2025G due to a less favourable beneficiary mix across grades associated with lower fees.



6.7.1.2.1 Tuition fees, net of scholarship awarded

The following table summarizes the tuition fees, net of scholarship awarded by subsidiary for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2024G and 2025G:

Table (6.15): Tuition fees, net of scholarship awarded by subsidiary

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Middlesex University	145,679	173,140	215,233	18.9%	24.3%	21.6%	67,143	81,795	21.8%
Human Development Company	-	11,462	11,418	NA	(0.4%)	NA	3,434	3,735	8.8%
Total	145,679	184,602	226,651	26.7%	22.8%	24.7%	70,577	85,530	21.2%
As a % of total	Percentage points						As a % of total	Percentage points	
Middlesex University	100.0%	93.8%	95.0%	(6.2)	1.2	(5.0)	95.1%	95.6%	0.5
Human Development Company	-	6.2%	5.0%	6.2	(1.2)	5.0	4.9%	4.4%	(0.5)
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-

Source: Management information.

The following table summarizes Middlesex University's tuition fees, net of scholarship awarded by program for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2024G and 2025G:

Table (6.16): Middlesex University's tuition fees, net of scholarship awarded by program

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Gross tuition revenue									
Undergraduate	147,596	175,361	210,522	18.8%	20.1%	19.4%	66,859	78,330	17.2%
Postgraduate	35,681	42,480	57,821	19.1%	36.1%	27.3%	17,875	26,501	48.3%
Foundation	23,776	28,563	33,246	20.1%	16.4%	18.3%	11,488	11,736	2.2%
Gross tuition revenue	207,053	246,404	301,589	19.0%	22.4%	20.7%	96,222	116,567	21.1%
Scholarship awarded									
Undergraduate	(38,653)	(49,451)	(58,415)	27.9%	18.1%	51.1%	(18,800)	(21,321)	13.4%
Postgraduate	(9,089)	(11,470)	(16,365)	26.2%	42.7%	80.0%	(5,064)	(7,419)	46.5%
Foundation	(8,829)	(10,169)	(11,569)	15.2%	13.8%	31.0%	(3,933)	(4,381)	11.4%
Scholarship awarded	(56,572)	(71,089)	(86,350)	25.7%	21.5%	23.5%	(27,797)	(33,120)	19.2%
Net tuition revenue									
Undergraduate	108,942	125,910	152,106	15.6%	20.8%	39.6%	48,059	57,010	18.6%
Postgraduate	26,592	31,011	41,456	16.6%	33.7%	55.9%	12,811	19,082	49.0%
Foundation	14,947	18,395	21,677	23.1%	17.8%	45.0%	7,555	7,355	(2.6%)



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Net tuition revenue	150,481	175,315	215,239	16.5%	22.8%	19.6%	68,425	83,447	22.0%
Withdrawals and adjustments	(4,802)	(2,175)	(6)	(54.7%)	(99.7%)	(96.5%)	(1,282)	(1,652)	28.8%
Total	145,679	173,140	215,233	18.9%	24.3%	21.6%	67,143	81,795	21.8%
As a % of total				Percentage points			As a % of total		Percentage points
Undergraduate	101.3%	101.3%	97.8%	0.0	(3.5)	(3.5)	99.6%	95.8%	(3.8)
Postgraduate	24.5%	24.5%	26.9%	0.0	2.3	2.4	26.6%	32.4%	5.8
Foundation	16.3%	16.5%	15.4%	0.2	(1.1)	(0.9)	17.1%	14.3%	(2.8)
Scholarships	(38.8%)	(41.1%)	(40.1%)	(2.2)	0.9	(1.3)	(41.4%)	(40.5%)	0.9
Withdrawals and adjustments	(3.3%)	(1.3%)	(0.0%)	2.0	1.3	3.3	(1.9%)	(2.0%)	(0.1)
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-
Key performance indicators									
Average number of students									
Undergraduate	2,943	3,377	3,851	14.7%	14.0%	14.4%	3,665	4,211	14.9%
Postgraduate	855	988	1,225	15.6%	24.1%	19.7%	1,139	1,507	32.3%
Foundation	577	677	752	17.3%	11.2%	14.2%	745	760	2.0%
Total	4,374	5,041	5,828	15.2%	15.6%	15.4%	5,549	6,478	16.7%
MDX University Capacity									
Dubai Knowledge Park	4,000	5,200	5,925	30.0%	13.9%	21.7%	5,625	6,225	10.7%
Dubai International Academic City	375	375	375	0.0%	0.0%	0.0%	375	375	0.0%
Total	4,375	5,575	6,300	27.4%	13.0%	20.0%	6,000	6,600	10.0%
Utilization % ⁽¹⁾	100.0%	90.4%	92.5%	(9.6)	2.1	(7.5)	92.5%	98.2%	5.7
Average net tuition revenue per student (SAR)									
Undergraduate	37,017	37,284	39,498	0.7%	5.9%	3.3%	39,060	40,364	3.3%
Postgraduate	31,120	31,403	33,832	0.9%	7.7%	4.3%	32,654	36,677	4.3%
Foundation	25,926	27,191	28,825	4.9%	6.0%	5.4%	29,101	27,785	5.4%
Total	34,403	34,778	36,930	1.1%	6.2%	3.6%	36,351	37,976	4.5%
Scholarship awarded									
Scholarship awarded as a % of gross tuition revenue	27.3%	28.9%	28.6%	1.6	(0.3)	1.3	28.9%	28.4%	(0.5)
Number of students eligible for scholarships	3,945	4,720	5,545	19.7%	17.5%	18.6%	5,263	6,240	18.6%
Average scholarship awarded per student (SAR)	14,340	15,061	15,573	5.0%	3.4%	4.2%	15,583	15,649	0.4%

Source: Management information.

⁽¹⁾ Utilization % is computed based on the average number of students / the physical capacity of MDX.



Middlesex University

It is worth noting that each calendar year includes semester two and three from the previous academic year (e.g. January-June 2024G from the academic year 2023G/2024G) and semester one from the new academic year (e.g. September 2024G-December 2024G from the academic year 2024G/2025G).

Gross tuition revenue mainly includes 8 undergraduate programs (including both full time and part-time students). It is worth noting that the undergraduate programs are equally priced, regardless of the program, with the part-time students charged half of the full-time student fees. Undergraduate fees have been subject to a 2.5% annual increment for freshman/first year students, with the existing students continuing with the same tuition fees they initially enrolled for.

It is important to note that Management assesses every year the market conditions, including student demand, macro environment and competitors, to determine gross fees increase (if any) and amendments to the discounts and scholarship structure. Accordingly, the increases in tuition fees across the academic years at MDX were largely due to these management assessments.

Undergraduate

The undergraduate program entails registration through the foundation program or external applications and comprises of eight faculties namely Business, Computer Engineering & Informatics, Law, Psychology, Accounting & Finance, Art & Design, Health & Education, and Media.

Undergraduate gross tuition revenue increased by 18.8% from SAR 147.6 million in 2022G to SAR 175.4 million in 2023G mainly driven by an increase in average number of students from 2,943 students to 3,377 students due to the further increase in the average number of international students (+281 students), supported by the further increase in marketing and recruitment efforts resulting in an increase of overseas agent costs and marketing spend coupled with the influx of students from Russia and countries of the Commonwealth of Independent States (CIS). This was coupled with an increase in the average gross tuition per student from SAR 50.2 thousand in 2022G to SAR 51.9 thousand in 2023G largely due to an increase in the undergraduate fees for the newly enrolled students of the academic year 2022G/2023G from SAR 53.6 thousand in the academic year 2022G to SAR 56.3 thousand in the academic year 2022G/2023G and further to SAR 57.6 thousand in the academic year 2023G/2024G.

Undergraduate gross tuition revenue increased by 20.1% from SAR 175.4 million in 2023G to SAR 210.5 million in 2024G driven by an increase in the average number of students from 3,377 students to 3,851 students mainly stemming from the increase in the average number of international students (+343) supported by the further increase of marketing and recruitment efforts resulting in a further increase in overseas agent costs and marketing spend. This was coupled with an increase in the average gross tuition per student from SAR 51.9 thousand in 2023G to SAR 54.7 thousand in 2024G, largely due to an increase in the undergraduate fees for the newly enrolled students from SAR 57.6 thousand in the academic year 2023G/2024G to SAR 62.1 thousand in the academic year 2024G/2025G.

Undergraduate gross tuition revenue increased by 17.2% from SAR 66.9 million in the three-month period ended 31 March 2024G to SAR 78.3 million in and the three-month period ended 31 March 2025G driven by an increase in the average number of students from 3,665 students to 4,211 students stemming from the increase in the average number of international students (+460 students) supported by the further increase of marketing and recruitment efforts. This was coupled with an increase in the average gross tuition per student from SAR 54.3 thousand in the three-month period ended 31 March 2024G (SAR 54.7 thousand in 2024G) to SAR 55.5 thousand in the three-month period ended 31 March 2025G, largely due to an increase in the undergraduate fees for the newly enrolled students of the academic year 2023G/2024G from SAR 57.6 thousand in the academic year 2023G/2024G to SAR 62.1 thousand in the academic year 2024G/2025G.

It is worth noting that the slight variations between the tuition fees and the average gross tuition per student mainly stems from (i) students with full scholarships, (ii) the average number of students rather than year-end number of students, and (iii) the contribution of part-time students to the overall number of enrolled students.

Postgraduate

Postgraduate is a one-year program enrolment irrespective of the prior undergraduate study obtained. Postgraduate studies are not uniform in fees charged (as opposed to undergraduates) and depend on which of the six faculties students are enrolled in (Business, MBA, Health & Education, Computer engineering & informatics, Psychology, and Law).

Postgraduate gross tuition revenue increased by 19.1% from SAR 35.7 million in 2022G to SAR 42.4 million in 2023G mainly driven by an increase in the average number of students from 855 students to 988 students also stemming from the increase in the average number of international students (+125 students), augmented by the influx of Russian and countries of the Commonwealth for Independent States (CIS) students in the UAE. Average gross tuition per student increased from SAR 41.8 thousand in 2022G to SAR 43.0 thousand in 2023G. It is worth noting that the fees vary between different postgraduate programs and as such, the fluctuation in average tuition revenue per student is highly dependent on the student mix.



Postgraduate gross tuition revenue increased by 36.1% from SAR 42.5 million in 2023G to SAR 57.8 million in 2024G mainly driven by an increase in the average number of students from 988 students to 1,225 students attributed to the increase in the average number of international students (+173), as a result of an increased outreach within India and Africa. The average gross tuition per student increased from SAR 43.0 thousand in 2023G to SAR 47.2 thousand in 2024G. This was mainly attributed to the Group imposing a minimum tuition fee of SAR 68.5 thousand per program, which resulted in an increase in some of the offered programs in the academic year 2023G/2024G.

Postgraduate gross tuition revenue increased by 48.3% from SAR 17.8 million in the three-month period ended 31 March 2024G to SAR 26.5 million in the three-month period ended 31 March 2025G. This was mainly attributed to imposing a minimum of SAR 72.9 thousand per program which caused an increase of some of the programs in the academic year 2024G/2025G. This was coupled with an increase in the average number of postgraduate students from 1,139 students to 1,507 students largely international students (+355 students), in line with the continued increased in marketing and recruitment efforts resulting in an increase in marketing expenditure and overseas agents during the period.

Foundation

Foundation is a one-year program that exposes students to multiple disciplines. Post the completion of the program students can then apply to enrol in an undergraduate program, subject to meeting the necessary academic requirements. Foundation annual tuition fees remained stable across the academic year 2021G/2022G at SAR 41.8 thousand per student before increasing by 5% in academic year 2022G/2023G and by 2.5% in academic year 2023G/2024G.

Foundation gross tuition revenue increased by 20.1% from SAR 23.8 million in 2022G to SAR 28.6 million in 2023G mainly driven by an increase in the average number of students from 577 students to 677 students (on the back of the Russian and countries of the Commonwealth for Independent States (CIS) students' enrolments) and domestic students by 46 students. This was coupled with an increase in the average gross tuition per student from SAR 41.2 thousand in 2022G to SAR 42.2 thousand in 2023G largely due to an increase in the fees during the year.

Foundation gross tuition revenue increased by 16.4% from SAR 28.6 million in 2023G to SAR 33.2 million in 2024G mainly driven by an increase in the average number of students from 677 students to 752 students supported by the further increase in marketing and recruitment efforts resulting in a further increase of overseas agent costs and marketing spend. Average gross tuition remained stable at SAR 42.2 thousand in 2023G and 2024G.

Foundation gross tuition revenue increased by 2.2% from SAR 11.4 million in the three-month period ended 31 March 2024G to SAR 11.7 million in the three-month period ended 31 March 2025G mainly driven by an increase in the average number of students from 745 students to 760 students supported by the further increase in marketing and recruitment efforts resulting in a further increase of overseas agent costs and marketing spend. As a result of the increasing competition the program is facing from domestic preparatory high school programs, average gross tuition remained relatively stable at SAR 44.3 thousand in each of the three-month period ended 31 March 2024G and the three-month period ended 31 March 2025G.

Scholarships

Scholarships mainly pertain to the scholarships and grants offered to eligible students and mainly comprised of (i) academic excellence scholarships offered to local undergraduate and foundation students with discounts ranging from 10% to 50% of the respective program tuition fee, (ii) international study grants offered to international undergraduate and foundation students ranging from 20% to 42% of the respective program tuition fee, (iii) postgraduate study grants ranging from 10% to 30% of the respective program tuition fee for all postgraduate students, and (iv) staff and sibling discounts amounting to 50% of the tuition fee for all eligible students across all programs.

Scholarships increased by 25.7% from SAR 56.6 million in 2022G to SAR 71.1 million in 2023G mainly due to the increase in the average number of eligible students from 3,945 students to 4,720 students augmented by the influx of Russian and countries of the Commonwealth for Independent States (CIS) students in the UAE. Scholarships as a percentage of gross tuition revenue increased from 27.3% in 2022G to 28.9% in 2023G, whereby the mix of eligible students who are granted the higher discount brackets, offsetting the impact of the change in the academic excellence scholarship from 15% in the academic year 2022G/2023G to 10% in the academic year 2023G/2024G onwards.

Scholarships increased by 21.5% from SAR 71.1 million in 2023G to SAR 86.4 million in 2024G mainly due to the increase in the average number of eligible students from 4,720 students to 5,545 students in line with the continued focus on increasing the average number of international students. Scholarships as a percentage of gross tuition revenue remained relatively stable at 28.7% in 2023G -2024G.

Scholarships increased by 19.2% from SAR 27.8 million in the three-month period ended 31 March 2024G to SAR 33.1 million in the three-month period ended 31 March 2025G mainly due to the increase in the average number of eligible students from 5,549 students to 6,478 students in line with the continued focus on increasing the average number of international students. Scholarships as a percentage of gross tuition revenue remained relatively stable at 28.5% in the three-month period ended 31 March 2024G -2025G.



Withdrawals and adjustments

Withdrawals and adjustments mainly relate to the tuition refunds to students who withdraw prior to completion of the programs they have signed up for. The fluctuations in the results of withdrawals and adjustments (as an income or a loss) relates to the net impact between the average number of withdrawals and the deposits recognized from the average number of students enrolled in each respective period. Withdrawals and adjustments are accrued during the financial year based on estimates by MDX management and are adjusted based on the actual recorded students' withdrawals at the end of the academic year.

Withdrawals and adjustments amounted to a loss of SAR 4.8 million in 2022G and a loss of SAR 2.2 million in 2023G and a loss of SAR 6 thousand in 2024G.

Withdrawals and adjustments amounted to a loss of SAR 1.3 million in the three-month periods ended 31 March 2024G and a loss of SAR 1.7 million in the three-month periods ended 31 March 2025G and have been estimated by Management on the basis of 1.3% of gross tuition revenue for the period.

Human Development Company

HDC Group schools' net tuition revenue relates to revenue recognised from enrolled students' tuition fees across the academic years, represented in 4 schools operated by the Group (of which 1 was shut down during 2023G).

HDC Group schools' net tuition revenue increased from nil in 2022G to SAR 11.5 million in 2023G due to (i) the full year impact of the consolidation of HDC Group schools in 2023G, and (ii) reclassification of the two months portion of the schools' net tuition revenue (SAR 1.9 million) which was recorded under 'special education and care needs services' in 2022G.

HDC Group schools' net tuition revenue recorded in 2023G includes (i) Baraem Tanmiya School (SAR 5.5 million) with an average of 228 students, (ii) Ghadaq Tanmiya School (SAR 3.4 million) with an average of 79 students, (iii) Learning Tree School (SAR 2.3 million) with an average of 38 students, and (iv) Risalet Al Huda School (SAR 311 thousand) with an average of 7 students.

HDC schools' net tuition revenue decreased by 0.4% from SAR 11.5 million in 2023G to SAR 11.4 million in 2024G. This was mainly due to (i) the decline in Baraem Tanmiya School revenue from SAR 5.5 million in 2023G to SAR 4.5 million in 2024G driven by a decrease in the average number of students by 31 students, and (ii) the shutting down/discontinuation of Risalet Al Huda School (-SAR 311 thousand). This was partially offset by the increase in the Ghadaq Tanmiya School's revenue from SAR 3.4 million in 2023G to SAR 4.1 million in 2024G driven by the increase in the average number of students from 79 in 2023G to 90 in 2024G.

HDC schools' net tuition revenue increased by 8.8% from SAR 3.4 million in the three-month period ended 31 March 2024G to SAR 3.7 million in the three-month period ended 31 March 2025G, mainly driven by the increase in revenue generated by Ghadaq Tanmiya School by SAR 312 thousand, due to the increase in average number of students from 82 to 105 during the period. This was partially offset by the decrease in revenue from Baraem Tanmiya School due to the decrease in the average number of students during the period.



6.7.1.2.1.1 MDX tuition fees, net of scholarship awarded by program

The following table summarizes Middlesex University's tuition fees, net of scholarship awarded by program for the three years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 2025G:

Table (6.17): Middlesex University's tuition fees, net of scholarship awarded by program

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR, 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Business	49,747	57,389	69,792	15.4%	21.6%	18.4%	22,441	26,240	16.9%
Computer Engineering & Informatics	19,467	24,082	31,194	23.7%	29.5%	26.6%	9,946	12,399	24.7%
Law	16,394	19,368	25,797	18.1%	33.2%	25.4%	8,082	9,683	19.8%
Psychology	15,845	17,317	19,490	9.3%	12.5%	10.9%	6,308	6,985	10.7%
Accounting and Finance	10,069	11,440	13,210	13.6%	15.5%	14.5%	4,311	5,152	19.5%
Media	9,020	10,758	11,840	19.3%	10.1%	14.6%	3,801	4,288	12.8%
Art & Design	3,496	4,075	4,873	16.6%	19.6%	18.1%	1,464	1,777	21.4%
Health & Education	4,320	4,752	5,028	10.0%	5.8%	7.9%	1,719	1,643	(4.4%)
MBA	7,178	7,740	12,338	7.8%	59.4%	31.1%	2,798	7,925	183.2%
Foundation	14,947	18,395	21,677	23.1%	17.8%	20.4%	7,555	7,355	(2.6%)
Net tuition revenue	150,481	175,315	215,239	16.5%	22.8%	19.6%	68,425	83,447	22.0%
Withdrawals and adjustments	(4,802)	(2,175)	(6)	(54.7%)	(99.7%)	(96.5%)	(1,282)	(1,652)	28.9%
Total	145,679	173,140	215,233	18.8%	24.3%	21.5%	67,143	81,795	21.8%
As a % of net tuition revenue				Percentage points			As a % of net tuition revenue		Percentage points
Business	33.1%	32.7%	32.4%	(0.3)	(0.3)	(0.7)	32.8%	31.4%	(1.4)
Computer Engineering & Informatics	12.9%	13.7%	14.5%	0.8	0.8	1.6	14.5%	14.9%	0.4
Law	10.9%	11.0%	12.0%	0.2	1.0	1.2	11.8%	11.6%	(0.2)
Psychology	10.5%	9.9%	9.1%	(0.7)	(0.8)	(1.5)	9.2%	8.4%	(0.8)
Accounting and Finance	6.7%	6.5%	6.1%	(0.2)	(0.5)	(0.7)	6.3%	6.2%	(0.1)
Media	6.0%	6.1%	5.5%	0.1	(0.6)	(0.5)	5.6%	5.1%	(0.5)
Art & Design	2.3%	2.3%	2.3%	0.0	0.0	0.0	2.1%	2.1%	0.0
Health & Education	2.9%	2.7%	2.3%	(0.2)	(0.4)	(0.6)	2.5%	2.0%	(0.5)
MBA	4.8%	4.4%	5.7%	(0.3)	1.4	1.1	4.1%	9.5%	5.4
Foundation	9.9%	10.5%	10.1%	0.6	(0.4)	0.2	11.0%	8.8%	(2.2)
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-
Key performance indicators									
Average number of students									
Business	1,325	1,558	1,813	17.5%	16.4%	17.0%	1,725	1,979	14.7%
Computer Engineering & Informatics	584	704	846	20.6%	20.2%	20.4%	807	983	21.8%
Law	445	542	668	21.8%	23.3%	22.6%	629	733	16.5%
Psychology	444	481	511	8.3%	6.2%	7.2%	501	531	6.0%
Accounting and Finance	291	325	356	11.7%	9.6%	10.6%	356	405	13.8%
Media	238	272	286	14.1%	5.2%	9.6%	280	304	8.6%



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Art & Design	97	110	122	14.0%	11.2%	12.6%	113	130	15.0%
Health & Education	182	193	193	5.8%	0.3%	3.0%	207	196	(5.3%)
MBA	194	183	283	(5.7%)	54.9%	20.9%	186	457	145.7%
Foundation	577	677	752	17.3%	11.2%	14.2%	745	760	2.0%
Total	4,374	5,041	5,828	15.2%	15.6%	15.4%	5,549	6,478	16.7%
Average net tuition revenue per student (SAR)									
Business	37,545	36,847	38,495	(1.9%)	4.5%	1.3%	38,752	39,533	2.0%
Computer Engineering & Informatics	33,362	34,232	36,887	2.6%	7.8%	5.2%	36,712	37,608	2.4%
Law	36,882	35,767	38,638	(3.0%)	8.0%	2.4%	38,272	39,385	2.9%
Psychology	35,687	36,002	38,166	0.9%	6.0%	3.4%	37,102	39,219	4.6%
Accounting and Finance	34,659	35,254	37,140	1.7%	5.4%	3.5%	36,070	37,925	5.1%
Media	37,899	39,624	41,447	4.6%	4.6%	4.6%	40,436	42,054	4.0%
Art & Design	36,222	37,043	39,835	2.2%	7.5%	4.9%	38,585	40,753	5.6%
Health & Education	23,736	24,686	26,052	4.0%	5.5%	4.8%	24,737	24,991	1.0%
MBA	37,094	42,411	43,648	14.3%	2.9%	8.5%	44,816	51,703	15.4%
Foundation	25,927	27,191	28,825	4.9%	6.0%	5.4%	30,207	28,855	(4.5%)
Total	34,404	34,778	36,930	1.1%	6.2%	3.6%	36,371	38,406	4.6%

Source: Management information.

MDX's undergraduate program includes 8 different programs with relatively similar tuition fees across the programs. Postgraduate program includes 7 different programs with varying tuition fees depending on the program pursued. Net tuition revenue derived from the Business faculty was the largest contributor towards the tuition fees, net of scholarship awarded across the period. The annual variances in revenue throughout the programs is primarily a factor of student enrolments (student number and mix between full time and part-time) coupled with the quantum of scholarships offered.



6.7.1.2.1.1 MDX tuition fees, net of scholarship awarded by domestic and international students

The following table summarizes Middlesex University's tuition fees, net of scholarship awarded by domestic and international students for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.18): Middlesex University's tuition fees, net of scholarship awarded by domestic and international students

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Domestic	107,951	117,209	130,339	8.6%	11.2%	9.9%	43,047	45,305	5.2%
International	42,529	58,106	84,900	36.6%	46.1%	41.3%	25,378	38,142	50.3%
Net tuition revenue	150,481	175,315	215,239	16.5%	22.8%	19.6%	68,425	83,447	22.0%
Withdrawals and adjustments	(4,802)	(2,175)	(6)	(54.7%)	(99.7%)	(96.5%)	(1,282)	(1,652)	28.9%
Total	145,679	173,140	215,233	18.9%	24.3%	21.5%	67,143	81,795	21.8%
Key performance indicators									
Average number of students									
Domestic	3,056	3,263	3,447	6.8%	5.6%	6.2%	3,420	3,459	1.1%
International	1,319	1,779	2,382	34.9%	33.9%	34.4%	2,129	3,019	41.8%
Total	4,374	5,041	5,828	15.2%	15.6%	15.4%	5,549	6,478	16.7%
Average net tuition per student (SAR)									
Domestic	35,330	35,926	37,816	1.7%	5.3%	3.5%	37,322	38,907	4.2%
International	32,258	32,671	35,647	1.3%	9.1%	5.1%	34,814	36,926	6.1%
Total	34,403	34,778	36,930	1.1%	6.2%	3.6%	36,351	37,976	4.5%

Source: Management information.

Domestic

Domestic net tuition revenue increased by 8.6% from SAR 108.0 million in 2022G to SAR 117.2 million in 2023G mainly due to the increase in the average number of domestic students (+207 students) driven by the further increase in scholarships as a percentage of gross tuition revenue from 26.5% in 2022G to 27.6% in 2023G. The impact of the additional scholarships granted on average net tuition revenue per student was fully offset by the increase in tuition fees for the new enrolments during the year. As such, average net tuition revenue per student increased from SAR 35.3 thousand in 2022G to SAR 35.9 thousand in 2023G.

Domestic net tuition revenue increased by 11.2% from SAR 117.2 million in 2023G to SAR 130.3 million in 2024G driven by the increase in the average net tuition revenue per student from SAR 36.0 thousand in 2023G to SAR 37.8 thousand in 2024G. During 2024G, Management applied a reduction in the scholarship policy granted to eligible domestic, foundation and undergraduate enrolled students.

Domestic net tuition revenue increased by 5.2% from SAR 43.0 million in the three-month period ended 31 March 2024G to SAR 45.3 million in the three-month period ended 31 March 2025G, mainly driven by the increase in the average net tuition revenue per student from SAR 37.3 thousand in the three-month period ended 31 March 2024G to SAR 38.9 thousand in the three-month period ended 31 March 2025G, mainly due to the increase in tuition fees applied on undergraduate and postgraduate programs.

International

International net tuition revenue increased by 36.6% from SAR 42.5 million in 2022G to SAR 58.1 million in 2023G mainly driven by the increase in the average number of students by 461 students driven by the further increased marketing and recruitment efforts resulting in the sustained expenditures on overseas agents, increased digital marketing spend, coupled with



the influx of students from Russia and countries of the Commonwealth of Independent States (CIS). The average number of new Russian student's intake amounted to approximately 200 students during the year. Scholarships offered to international students as a percentage of gross tuition revenue increased from 29.3% in 2022G to 31.3% in 2023G. This was offset by the increase in the tuition fees. As such, average net tuition revenue remained stable at an average of SAR 32.5 thousand across 2022G and 2023G.

International net tuition revenue increased by 46.1% from SAR 58.1 million in 2023G to SAR 84.9 million in 2024G mainly driven by the increase in the average number of students by 603 students supported by the further increase in the marketing and recruitment efforts resulting in an increase of overseas agent costs and marketing spend augmented by the influx of Russian and countries of the Commonwealth of Independent States students in the UAE. This was also supported by a slight increase in scholarships as a percentage of gross tuition revenue from 31.3% in 2023G to 31.5% in 2024G. The tuition fees increase has offset the impact of the increase in scholarships during the period leading to an increase in the average net tuition revenue per international student from SAR 32.6 thousand in 2023G to SAR 35.6 thousand in 2024G.

International net tuition revenue increased by 50.3% from SAR 25.3 million in the three-month period ended 31 March 2024G to SAR 38.2 million in the three-month period ended 31 March 2025G, mainly driven by the increase in the average number of students by 890 students during the period, as well as the further increase in the marketing and recruitment efforts resulting in an increase of overseas agent costs and marketing spend. This was also supported by the increase in tuition fees applied to the undergraduate and postgraduate programs during the period leading to an increase in the average net tuition revenue per international student from SAR 34.8 thousand in the three-month period ended 31 March 2024G to SAR 37.0 thousand in the three-month period ended 31 March 2025G.

It is worth highlighting that the contribution of the January intake to a specific period could impact the recorded average net tuition for the period. The tuition fee of students of the January intake is recognized over a 6.5 months period as opposed to 9 months for September intake students, hence resulting in a higher average tuition per student.

6.7.1.3 Cost of revenue

The following table summarizes the cost of revenue for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.19): Cost of revenue

SAR in '000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Salaries and employees' related costs	46,827	98,379	136,219	110.1%	38.5%	70.6%	35,038	46,032	31.4%
Royalty and profit-sharing arrangements for academic services	18,636	24,261	29,364	30.2%	21.0%	25.5%	10,592	12,849	21.3%
Depreciation of right-of-use assets	13,297	21,433	26,712	61.2%	24.6%	41.7%	5,632	6,836	21.4%
Student related expenses	6,433	13,316	19,179	107.0%	44.0%	72.7%	5,686	9,377	64.9%
Share of direct costs from joint services agreements	1,338	6,135	6,147	358.5%	0.2%	114.3%	975	1,844	89.1%
Depreciation of property and equipment	842	4,935	8,123	486.1%	64.6%	210.6%	1,563	2,386	52.7%
Short-term leases	347	299	994	(13.8%)	232.4%	69.2%	293	122	(58.4%)
Other direct costs	626	6,625	7,263	958.3%	9.6%	240.6%	948	1,472	55.3%
Total	88,346	175,383	234,001	98.5%	33.4%	62.7%	60,727	80,918	33.2%
As a % of revenue	Percentage points						As a % of revenue	Percentage points	
Salaries and employees' related costs	25.9%	28.7%	31.2%	2.8	2.4	5.3	28.1%	29.9%	1.9
Royalty and profit-sharing arrangements for academic services	10.3%	7.1%	6.7%	(3.2)	(0.4)	(3.6)	8.5%	8.4%	(0.1)



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Depreciation of right-of-use assets	7.3%	6.3%	6.1%	(1.1)	(0.1)	(1.2)	4.5%	4.4%	(0.1)
Student related expenses	3.6%	3.9%	4.4%	0.3	0.5	0.8	4.6%	6.1%	1.5
Share of direct costs from joint services agreements	0.7%	1.8%	1.4%	1.1	(0.4)	0.7	0.8%	1.2%	0.4
Depreciation of property and equipment	0.5%	1.4%	1.9%	1.0	0.4	1.4	1.3%	1.6%	0.3
Short-term leases	0.2%	0.1%	0.2%	(0.1)	0.1	0.0	0.2%	0.1%	(0.2)
Other direct costs	0.3%	1.9%	1.7%	1.6	(0.3)	1.3	0.8%	1.0%	0.2
Total	48.8%	51.2%	53.5%	2.4	2.3	4.7	48.7%	52.6%	4.0

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G and Management information

Salaries and employees' related costs

The following table summarizes the salaries and employees' related costs by subsidiary for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2024G and 2025G:

Table (6.20): Salaries and employees' related costs by subsidiary

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Middlesex University	34,888	37,586	42,555	7.7%	13.2%	10.4%	11,133	12,462	11.9%
HDC Group	11,939	60,793	93,664	409.2%	54.1%	180.1%	23,905	33,570	40.4%
Total	46,827	98,379	136,219	110.1%	38.5%	70.6%	35,038	46,032	31.4%
As a % of total	Percentage Points						As a % of total	Percentage Points	
Middlesex University	74.5%	38.2%	31.2%	(36.3)	(7.0)	(43.3)	31.8%	27.1%	(4.7)
HDC Group	25.5%	61.8%	68.8%	36.3	7.0	43.3	68.2%	72.9%	4.7
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-
Key performance indicators									
Average number of teachers / staff members									
Middlesex University	144	149	181	3.5%	21.5%	12.1%	161	189	17.4%
HDC Group ⁽¹⁾	1,472	1,253	1,712	(14.9%)	36.7%	7.9%	1,831	2,111	15.3%
Total	1,616	1,402	1,893	(13.2%)	35.0%	8.2%	1,992	2,300	15.5%
Average monthly cost per teacher / staff member (SAR)									
Middlesex University	20,190	21,021	19,593	4.1%	(6.8%)	(1.5%)	23,049	21,979	(4.6%)
HDC Group	4,055	4,043	4,559	(0.3%)	12.7%	6.0%	4,352	5,300	21.8%
Total	5,493	5,848	5,996	6.5%	2.5%	4.5%	5,863	6,670	13.8%

Source: Management information

⁽¹⁾ For the purpose of calculating the monthly salary, the average number of employees in HDC Group is calculated based on the last two months of the fiscal year 2022G, as the HDC Group was merged starting from November 2022G.



Salaries and employees' related costs

Salaries and employees' related costs represent MDX and HDC Group (both centres and schools) academic/teaching staff and direct staff salaries across the historical period.

Salaries and employees' related costs increased by 110.1% from SAR 46.8 million in 2022G to SAR 98.4 million in 2023G mainly due to the full year consolidation impact of HDC Group salaries by SAR 48.9 million and an increase in MDX salaries and employees' related costs by SAR 2.7 million, driven by an increase in the average number of staff members. As a result, salaries and employees' related costs as a percentage of revenue increased from 25.9% in 2022G to 28.7% in 2023G.

Salaries and employees' related costs increased by 38.5% from SAR 98.4 million in 2023G to SAR 136.2 million in 2024G. This was mainly due to (i) the increase in HDC salaries (+SAR 32.9 million), mainly driven by the increase in the average number of direct staff from 1,253 direct staff members in 2023G to 1,712 direct staff members in 2024G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.0 thousand in 2023G to SAR 4.6 thousand in line with inflation which resulted in inflationary pay rises in KSA. (ii) an increase in MDX salaries by SAR 2.7 million, driven by the increase in the average part-time teachers' headcount (+27 teachers). As a result, salaries and employees' related costs as a percentage of revenue increased from 28.7% in 2023G to 31.2% in 2024G.

Salaries and employees' related costs increased by 31.4% from SAR 35.0 million in the three-month period ended 31 March 2024G to SAR 46.0 million in the three-month period ended 31 March 2025G. This was mainly due to (i) the increase in HDC salaries by SAR 9.7 million during the period, mainly driven by the increase in the average number of direct staff from 1,831 direct staff members in the three-month period ended 31 March 2024G to 2,111 direct staff members in the three-month period ended 31 March 2025G, on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.4k in the three-month period ended 31 March 2024G to SAR 5.3 thousand in the three-month period ended 31 March 2024G driven by employee annual bonus paid in February and in addition to inflation which resulted in inflationary pay rises in KSA, (which was partially compensated through an increase in grant income, recorded under other operating income), (ii) an increase in MDX salaries by SAR 1.3 million, driven by the increase in the average part-time teachers headcount (+28 teachers). As a result, salaries and employees' related costs as a percentage of revenue increased from 28.1% in the three-month period ended 31 March 2024G to 30.0% in the three-month period ended 31 March 2025G.

The following table summarizes MDX's salaries and employees' related costs by full-time and part-time teachers for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.21): MDX salaries and employees' related costs by full-time and part-time teachers

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Full-time	27,384	29,907	33,974	9.2%	13.6%	11.4%	8,426	9,166	8.8%
Part-time	7,504	7,679	8,581	2.3%	11.8%	6.9%	2,706	3,296	21.8%
Total	34,888	37,586	42,555	7.7%	13.2%	10.4%	11,133	12,462	11.9%
Key performance indicators									
Average number of teachers									
Full-time	64	69	74	7.8%	7.2%	7.5%	69	73	5.8%
Part-time	80	80	107	0.0%	33.8%	15.7%	92	116	26.1%
Total	144	149	181	3.5%	21.5%	12.1%	161	189	17.4%
Average monthly cost per teacher (SAR)									
Full-time	35,657	36,120	38,259	1.3%	5.9%	3.6%	40,707	41,852	2.8%
Part-time ⁽¹⁾	7,816	7,999	6,683	2.3%	(16.4%)	(7.5%)	9,806	9,472	(3.4%)
Total	20,190	21,021	19,593	4.1%	(6.8%)	(1.5%)	23,049	21,979	(4.6%)

Source: Management information.

⁽¹⁾ Part time teachers are defined as teachers who are compensated based on credit hours (typically for the number of credit hours consumed). Part time teacher costs are based on a rate of SAR 1.0 thousand per credit hour.



MDX

MDX salaries and employees' related costs increased by 7.7% from SAR 34.9 million in 2022G to SAR 37.6 million in 2023G, driven by an increase in the average number of full-time teachers from 64 teachers to 69 teachers, and the further increase in the average monthly salary per teacher by 4.1% to SAR 21.0 thousand.

MDX salaries and employees' related costs increased by 13.2% from SAR 37.6 million in 2023G to SAR 42.6 million in 2024G, driven by an increase in the full-time teacher salaries (+SAR 4.1 million) driven by an increase in both headcount and average monthly salary per full-time teacher from SAR 36.1 thousand in 2023G to SAR 38.3 thousand in 2024G.

MDX salaries and employees' related costs increased by 12.0% from SAR 11.1 million in the three-month period ended 31 March 2024G to SAR 12.5 million in the three-month period ended 31 March 2025G, driven by an increase in the full-time teacher salaries (+SAR 739 thousand) driven by an increase in the average monthly salary per full-time teacher from SAR 40.7 thousand in the three-month period ended 31 March 2024G to SAR 41.9 thousand in the three-month period ended 31 March 2025G. The increase in average monthly salaries in the three-month period ended 31 March 2024G compared to 2024G is due to a staff bonus paid in February.

Starting 2024G, the Group relied more on part-time teachers to cater for the increasing demand in line with the increase in enrolments as it was considered more efficient to utilise the service of part-timers to meet the additional teaching hours required, rather than increasing the full-time teachers headcount, which resulted in a decline of salaries and employees' related costs as a percentage of MDX revenue from 21.2% in 2023G to 19.2% in 2024G and further to 14.8% in the three-month period ended 31 March 2025G since the part time teachers are associated with a lower cost and increased at a slower pace than the increase in revenue.

The following table summarizes HDC Group's salaries and employees' related costs for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.22): HDC Group salaries and employees' related costs

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
HDC Group	11,939	60,793	93,664	409.2%	54.1%	180.1%	23,905	33,570	40.4%
Total	11,939	60,793	93,664	409.2%	54.1%	180.1%	23,905	33,570	40.4%
Key performance indicators									
Average number of staff members									
HDC Group staff excluding Tamheer employees	1,334	1,143	1,601	(14.3%)	40.1%	9.5%	1,607	1,969	22.6%
Tamheer employees ⁽¹⁾	138	110	111	(20.3%)	0.9%	(10.3%)	224	142	(36.8%)
Total	1,472	1,253	1,712	(14.9%)	36.7%	7.9%	1,831	2,111	15.3%
Average monthly cost per staff member									
HDC Group staff excluding Tamheer employees	4,475	4,432	4,876	(1.0%)	10.0%	4.4%	4,959	5,682	14.6%
Total	4,055	4,043	4,559	(0.3%)	12.7%	6.0%	4,352	5,300	21.8%

Source: Management information.

⁽¹⁾ Tamheer employees represent employees who are sponsored by the MHRSD program through the Tamheer program whereby the latter pays in full the salary of each Tamheer employee for a 6-months period. Upon completion of the 6 months, most of the employees are hired by HDC Group (with HDC Group incurring the related salaries) with an average monthly salary range of SAR 4 thousand to SAR 6 thousand per teacher.



HDC Group

It is worth noting that prior to the consolidation of HDC Group's salaries and employees' related costs amounted to SAR 44.0 million in 2022G (for a 12-month period).

HDC Group salaries and employees' related costs increased by 409.2% from SAR 11.9 million in 2022G to SAR 60.8 million in 2023G mainly driven by the full year impact of the centre and school employees, as HDC Group was consolidated two months during 2022G as opposed to the full year in 2023G. The average monthly salary per direct staff member remained relatively stable at approximately SAR 4.0 thousand in 2022G and 2023G.

HDC salaries and employees' related costs increased by 54.1% from SAR 60.7 million in 2023G to SAR 93.7 million in 2024G mainly driven by the increase in the average number of direct staff members from 1,253 members in 2023G to 1,712 members in 2024G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.0 thousand in 2023G to SAR 4.6 thousand in 2024G driven by the inflationary pay rises in the KSA, coupled with the increase in the minimum salary of the MHRSD qualified employees (which was partially compensated through an increase in grant income, recorded under other operating income).

HDC salaries and employees' related costs increased by 40.4% from SAR 24.0 million in the three-month period ended 31 March 2024G to SAR 33.6 million in the three-month period ended 31 March 2025G mainly driven by the increase in the average number of direct staff members from 1,831 members in the three-month period ended 31 March 2024G to 2,111 members in the three-month period ended 31 March 2025G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.3 thousand in the three-month period ended 31 March 2024G to SAR 5.3 thousand in the three-month period ended 31 March 2025G driven by the inflationary pay rises in the KSA, coupled with the increase in the minimum salary of the MHRSD qualified employees (which was partially compensated through an increase in grant income, recorded under other operating income).

It is important to note that HDC utilizes employees through the Tamheer program in the provision of its special education and care needs services. The cost of the employees covered by the program, amounting to SAR3.0k are fully paid by MHRSD. The duration of the program is for a maximum of six months after which, if the performance of the employee has been deemed satisfactory, the employee is transferred to the HDC's payroll, with HDC incurring the employee's cost, which in many cases is higher than a monthly cost of SAR3k. The average monthly salary per direct staff member excluding the impact of Tamheer employees amounted to SAR 5.7 thousand as opposed to SAR 5.3 thousand in the three-month period ended 31 March 2025G.

The increase in average direct staff members relating to new centre additions during the 2022G, 2023G, 2024G and the three-month period ended 31 March 2025G, was accompanied with a decrease in contribution of the average active Tamheer supported direct staff members to overall HDC direct staff members, as many of the previously supported Tamheer employees were employed by HDC and hence a lower number of additional Tamheer supported employees during the period.

The decrease in Tamheer supported staff members contribution to total direct staff members of HDC coupled with the overall increase in average monthly salaries adversely impacted HDC's profit margins, whereby salaries and employees' related costs as a percentage of HDC revenue increased from 37.8% in 2023G to 48.4% in the three-month period ended 31 March 2025G.

Royalty and profit-sharing arrangements for academic services

Royalty and profit-sharing arrangements for academic services mainly includes MDX profit share payments to MDX UK, as well as a royalty fee per full time student or full-time student equivalent, upon completion of each academic year. A full-time student is a student completing 120 credit hours per academic year, as such, part time students completing 60 credit hours during an academic year are considered as the equivalent of half a full-time student.

Royalty and profit-sharing arrangements for academic services costs increased by 30.2% from SAR 18.6 million in 2022G to SAR 24.3 million in 2023G mainly driven by the increase in profit share by SAR 3.9 million, in line with the increase in MDX net profit by SAR 11.3 million, as well as the increase in royalty expenses by SAR 1.7 million, as a result of the increase in MDX student enrolments.

Royalty and profit-sharing arrangements for academic services costs increased by 21.0% from SAR 24.3 million in 2023G to SAR 29.4 million in 2024G mainly driven by the increase in profit share and royalty expenses, in line with the increase in MDX net profit and the increase in MDX student enrolments respectively.

Royalty and profit-sharing arrangements for academic services costs increased by 21.3% from SAR 10.6 million in the three-month period ended 31 March 2024G to SAR 12.8 million in the three-month period ended 31 March 2025G mainly driven by the increase in profit share and royalty expenses, in line with the increase in MDX net profit and the increase in MDX student enrolments respectively.

Academic services royalty and profit sharing as a percentage of revenue decreased from 10.3% in fiscal year 2022 to 7.1% in fiscal year 2023, reflecting the full-year impact of fiscal year 2023. Academic services royalty and profit sharing as a percentage of revenue decreased from 8.5% in the three-month period ended March 31, 2024, to 8.4% in the three-month period ended March 31, 2025.



Depreciation of right-of-use assets

Depreciation of right-of-use assets mainly relates to the amortisation expenses in relation to the adoption of IFRS16 to account for the two MDX campuses lease, as well as the HDC Group centres and schools commencing November 2022G.

Depreciation of right-of-use assets increased by 61.2% from SAR 13.3 million in 2022G to SAR 21.4 million mainly driven by the full year impact of consolidating HDC Group centres' and schools' leases by SAR 6.5 million. Depreciation of right-of-use assets as a percentage of revenue decreased from 7.3% in 2022G to 6.3% in 2023G.

Depreciation of right-of-use assets increased by 24.6% from SAR 21.4 million in 2023G to SAR 26.7 million in 2024G, mainly stemming from the opening of 8 new centres in HDC and the addition of two new educational block leases for MDX expected to increase the capacity starting the academic year 2025G. Depreciation of right-of-use assets as a percentage of revenue decreased from 6.3% in 2023G to 6.1% in 2024G.

Depreciation of right-of-use assets increased by 21.4% from SAR 5.6 million in the three-month period ended 31 March 2024G to SAR 6.8 million in the three-month period ended 31 March 2025G, mainly stemming from the opening of 6 new centres in HDC and the continued expansion of the campus of MDX. Depreciation of right-of-use assets as a percentage of revenue decreased from 4.5% in the three-month period ended 31 March 2024G to 4.4% in the three-month period ended 31 March 2025G.

Student related expenses

Student related expenses pertain to MDX student activity costs such as voluntary activities, transportation, and field trips in addition to HDC Group's transportation expenses.

Student related expenses increased by 107.0% from SAR 6.4 million in 2022G to SAR 13.3 million in 2023G mainly driven by the full year impact of HDC Group transportation expenses by SAR 5.6 million, and the overall increase in student enrolments in both MDX and HDC Group. As a result, student related expenses as a percentage of revenue increased from 3.6% in 2022G to 3.9% in 2023G.

Student related expenses increased by 44.0% from SAR 13.3million in 2023G to SAR 19.2 million in 2024G, mainly driven by the increase students' related expenses and transportations costs in line with the increase in the overall enrolment of beneficiaries / enrolled students. As a result, student related expenses as a percentage of revenue increased from 3.9% in 2023G to 4.4% in 2024G.

Student related expenses increased by 64.9% from SAR 5.7 million in the three-month period ended 31 March 2024G to SAR 9.3 million in the three-month period ended 31 March 2025G, mainly driven by the increase students' related expenses and transportations costs in line with the increase in the overall enrolment of beneficiaries/enrolled students. As a result, student related expenses as a percentage of revenue increased from 4.6% in the three-month period ended 31 March 2024G to 6.1% in the three-month period ended 31 March 2025G.

Share of cost from joint services agreements

Share of cost from joint services agreements mainly pertain to the allocation of the third-party costs of joint operations agreements to jointly operate and manage educational service schools for special care and needs students. It is worth noting that these are mainly comprised of the salaries of the HDC Group jointly operated schools.

Share of cost from joint services agreements increased by 358.5% from SAR 1.3 million in 2022G to SAR 6.1 million in 2023G due to the full year impact of HDC Group's acquisition. As a result, share of cost from joint services agreements as a percentage of revenue increased from 0.7% in 2022G to 1.8% in 2023G. As a percentage of the HDC Group joint services agreements revenue, the share of cost from joint services agreements increased from 36.0% in 2022G to 51.5% in 2023G due to the finalisation of cost reconciliations with joint services agreement partners in 2023G pertaining to prior years.

Share of cost from joint service agreements remained stable at SAR 6.1 million 2023G and 2024G period, despite the increase in revenue from SAR 11.9 million in 2023G to SAR 15.3 million in 2024G, as the number of students, and accordingly, the number of teachers decreased in the least efficient schools, leading to cost containment while HDC added two new schools which reported strong margins. As a result, share of cost from joint service agreements a percentage of the HDC joint service agreements revenue decreased from 51.5% in 2023G to 40.2% in 2024G.



Share of cost from joint service agreements increased by 89.0% from SAR 1.0 million in the three-month period ended 31 March 2024G to SAR 1.8 million in the three-month period ended 31 March 2025G, mainly driven by (i) the increase in the number of students in the three-month period ended 31 March 2025G during the period. Share of cost from joint service agreements as a percentage of HDC joint revenue increased from 22.2% in the three-month period ended 31 March 2024G to 48.3% in the three-month period ended 31 March 2025G due to the overall increase in revenue at a faster pace.

It is worth noting that the average salary per joint service agreement staff member is higher than the other HDC staff members (schools and centres) as its mainly attributed to full-time teachers as opposed to the HDC staff members (which includes teachers, teacher assistants and other staff members).

Depreciation of property and equipment

Depreciation of property and equipment increased by 486.1% from SAR 842 thousand in 2022G to SAR 4.9 million in 2023G due to the full year impact of HDC Group's acquisition. As a result, depreciation of property and equipment as a percentage of revenue increased from 0.5% in 2022G and further to 1.4% in 2023G.

Depreciation of property and equipment increased by 64.6% from SAR 4.9 million in 2023G to SAR 8.1 million in 2024G driven by the increase in leasehold improvements during the period as a result of new centre additions and the addition of two new educational block leases for MDX. Depreciation of property and equipment as a percentage of revenue increased from 1.4% in 2023G to 1.9% in 2024G.

Depreciation of property and equipment increased by 52.7% from SAR 1.6 million in the three-month period ended 31 March 2024G to SAR 2.4 million in the three-month period ended 31 March 2025G mainly stemming from the opening of 6 new centres in HDC and the continued expansion of the campus of MDX. Depreciation of property and equipment as a percentage of revenue increased from 1.3% in the three-month period ended 31 March 2024G to 1.6% in the three-month period ended 31 March 2025G.

Short-term leases

Short-term leases decreased by 13.8% from SAR 347 thousand in 2022G to SAR 299 thousand in 2023G was mainly driven by the decrease in the short-term leases during the year in relation to short-term rehabilitation equipment leases that are not subject to IFRS16. As a result, short-term leases as a percentage of revenue decreased from 0.2% in 2022G and further to 0.1% in 2023G.

Short-term leases increased by 232.4% from SAR 299 thousand in 2023G to SAR 994 thousand in 2024G, mainly due to the short-term leases of MDX recorded during the period (+SAR 449 thousand). As a result, short-term leases as a percentage of revenue increased from 0.1% in 2023G to 0.2% in 2024G.

Short-term leases decreased by 58.4% from SAR 293 thousand in the three-month period ended 31 March 2024G to SAR 122 thousand in the three-month period ended 31 March 2025G, as MDX finalized the lease agreement recorded under short-term leases during 2024G and has recognized it using IFRS16. As a result, short-term leases as a percentage of revenue decreased from 0.2% in the three-month period ended 31 March 2024G to 0.1% in the three-month period ended 31 March 2025G.

Other direct costs

Other direct costs increased by 958.3% from SAR 626 thousand in 2022G to SAR 6.6 million in 2023G mainly driven by the increase in maintenance expenses and the full year impact of HDC Group's acquisition. As a result, other direct costs as a percentage of revenue increased 0.3% in 2022G and further to 1.9% in 2023G.

Other direct costs increased by 9.6% from SAR 6.6 million in 2023G to SAR 7.2 million in 2024G, mainly driven by the increase in maintenance & repair expenses and cleaning expenses in line with the opening of 8 new HDC centres. Other direct costs as a percentage of revenue decreased from 1.9% in 2023G to 1.7% in 2024G.

Other direct costs increased by 55.3% from SAR 0.9 million in the three-month period ended 31 March 2024G to SAR 1.5 million in the three-month period ended 31 March 2025G, mainly driven by the increase in maintenance & repair expenses in line with the opening of 6 new HDC centres. Other direct costs as a percentage of revenue increased from 0.8% in the three-month period ended 31 March 2024G to 1.0% in the three-month period ended 31 March 2025G.



6.7.1.4 General, selling and administrative expenses

The following table summarizes the general, selling and administrative expenses for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.23): General, selling and administrative expenses

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 2024G-31 March 2025G
Salaries and employee related expenses	17,775	31,191	45,125	75.5%	44.7%	59.3%	9,415	13,164	39.8%
Expected credit losses on trade receivables	1,867	7,174	4,951	284.3%	(31.0%)	62.8%	3,818	3,722	(2.5%)
Amortisation of intangible assets	4,550	5,954	5,750	30.9%	(3.4%)	12.4%	1,437	1,437	0.0%
Marketing and communications	3,677	5,654	7,454	53.8%	31.8%	42.4%	1,894	1,796	(5.2%)
Depreciation of property and equipment	2,477	3,862	4,246	55.9%	9.9%	30.9%	925	1,520	64.3%
IT expenses	2,658	3,251	3,614	22.3%	11.2%	16.6%	773	1,191	54.1%
Legal and professional fees	1,628	4,954	11,711	204.3%	136.4%	168.2%	2,379	5,132	115.7%
Short-term leases	679	1,336	1,480	96.8%	10.8%	47.6%	780	1,302	66.9%
Board and committee expenses	-	-	705	N/A	N/A	N/A	-	708	N/A
Other expenses	12,823	11,438	13,594	(10.8%)	18.8%	3.0%	3,289	4,017	22.1%
Total	48,134	74,814	98,630	55.4%	31.8%	43.1%	24,710	33,989	37.6%
As a % of revenue				Percentage points			As a % of revenue		
Salaries and employee related expenses	9.8%	9.1%	10.3%	(0.7)	1.2	0.5	7.5%	8.6%	1.0
Expected credit losses on trade receivables	1.0%	2.1%	1.1%	1.1	(1.0)	0.1	3.1%	2.4%	(0.6)
Amortisation of intangible assets	2.5%	1.7%	1.3%	(0.8)	(0.4)	(1.2)	1.2%	0.9%	(0.2)
Marketing and communications	2.0%	1.7%	1.7%	(0.4)	0.1	(0.3)	1.5%	1.2%	(0.3)
Depreciation of property and equipment	1.4%	1.1%	1.0%	(0.2)	(0.2)	(0.4)	0.7%	1.0%	0.2
IT expenses	1.5%	0.9%	0.8%	(0.5)	(0.1)	(0.6)	0.6%	0.8%	0.2
Legal and professional fees	0.9%	1.4%	2.7%	0.5	1.2	1.8	1.9%	3.3%	1.4
Short-term leases	0.4%	0.4%	0.3%	0.0	(0.1)	(0.0)	0.6%	0.8%	0.2
Board and committee expenses	0.0%	0.0%	0.2%	-	0.2	0.2	0.0%	0.5%	0.5
Other expenses	7.1%	3.3%	3.1%	(3.7)	(0.2)	(4.0)	2.6%	2.6%	(0.0)
Total	26.6%	21.8%	22.6%	(4.8)	0.7	(4.0)	19.8%	22.1%	2.3
Key performance indicators									
Number of employees	117	132	174	12.8%	31.7%	21.9%	170	190	12.0%
Average cost per employee (SAR)	12,660	19,691	21,632	55.5%	9.9%	30.7%	18,497	23,095	24.9%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G, and Management information



Salaries and employees' related expenses

Salaries and employees' related expenses represent MDX administrative staff member salaries (student recruitment, finance team, HR, etc.), as well as the finance and human resources administrative staff salaries of HDC Group, commencing from November 2022G post-acquisition. It is worth noting that the Group started hiring the central team of the Company during Q4 of 2024G and as such, their cost is not fully accounted for during the historical period.

Salaries and employees' related expenses increased by 75.5% from SAR 17.8 million in 2022G to SAR 31.2 million in 2023G due to the acquisition of HDC Group in October 2022G and the full year impact in 2023G by SAR 10.2 million, coupled with the further increase in MDX administrative staff salaries by SAR 3.8 million, on the back of an increase in average headcount. Employee related expenses decreased as a percentage of revenue from 9.8% in 2022G to 9.1% in 2023G, on the back of the increase in student enrolments and the full year impact of HDC Group, offsetting the impact of the increase in employee related expenses.

Salaries and employees' related expenses increased by 44.7% from SAR 31.2 million in 2023G to SAR 45.1 million in 2024G due to the increase in average headcount from 132 in 2023G to 174 in 2024G, coupled with the increase in average monthly salary per employee from SAR 19.7 thousand to SAR 21.6 thousand during the period, as the Group started hiring the Company's central team during Q4 of 2024G. As such, salaries and employees' related expenses as a percentage of revenue increased from 9.1% in 2023G to 10.3% in 2024G.

Salaries and employees' related expenses increased by 39.8% from SAR 9.4 million in the three-month period ended 31 March 2024G to SAR 13.2 million in the three-month period ended 31 March 2025G due to the impact of the hiring of the Company's central team. As such, Salaries and employees' related expenses as a percentage of revenue increased from 7.5% in 2023G to 8.6% in 2024G.

Expected credit losses on trade receivables

Expected credit losses on trade receivables pertain to amounts formed in relation to the receivables provision policy implemented by both MDX and HDC Group. It is worth noting that the Group applies a simplified approach in accounting for expected credit losses as follows:

- MDX applies a 99% provision on balances aged for more than one year, and 89% for balances aged from 6-months to one year, and 12% to 18% for balances aged less than 6 months. As per Management, MDX does not release graduation certificates to students until all dues are settled.
- HDC Group applies a 100% provision for balances aged for more than one year, 4% for balances aged from 6-months to one year until March 2025G. Whereas, as at December 2023G, the provision for the balances aged from 6-months to one year was at 12%.

Notably, upon the acquisition of the HDC Group, an allowance for doubtful accounts in the amount of SAR 8.1 million was added to the balance sheet as part of the purchase price allocation. No expenses were recorded in the Group's income statement in this regard. Separately, an allowance for doubtful accounts of SAR 5.2 million was recognized in the financial year 2022 for the HDC Group.

Expected credit losses on trade receivables increased by 284.3% from SAR 1.9 million in 2022G to SAR 7.2 million in 2023G mainly driven by (i) provisions formed for MDX amounting to SAR 4.6 million during the year, and (ii) provisions formed amounting to SAR 3.2 million for HDC Group netted off a reversal of SAR 774 thousand. It is worth noting that the SAR 3.2 million were subsequently written off on the balance sheet. As a result, expected credit losses on trade receivables as a percentage of revenue increased from 1.0% in 2022G to 2.1% in 2023G.

Expected credit losses on trade receivables decreased by 31.0% from SAR 7.2 million in 2023G to SAR 5.0 million in 2024G, due to improved collections during the year.

Expected credit losses on trade receivables remained relatively stable and amounted to SAR 3.8 million in the three-month period ended 31 March 2024G and SAR 3.7 million in the three-month period ended 31 March 2025G.

Amortization of intangible assets

Amortization of intangible assets increased by 30.9% from SAR 4.6 million in 2022G to SAR 6.0 million in 2023G.

Amortization in 2023G, mainly due to the finalisation of the purchase price allocation exercise relating to the HDC acquisition in late 2022G. It is worth noting that the purchase price allocation (PPA) exercise relating to the acquisition of HDC was finalised during 2023G and as such no amortisation charges relating to the identified intangible assets arising from the acquisition of HDC was recorded during 2022G. Amortization of intangible assets decreased as a percentage of revenue from 2.5% in 2022G to 1.7% in 2023G.



Amortization of intangible assets remained relatively stable during 2023G (SAR 6.0 million) and 2024G (SAR 5.8 million) and decreased as a percentage of revenue from 1.7% in 2023G to 1.3% in n2024G.

Amortization of intangible assets amounted SAR 1.4 million in the three-month period ended 31 March 2024G and SAR 1.4 million in the three-month period ended 31 March 2025G and decreased as a percentage of revenue from 1.2% in the three-month period ended 31 March 2024G to 0.9% in the three-month period ended 31 March 2025G.

Marketing and communications

Marketing and communications expense increased by 53.8% from SAR 3.7 million in 2022G to SAR 5.7 million in 2023G mainly due to (i) the increase in MDX marketing expenses by SAR 1.1 million to enhance domestic and international student enrolments, and (ii) the full year impact of HDC Group consolidation of marketing expenses by SAR 1.0 million. Marketing and communications expenses as a percentage of revenue decreased from 2.0% in fiscal year 2022 to 1.7% in fiscal year 2023, in line with overall revenue growth.

Marketing and communications expense increased by 31.8% from SAR 5.7 million in 2023G to SAR 7.5 million in 2024G in line with Managements' efforts to further enhance international and domestic student enrolments.

Marketing and communications expenses as a percentage of revenue amounted to 1.7% in fiscal year 2023 and fiscal year 2024.

Marketing and communications expense decreased by 5.2% from SAR 1.9 million in the three-month period ended 31 March 2024G to SAR 1.8 million in the three-month period ended 31 March 2025G due to the timing difference of the marketing spend especially in MDX. The growth in the Group's revenue resulted in a decrease of marketing and communications expense as a percentage of revenue from 1.5% in the three-month period ended 31 March 2024G to 1.2% in the three-month period ended 31 March 2025G.

Depreciation of property and equipment

Depreciation of property and equipment increased by 55.9% from SAR 2.5 million in 2022G to SAR 3.9 million in 2023G mainly due to the full year impact of HDC Group's acquisition. Depreciation of property and equipment as a percentage of revenue decreased from 1.4% in 2022G to 1.1% in 2023G, on the back of the overall growth in revenue.

Depreciation of property and equipment increased by 9.9% from SAR 3.9 million in 2023G to SAR 4.2 million in 2024G mainly due to lower fixed asset additions during the period, depreciation of property and equipment as a percentage of revenue decreased from 1.1% in fiscal year 2023 to 1.0% in fiscal year 2024 due to higher revenue. Depreciation of property and equipment increased by 64.3% from SAR 925 thousand in the three-month period ended 31 March 2024G to SAR 1.5 million in the three-month period ended 31 March 2025G mainly due to the continued additions made to property and equipment relating to the continued expansions in MDX and HDC. As the expected revenue from these additions is still in ramp up phase, depreciation of property and equipment as a percentage of revenue increased from 0.7% in the three-month period ended 31 March 2024G to 1.0% in the three-month period ended 31 March 2025G.

IT expenses

IT expenses increased by 22.3% from SAR 2.7 million in fiscal year 2022 to SAR 3.3 million in fiscal year 2023, reflecting the full-year impact of the acquisition of the Human Development Group. IT expenses as a percentage of revenue decreased from 1.5% in fiscal year 2022 to 0.9% in fiscal year 2023. IT expenses increased by 11.2% from SAR 3.3 million in 2023G to SAR 3.6 million in 2024G in line with the growth in the operations of the Group and the incorporation of the Company during Q4 of 2024G. IT expenses as a percentage of revenue decreased from 1.5% in 2022G to 0.9% in 2023G, and further to 0.8% in 2024G on the back of the overall growth in revenue.

IT expenses increased by 54.1% from SAR 773 thousand in the three-month period ended 31 March 2024G to SAR 1.2 million in the three-month period ended 31 March 2025G mainly due to the incorporation of the Company on in Q1 of 2024G and the activation of the head office during Q4 of 2024G. As such, IT expenses as a percentage of revenue increased from 0.6% in the three-month period ended 31 March 2024G to 0.8% in the three-month period ended 31 March 2025G.

Legal and professional fees

Legal and professional fees include audit, tax, consulting and legal fees among other professional fees. Legal and professional fees increased by 47.2% from SAR 1.6 million in 2022G to SAR 2.4 million in 2023G, mainly due to the increase in MDX legal and professional fees (+SAR 700 thousand) driven by an increase in audit fees by SAR 366 thousand in relation to the switch from academic year to calendar year reporting commencing 2023G.

Legal and professional fees increased further by 136.4% from SAR 5.0 million in 2023G to SAR 11.7 million in 2024G, mainly due to the reclass of overseas recruitment agencies costs from other expenses to legal and professional fees. Overseas recruitment agency fees amounted to SAR 5.5 million in 2024G, as compared to nil in 2023G. The increase is driven by the



increased outreach in MDX resulting in an increase in international students' enrolment, coupled with the Group incurring exceptional consultancy fees amounting to SAR 982.4 thousand, during the year.

Legal and professional fees increased by 115.7% from SAR 2.4 million in the three-month period ending March 31, 2024, to SAR 5.1 million in the three-month period ending March 31, 2025, mainly due to the impact of the listed company being introduced. As a result, legal and professional fees as a percentage of revenue rose from 1.9% in the three-month period ending March 31, 2024, to 3.3% in the three-month period ending March 31, 2025.

Short term leases

Short term leases increased by 96.8% from SAR 679 thousand in 2022G to SAR 1.3 million in 2023G driven by the increase in short-term leases during the period, on the back of the increase in administrative items purchased under short-term leases, in line with the increase in centres during the period.

Short term leases increased by 10.8% from SAR 1.3 million in 2023G to SAR 1.5 million in 2024G, due to the rise in short-term lease contracts during the period, in line with the increase in purchases under short-term lease contracts, corresponding to the rise in the number of centres during the period. The lease contract expenses as a percentage of revenue decreased from 0.4% in fiscal year 2023 to 0.3% in fiscal year 2024.

Short term leases increased by 66.9% from SAR 780 thousand in the three-month period ended 31 March 2024G to SAR 1.3 million in the three-month period ended 31 March 2025G due to the increase in lease expense for MDX by SAR 300 thousand, for this reason, short-term lease expenses as a percentage of revenues increased from 0.6% in the three-month period ending March 31, 2024 to 0.8% in the three-month period ending March 31, 2025.

Board and committee expenses

Board and committee expenses amount to SAR 705 thousand in 2024G from nil in 2022G and 2023G, as the board and committees of the Group were established with the incorporation of the Company during 2024G.

Board and committee expenses increased from nil in the three-month period ended 31 March 2024G to SAR 708 thousand in the three-month period ended 31 March 2025G.

The remuneration of directors and committee members, entails: (i) each director is paid SAR 250 thousand per annum, (ii) chairman is paid a fixed SAR 300 thousand per annum, (iii) each audit committee member (other than chairman) is paid SAR 60 thousand per annum, (iv) each nomination and remuneration committee member (other than chairman) is paid SAR 65 thousand per annum, (v) each audit committee chairman is paid SAR 80 thousand per annum, (vi) each nomination and remuneration committee chairman is paid SAR 71 thousand per annum.

Other expenses

Other expenses mainly include third-party service charges, management fees, insurance expense and bank charges. Management fees mainly relate to the management agreement between MDX and Amanat Holdings /Al Masar, in return for managing of operations amounting to SAR 2.5 million per annum. Management fees amounted to SAR 2.5 million in 2022G and 2023G then decreasing by SAR 1.3 million in 2024G due to the restructuring that occurred on July 2024G; whereby the 3 months portion in Q3 2024G was paid to Al Masar (instead of Amanat Holdings) and eliminated on a consolidated level.

Other expenses decreased by 12.3% from SAR 12.8 million in 2022G to SAR 11.4 million in 2023G as a result of the decrease in other expenses at Middlesex University Dubai during the year.

Other expenses increased by 16.2% from SAR 11.4 million in 2023G to SAR 13.6 million in 2024G due to an increase in HDC's bank charges by SAR 0.5 million which relate to the revolving credit facility taken to fund working capital requirements.

Other expenses increased by 17.5% from SAR 3.3 million in the three-month period ended 31 March 2024G to SAR 4 million in the three-month period ended 31 March 2025G driven by an increase in HDC's other expenses by SAR 0.3 million driven by an increase in medical insurance and repairs and maintenance expenses in the three-month period ended 31 March 2025G.



6.7.1.5 Other operating income

The following table summarizes the other operating income for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.24): Other operating income

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Grant income	1,737	15,645	28,224	800.7%	80.4%	303.1%	6,842	8,103	18.4%
Impairment reversal of PPE	-	-	2,100	N/A	N/A	N/A	-	-	N/A
Other income	2,088	3,051	3,054	46.1%	0.1%	20.9%	790	1,383	75.1%
Total	3,825	18,696	33,378	388.8%	78.5%	195.4%	7,632	9,486	24.3%
As a % of total	Percentage points						As a % of total	Percentage points	
Grant income	1.0%	4.6%	6.5%	3.6	1.9	5.5	5.5%	5.3%	(0.2)
Impairment reversal of PPE	0.0%	0.0%	0.5%	N/A	0.5	0.5	0.0%	0.0%	N/A
Other income	1.2%	0.9%	0.7%	(0.3)	(0.2)	(0.5)	0.6%	0.9%	0.3
Total	2.1%	5.5%	7.6%	3.3	2.2	5.5	6.1%	6.2%	0.1

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G and Management information

Other operating income comprised of grant income relating to a contribution received by the Group's subsidiary, HDC Group, from the Ministry of Human Resources and Social Development (MHRSD) of the Kingdom of Saudi Arabia in relation to Saudization initiatives, and other income relating to penalties on delayed tuitions, consultancy income and foreign exchange gains/losses.

Other operating income increased by 388.8% from SAR 3.8 million in 2022G to SAR 18.7 million in 2023G reflecting the full year impact of the acquisition of HDC Group as grant income amounted to SAR 15.6 million in 2023G.

Other operating income increased by 78.5% from SAR 18.7 million in 2023G to SAR 33.4 million in 2024G driven by the increase in grant from SAR 15.6 million to SAR 28.2 million on the back of the increase in the average number of MHRSD qualified employees, from 773 employees in 2023G to 873 employees in 2024G, coupled with the increase in the minimum salary of the MHRSD qualified employees. The Group reversed an impairment of PPE amounting to SAR 2.1 million during 2024G, relating to a purchase price adjustment booked at acquisition related to IT software (SAR 0.3 million) and learning tree project (SAR 1.8 million). These were subsequently reversed due to profitability, as agreed with external auditors.

Other operating income increased by 24.3% from SAR 7.6 million in the three-month period ended 31 March 2024G to SAR 9.5 million in the three-month period ended 31 March 2025G driven by the increase in grant income from SAR 6.8 million to SAR 8.1 million due to the increase in the average number of MHRSD qualified employees, coupled with the increase in the minimum salary of the MHRSD qualified employees from 998 employees in the three-month period ended 31 March 2024G to 1,295 employees in the three-month period ended 31 March 2025G.



6.7.1.6 Finance income

The following table summarizes the finance income for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.25): Finance income

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Interest on term deposits	344	1,913	3,664	456.1%	91.5%	226.4%	1,023	1,200	17.3%
Total	344	1,913	3,664	456.1%	91.5%	226.4%	1,023	1,200	17.3%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G and Management information

Finance income related to interest on term deposits and was generated exclusively from MDX. Finance income was SAR 0.3 million in 2022G and increased further by 456.1% to SAR 1.9 million in 2023G due to the higher level of deposits during the period, mainly driven by the increase in deposit rates in 2023G.

Finance income increased by 91.5% from SAR 1.9 million in 2023G to SAR 3.6 million in 2024G due to the continued increase in the level of deposits undertaken by the Group during the period.

Finance income increased by 17.3% from SAR 1.0 million in the three-month period ended 31 March 2024G to SAR 1.2 million in the three-month period ended 31 March 2025G due to the continued increase in the level of deposits undertaken by the Group during the period.

6.7.1.7 Finance cost

The following table summarizes the finance cost for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.26): Finance cost

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Finance costs on financing from banks	188	1,097	2,494	483.5%	127.3%	264.2%	517	650	25.7%
Finance costs on lease liabilities	2,501	5,478	6,698	119.0%	22.3%	63.7%	1,275	1,613	26.5%
Others	-	1,805	-	N/A	(100.0%)	N/A	-	-	N/A
Total	2,689	8,380	9,192	211.6%	9.7%	84.9%	1,792	2,263	26.3%
As a % of total	Percentage points					As a % of total			
Finance costs on financing from banks	7.0%	13.1%	27.1%	6.1	14.0	20.1	28.9%	28.7%	(0.1)
Finance costs on lease liabilities	93.0%	65.4%	72.9%	(27.6)	7.5	(20.1)	71.1%	71.3%	0.1
Others	0.0%	21.5%	0.0%	21.5	(21.5)	-	0.0%	0.0%	-
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G and Management information



Finance costs comprised mainly finance cost on lease liabilities, finance costs on financing from banks and other finance costs relating to the unwinding of the long-term contingent consideration.

Finance costs increased by 211.6% from SAR 2.7 million in 2022G to SAR 8.4 million in 2023G due to the full year consolidation impact of HDC Group's finance costs relating to leases and short-term financing from banks.

Finance costs increased by 8.7% from SAR 8.4 million in 2023G to SAR 9.2 million in 2024G mainly due to the increase in finance costs on financing from banks from SAR 1.0 million in 2023G to SAR 2.5 million in 2024G in line with the new financing taken by HDC to (i) fund working capital requirements and (ii) purchase of a plot of land and a building to be used for new centres under construction.

Finance costs increased by 26.3% from SAR 1.8 million in the three-month period ended 31 March 2024G to SAR 2.3 million in the three-month period ended 31 March 2025G mainly due to the increase finance costs on lease liabilities from SAR 1.2 million in the three-month period ended 31 March 2024G to SAR 1.6 million in the three-month period ended 31 March 2025G due to the addition of 3 new leases relating to centres in HDC.

6.7.1.8 Profit for the year/period and other comprehensive income

The following table summarizes the profit for the year/period and other comprehensive income for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.27): Profit for the year/period and other comprehensive income

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Operating profit	72,519	129,136	167,697	78.1%	29.9%	52.1%	50,209	53,801	7.2%
Finance income	344	1,913	3,664	456.1%	91.5%	226.4%	1,023	1,200	17.3%
Finance costs	(2,689)	(8,380)	(9,192)	211.6%	9.7%	84.9%	(1,792)	(2,263)	26.3%
Profit before tax and zakat	70,174	122,669	162,169	74.8%	32.2%	52.0%	49,440	52,738	6.7%
Zakat and income taxes	(440)	(2,728)	(14,051)	520.0%	415.1%	465.1%	(3,516)	(3,968)	12.9%
Deferred taxes	-	(51,051)	-	N/A	(100.0%)	N/A	-	-	N/A
Profit for the year/period	69,734	68,890	148,118	(1.2%)	115.0%	45.7%	45,924	48,770	6.2%
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:									
Remeasurement loss on employees' benefit obligations	(130)	1,315	1,375	N/A	4.6%	N/A	-	-	N/A
Total comprehensive income for the year/period	69,604	70,205	149,493	0.9%	112.9%	46.6%	45,924	48,770	6.2%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

Profit for the year / period

Profit for the year decreased by 1.2% from SAR 69.7 million in 2022G to SAR 68.9 million in 2023G whereby the overall growth in results and EBITDA by SAR 71.6 million was more than offset by deferred tax expenses amounting to SAR 51.1 million recorded during the period post implementation of corporate tax in the UAE and the increase in depreciation and amortization expenses (including amortisation of PPA assets) by SAR 15.0 million. Accordingly, profit margin for the year decreased from 38.5% in 2022G to 20.1% in 2023G. Excluding the deferred tax expenses, profit margin for year 2023G would have amounted to SAR 122.7 million and recorded a net income margin of 35.8% in 2023G.

Profit for the period increased by 115% from SAR 68.9 million in 2023G to SAR 148.1 million in 2024G, in line with the increase in EBITDA during the period, which has contributed towards the profit margin increase from 20.1% in 2023G to 33.9% in 2024G.



Profit for the period increased by 6.2% from SAR 45.9 million in the three-month period ended 31 March 2024G to SAR 48.8 million in the three-month period ended 31 March 2025G, in line with the increase in EBITDA during the period. The decline in gross margin and the increase in general, selling and administrative expenses as a result of the establishment and hiring of the senior management of the holding company of the Group (Almasar Alshamil Education Company), has resulted in a decline in profit margin from 36.8% in the three-month period ended 31 March 2024G to 31.7% in the three-month period ended 31 March 2025G.

Remeasurement loss on employees' benefit obligations

The Group grants end-of-service benefits (benefit plan) to its employees taking into consideration the local labor law requirements in the Kingdom of Saudi Arabia and the United Arab Emirates. The benefit provided by this benefit plan is a lump sum based on the employees' final salaries and allowance and their cumulative years of service at the date of the termination of employment. It is worth mentioning that the remeasurement loss on employees' benefit obligations is recorded under other comprehensive income with no impact on the Group's net income.

Remeasurement loss of employees' benefit obligations amounted to a loss of SAR 130 thousand in 2022G and SAR 1.3 million in 2023G, and SAR 1.4 million in 2024G as the loss / gain from remeasurement of employees' benefit obligations varies on an annual basis in line with employees' years of service, along with the overall change in the number of employees during the period.

6.7.1.9 Alternative performance measures

The following table summarizes the alternative performance measures for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.28): Alternative performance measures

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Profit before tax and Zakat	70,174	122,669	162,169	74.8%	32.2%	52.0%	49,440	52,738	6.7%
Adjusted for:									
One-off non-recurring items	-	2,694	885	N/A	(67.1%)	N/A	-	-	N/A
Adjusted profit before tax and Zakat	70,174	125,363	163,054	78.6%	30.1%	52.4%	49,440	52,738	6.7%
Add/(deduct):									
Zakat and income taxes*	(440)	(2,728)	(14,051)	520.0%	415.1%	465.1%	-	-	N/A
Adjusted profit	69,734	122,635	149,003	75.9%	21.5%	46.2%	49,440	52,738	6.7%
Add/(deduct):									
Non-controlling interests	(4,951)	(24,223)	(28,036)	389.3%	15.7%	138.0%	-	-	N/A
Adjusted profit attributable to equity holders	64,783	98,412	120,967	51.9%	22.9%	36.6%	49,440	52,738	6.7%
Add/(deduct):									
Depreciation and amortization	21,166	36,184	44,831	71.0%	23.9%	45.5%	9,558	12,179	27.4%
Purchase price amortisation of an associate	3,033	3,033	3,033	0.0%	0.0%	0.0%	758	758	0.0%
Zakat and Income Taxes	440	2,728	14,051	520.0%	415.1%	465.1%	-	-	37.7%
Finance income	(344)	(1,913)	(3,664)	456.1%	91.5%	226.4%	(1,023)	(1,200)	17.3%
Finance costs	2,689	8,380	9,192	211.6%	9.7%	84.9%	1,792	2,263	26.3%



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Non-controlling interests	4,951	24,223	28,036	389.3%	15.7%	138.0%	-	-	0.6%
One-off non-recurring items	-	(2,694)	(885)	N/A	(67.1%)	N/A	-	-	N/A
Earnings before interest, tax, depreciation and amortization (EBITDA)	96,718	168,353	215,561	74.1%	28.0%	49.3%	60,525	66,738	10.3%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Table (6.29): EBITDA by Subsidiary

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Almasar Alshamil Education ("Company")	27,195	21,715	32,965	(20.2%)	51.8%	10.1%	4,907	1,631	(66.7%)
MDX University	54,136	66,298	86,699	22.5%	30.8%	26.6%	28,952	36,789	27.1%
HDC Group*	15,387	80,340	95,897	422.1%	19.4%	149.6%	26,666	28,318	6.2%
EBITDA	96,718	168,353	215,561	74.1%	28.0%	49.3%	60,525	66,738	10.3%
HDC Group before consolidation	53,521	80,340	95,897	50.1%	19.4%	33.9%	26,666	28,318	6.2%

Source: Management information

* HDC EBITDA in 2022G represents two-month performance

EBITDA for HDC and MDX is based on standalone figures and elimination are accounted for in the company

Table (6.30): Alternative performance measures key performance indicators

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
As a % of revenue				Percentage points			As a % of revenue		Percentage points
EBITDA	53.4%	49.1%	49.3%	(4.3)	0.2	(4.1)	48.5%	43.4%	(5.1)

Source: Management information

Management considers the use of non-IFRS Alternative Performance Measures (APMs) to be key in understanding the Group's financial performance as well as assisting in forecasting the performance of future periods. In presenting the APMs management adjusts for certain items that vary between periods and for which the adjustment facilitates comparability between periods.

The presentation of APMs has limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS. A reconciliation of the APMs utilised to the most directly reconcilable line items in the special purpose consolidated statement of profit or loss is provided above and may differ from similarly titled measures used by other entities.



The earnings before interest, tax, depreciation and amortization (EBITDA) presented in the table above represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- depreciation and amortisation;
- purchase price amortisation of associate;
- finance costs and income; and
- non-controlling interests

6.7.2 Consolidated statement of financial position

The following table summarizes the consolidated statement of financial position as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.31): Consolidated statement of financial position data

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Assets				
Non-current assets				
Property and equipment	46,437	62,814	114,198	122,765
Right-of-use assets	85,339	85,218	97,118	105,218
Goodwill and intangible assets	626,738	620,784	615,034	613,597
Investment in an associate	389,316	389,702	401,893	407,318
Total non-current assets	1,147,830	1,158,518	1,228,243	1,248,898
Current assets				
Inventories	609	907	1,701	1,701
Trade and other receivables	104,311	119,812	154,761	218,946
Due from related parties	-	9,283	8,847	-
Cash and bank balances	76,270	105,557	200,967	222,849
Total current assets	181,190	235,559	366,276	443,496
Total assets	1,329,020	1,394,077	1,594,519	1,692,394
Equity and liabilities				
Equity				
Share capital	10	10	1,024,013	1,024,013
Statutory reserve	3	3	12,011	12,011
Shareholder contributions	977,297	991,543	-	-
Other reserves	(18,630)	(17,841)	(17,016)	(17,016)
Retained earnings	67,898	73,384	139,244	179,489
Total equity attributable to the equity holders of the company	1,026,578	1,047,099	1,158,252	1,198,497
Non-controlling interest	26,832	51,581	64,167	72,692
Total equity	1,053,410	1,098,680	1,222,419	1,271,189
Liabilities				
Non-current liabilities				
Lease liabilities	67,444	60,931	73,438	82,977
Other long-term payable	30,113	-	-	-
Deferred tax liability	-	51,051	51,051	50,198
Employees' defined benefit obligations	15,189	16,719	20,396	21,971
Financing from banks	-	-	16,915	15,467
Total non-current liabilities	112,746	128,701	161,800	170,613



SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Current liabilities				
Financing from banks	23,583	12,029	45,750	47,670
Lease liabilities	20,496	24,421	29,744	27,742
Accounts and other payables	82,256	81,755	69,361	72,238
Contract liabilities	36,479	46,196	62,565	102,942
Due to related parties	50	2,295	2,880	0
Total current liabilities	162,864	166,696	210,300	250,592
Total liabilities	275,610	295,397	372,100	421,205
Total equity and liabilities	1,329,020	1,394,077	1,594,519	1,692,394

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

The following table summarizes the consolidated statement of financial position key performance indicators as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.32): Consolidated statement of financial position key performance indicators

	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Group Days sales outstanding (DSO) ⁽¹⁾	233	143	133	132
Pro forma Days sales outstanding (DSO) ⁽²⁾	153	143	133	132
Days inventory outstanding (DIO) ⁽³⁾	8	7	10	6
Days payables outstanding (DPO) ⁽⁴⁾	47	10	29	28
Cash conversion cycle (CCC) ⁽⁵⁾	194	140	108	110
Return on assets ⁽⁶⁾	5.2%	5.0%	9.4%	11.5%
Return on equity ⁽⁷⁾	6.6%	6.4%	12.2%	15.3%
Debt to equity ratio ⁽⁸⁾	10.9%	9.3%	14.3%	14.5%

Source: Management information

⁽¹⁾ Group DSO was calculated using gross receivables / revenue * 365 days (90 days for the three-month period ended 31 March 2025G).

⁽²⁾ Pro forma DSO was calculated using the full-year impact of HDC Group's revenue for 2022G and 2023G, along with its receivables as at 31 December 2022G and 31 December 2023G. This is an indicative illustration of the average DSO days the Group would have recorded if the HDC Group acquisition had occurred before 2021G and to provide an analytical view of the DSO trends throughout the historical period.

⁽³⁾ DIO was calculated using inventory / direct costs (excluding salaries and depreciation) * 365 days (90 days for the three-month period ended 31 March 2025G).

⁽⁴⁾ DPO was calculated using trade payables / direct costs (excluding salaries and depreciation) * 365 days (90 days for the three-month period ended 31 March 2025G).

⁽⁵⁾ CCC was calculated using Group DSO + DIO - DPO.

⁽⁶⁾ ROA was calculated using profit for the year / total assets; (net income / 3*12 / total assets for the three-month period ended 31 March 2025G)

⁽⁷⁾ ROE was calculated using profit for the year / total equity; (net income / 3*12 / total assets for the three-month period ended 31 March 2025G).

⁽⁸⁾ Debt to equity ratio was calculated using bank financing lease contract liabilities / total equity.



Non-current assets

Non-current assets comprised property and equipment, right-of-use assets, goodwill and intangible assets, and investments in associates.

Non-current assets increased from SAR 1,147.8 million as at 31 December 2022G to SAR 1,158.5 million as at 31 December 2023G as a result of:

1. an increase in property and equipment by SAR 16.4 million due to the increase in capital works in progress balance by SAR 7.6 million following the addition of a new daycare centre at HDC Group in Jizan area, KSA (+SAR 12.9 million), partially offset by the transfer of completed projects to leasehold improvements and furniture and fixtures. This was coupled with the increase in leasehold improvements by SAR 5.4 million mainly relating to the addition of 6 new centres during the period; and
2. an increase in investment in associates by SAR 0.4 million driven by share of results relating to NEMA Holding Company amounting to SAR 21.1 million partly offset by dividends distributed amounting to SAR 17.7 million.

This was partially offset by the decrease in goodwill and intangible assets by SAR 6.0 million due to the amortization charge during the year.

Non-current assets increased from SAR 1,158.5 million as at 31 December 2023G to SAR 1,228.2 million as at 31 December 2024G as a result of:

1. an increase in property and equipment by SAR 51.4 million driven by the increase in leasehold improvements relating to new centres and schools. This was partially offset by the depreciation charges during the period.
2. an increase in investment in associates by SAR 12.2 million driven by the share of results relating to NEMA amounting to SAR 32.9 million partly offset by dividends distributed amounting to SAR 17.7 million.

This was partially offset by the decrease in goodwill and intangible assets by SAR 5.8 million due to the amortization and depreciation charges during the period.

Non-current assets increased from SAR 1,228.2 million as at 31 December 2024G to SAR 1,248.9 million as at 31 March 2025G as a result of:

1. an increase in property and equipment by SAR 8.6 million driven by the increase in capital works in progress balance by SAR 10.0 million following the addition of a new daycare centre at HDC Group. This was partially offset by the depreciation charges during the period.
2. an increase of right-of-use assets amounting to SAR 8.1 million, as a result of registering new leases within the HDC Group and adding leased campus space at MDX Dubai, due to the increase in the number of centres and enrolled students.

This was partially offset by the decrease in goodwill and intangible assets by SAR 1.4 million due to the amortization and depreciation charges during the period.

Current assets

Current assets comprise inventories, trade and other receivables, due from related parties, and cash and bank balances.

Current assets increased from SAR 181.2 million as at 31 December 2022G to SAR 235.6 million as at 31 December 2023G as a result of:

1. an increase in cash and bank balances by SAR 29.3 million driven by the increase in net cash flows from operating activities in line with the continued growth in operations of MDX and the full year impact of the acquisition of HDC Group. This was partially offset by the shareholder distributions amounting to SAR 30.3 million during the year;
2. an increase in trade and other receivables by SAR 15.5 million driven by the increase in gross trade receivables by SAR 23.5 million in line with the increase in tuition revenue driven by the increase in the number of MDX students and the ramp up of newly added HDC Group centres. This was partly offset by the decrease in amounts due under joint services agreements by SAR 3.9 million following collections made by the Group; and
3. dues from related party balances amounting to SAR 9.3 million in relation to an unpaid dividend receivable balance from NEMA.

Current assets increased from SAR 235.6 million as at 31 December 2023G to SAR 366.3 million as at 31 December 2024G as a result of the increase in cash and bank balances by SAR 95.4 million driven by the cash from operating activities amounting



to SAR 146.9 million coupled with the proceeds from bank borrowings drawn by HDC Group. This was partially offset by the decrease in balances due from related parties by SAR 0.4 million following the settlement, while the remaining balances due from an affiliate of HDC Group related to the provision of medical equipment on behalf of the affiliate.

Current assets increased from SAR 336.3 million as at 31 December 2024G to SAR 443.5 million as at 31 March 2025G as a result of:

1. an increase in trade and other receivables by SAR 64.2 million driven by the increase in gross trade receivables by SAR 58.1 and an increase in the accrued share of revenues from joint service agreements by SAR 3.1 million;
2. an increase in cash and bank balances by SAR 21.9 million driven by the increase in net cash flows from operating activities in line with the continued growth in operations of the Group as a result of an increase in the average number of students and beneficiaries.

Equity

Equity comprised share capital, statutory reserve, shareholder contributions, other reserves, retained earnings, and non-controlling interest.

Equity increased from SAR 1,053.4 million as at 31 December 2022G to SAR 1,098.7 million as at 31 December 2023G driven by the increase in non-controlling interest by SAR 24.7 million driven by the increase in HDC Group's equity, coupled with the increase in shareholder contributions as a result of transfer of investees owned by Amanat to the Company.

Equity increased from SAR 1,098.7 million as at 31 December 2023G to SAR 1,222.4 million as at 31 December 2024G driven by the increase in retained earnings by SAR 65.8 million as a result of profit for the period amounting to SAR 148.1 million in 2024G.

Equity increased from SAR 1,222.4 million as at 31 December 2023G to SAR 1,271.2 million as at 31 March 2025G driven by the increase in retained earnings by SAR 40.2 million as a result of profit for the period amounting to SAR 48.8 million in the Three-month period ended 31 March 2025G.

Non-current liabilities

Non-current liabilities comprise lease liabilities, other long-term payables, deferred tax liability, and employees' defined benefit obligations.

Non-current liabilities increased from SAR 112.7 million as at 31 December 2022G to SAR 128.7 million as at 31 December 2023G mainly as a result of deferred tax liabilities recorded amounting to SAR 51.1 million related to the initial recognition of a deferred tax liability (DTL) in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's special purpose consolidated statement of financial position and attributable to the UAE-based Group entities. This was partially offset by the decrease in long term payables by SAR 30.1 million as the contingent consideration due for 2023G performance in relation to the acquisition of HDC Group was reclassified under accounts and other payables (as a current liability) as at 31 December 2023G.

Non-current liabilities increased from SAR 128.7 million as at 31 December 2023G to SAR 161.8 million as at 31 December 2024G as a result of (i) the long-term loan taken with the purpose of funding 80% of the acquisition of land and building for the newly opened centre in Al Narjis area of Riyadh which amounted to SAR 16.9 million as at December 2024G (ii) HDC obtained and utilized two new facilities from Al Rajhi Bank and Arab National Bank to finance working capital requirements.

Non-current liabilities increased from SAR 161.8 million as at 31 December 2024G to SAR 170.6 million as at 31 March 2025G mainly due to an increase in lease liabilities by SAR 7.5 million, resulting from the registration of new lease contracts within the HDC Group and the addition of a leased campus space at MDX, due to the increase in the number of centres and enrolled students.

Current liabilities

Current liabilities comprise financing from banks, lease liabilities, accounts and other payables, contract liabilities, and due to related party balances.

Current liabilities increased from SAR 162.9 million as at 31 December 2022G to SAR 166.7 million as at 31 December 2023G as a result of:

1. an increase in contract liabilities by SAR 9.7 million on the back of the further increase in student enrolments and the addition of new centres impacting the advance fees collected relating to the second term of the academic year 2023G/2024G; and
2. an increase in lease liabilities by SAR 3.9 million as a result of addition of new special education needs facilities.



This was partially offset by the decrease in financing from banks balance by SAR 11.6 million due to the settlement of the outstanding loans during the year as the facilities undertaken are short-term in nature and have a maturity of one year.

Current liabilities increased from SAR 166.7 million as at 31 December 2023G to SAR 210.3 million as at 31 December 2024G as a result of:

1. an increase in financing from banks by SAR 33.7 million as HDC Group was granted two new facilities from Al Rajhi Bank and Arab National Bank (ANB) to finance working capital requirements; and
2. an increase in lease liabilities by SAR 16.4 million in line with the increase of students and beneficiaries during the year.

This was partially offset by the decrease in accounts and other payables by SAR 12.4 million mainly due to the payment of the second tranche of the contingent consideration amounting to SAR 32.2 million.

Current liabilities increased from SAR 210.3 million as at 31 December 2024G to SAR 250.6 million as at 31 March 2025G as a result of an increase in contract liabilities by SAR 40.3 million mainly attributed to the impact of the closing date related to revenue recognition for the provision of educational services, in addition to the continued increase in the average number of students/beneficiaries.

6.7.2.1 Non-current assets

The following table summarizes the non-current assets as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.33): Non-current assets

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Property and equipment	46,437	62,814	114,198	122,765
Right-of-use assets	85,339	85,218	97,118	105,218
Goodwill and intangible assets	626,738	620,784	615,034	613,597
Investment in an associate	389,316	389,702	401,893	407,318
Total	1,147,830	1,158,518	1,228,243	1,248,898

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Non-current assets comprised property and equipment, right-of-use assets, goodwill and intangible assets, and investments in associates.

Non-current assets increased from SAR 1,147.8 million as at 31 December 2022G to SAR 1,158.5 million as at 31 December 2023G as a result of:

1. an increase in property and equipment by SAR 16.4 million due to the increase in capital works in progress balance by SAR 7.6 million following the addition of a new daycare centre at HDC Group in Jizan area, KSA (+SAR 12.9 million), partially offset by the transfer of completed projects to leasehold improvements and furniture and fixtures. This was coupled with the increase in leasehold improvements by SAR 5.4 million mainly relating to the addition of 6 new centres during the period; and
2. an increase in investment in associates by SAR 0.4 million driven by share of results relating to NEMA Holding Company amounting to SAR 21.1 million partly offset by dividends distributed amounting to SAR 17.7 million.

This was partially offset by the decrease in goodwill and intangible assets by SAR 6.0 million due to the amortization charge during the year.

Non-current assets increased from SAR 1,158.5 million as at 31 December 2023G to SAR 1,228.2 million as at 31 December 2024G as a result of:

1. an increase in property and equipment by SAR 51.4 million driven by the increase in leasehold improvements relating to new centres and schools. This was partially offset by the depreciation charges during the period.
2. an increase in investment in associates by SAR 12.2 million driven by the share of results relating to NEMA amounting to SAR 32.9 million partly offset by dividends distributed amounting to SAR 17.7 million.



This was partially offset by the decrease in goodwill and intangible assets by SAR 5.8 million due to the amortization and depreciation charges during the period.

Non-current assets increased from SAR 1,228.2 million as at 31 December 2024G to SAR 1,248.9 million as at 31 March 2025G as a result of:

1. an increase in property and equipment by SAR 8.6 million driven by the increase in capital works in progress balance by SAR 10.0 million following the addition of a new daycare centre at HDC Group. This was partially offset by the depreciation charges during the period.
2. The value of right-of-use assets increased by SAR 8.1 million, resulting from the registration of new leases within the Human Development Group and the addition of leased campus space at Middlesex University Dubai, due to the increase in the number of centers and enrolled students.

This was partially offset by the decrease in goodwill and intangible assets by SAR 1.4 million due to the amortization and depreciation charges during the period.

6.7.2.1.1 Property and equipment

The following tables summarizes the property and equipment as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.34): Property and equipment net book value

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Lands and buildings	-	-	23,674	23,282
Leasehold improvements	12,882	18,238	35,835	35,019
Medical equipment	3,587	3,275	1,405	1,292
Academic equipment	2,401	2,155	5,100	4,813
Furniture and fixtures	4,402	6,775	7,826	7,779
Other assets	4,192	5,772	6,125	6,375
Capital work in progress	18,973	26,599	34,233	44,205
Total	46,437	62,814	114,198	122,765

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Table (6.35): Additions on property and equipment

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
Lands and buildings	-	-	33	-
Leaseholds improvements	3,510	1,883	7,759	1,121
Medical equipment	109	-	137	20
Academic equipment	688	702	4,330	298
Furniture and fixtures	842	900	1,542	527
Other assets	170	2,953	1,245	535
Capital work in progress	1,406	18,747	42,928	14,961
Total	6,725	25,185	57,977	17,462

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G



Table (6.36): Accumulated depreciation on property and equipment

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Lands and buildings	-	-	957	1,349
Leaseholds improvements	11,337	15,029	21,468	23,405
Medical equipment	1,889	2,635	4,685	4,818
Academic equipment	6,914	7,844	9,229	9,813
Furniture and fixtures	7,482	9,511	10,550	11,125
Other assets	11,656	13,049	11,322	11,607
Total	39,278	48,068	58,211	62,117

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Property and equipment comprised leasehold improvements pertaining to the enhancements made on the campuses, centres, and schools, and medical equipment at the HDC Group centres and schools for the treatment and care of the students, academic equipment, furniture and fixtures, and other assets composed of office equipment and vehicles, in addition to capital work in progress, mainly pertaining to the development and addition of daycare centres in HDC Group and enhancements within MDX campus.

Property and equipment increased from SAR 46.4 million as at 31 December 2022G to SAR 62.8 million as at 31 December 2023G due to the increase in capital work in progress balance by SAR 7.6 million following the addition of a centre in Jizan (+SAR 12.9 million), partially offset by the transfer of completed projects to leasehold improvements and furniture and fixtures. This was coupled with the increase in leasehold improvements by SAR 5.4 million mainly relating to the addition of six new centres during the year.

Property and equipment increased from SAR 62.8 million as at 31 December 2023G to SAR 114.2 million as at 31 December 2024G mainly driven by the increase in land and building by SAR 23.7 million and leasehold improvements by SAR 17.6 million and this mainly due to the purchase of a land and opening of new daycare centres during the period partly offset by depreciation charges during the period.

Property and equipment increased from SAR 114.2 million as at 31 December 2024G to SAR 122.8 million as at 31 March 2025G mainly driven by the increase capital works in progress, stemming from additions for the period by SAR 15.0 million mainly in relation to the ongoing development of 15 new childcare centres and 2 new schools, partly offset by reclassifications to right of use assets.

It is worth noting that fully depreciated assets still in use had a gross book value amounting to SAR 13.4 million as at 31 December 2022G, SAR 19.6 million as at 31 December 2023G, SAR 24.1 million as at 31 December 2024G and SAR 26.8 million as at 31 March 2025G. It is worth noting that the Group replaces fixed assets as and when required depending on the operational needs of the business.

The Group calculates depreciation on a straight-line basis over the estimated useful lives of the assets. Construction in progress is stated at cost, net of accumulated impairment losses, if any. No depreciation is charged on capital work in progress.

As at 31 March 2025G, the Group has capital commitments of SAR 56.6 million related to projects undertaken in the Kingdom of Saudi Arabia by the Group's subsidiary, HDC Group (of which SAR 49.8 million for the new daycare centres and SAR 4.0 million for the relocation of Al Baraem School and SAR 2.8 million for 2 new schools).



The following tables summarize the capital commitments as at 31 March 2025G:

Table (6.37): Capital commitments

SAR in 000s	As at 31 March 2025G
New centre 1	688
New centre 2	688
New centre 3	2,500
New centre 4	4,000
New centre 5	3,761
New centre 6	5,940
New centre 7	5,940
New centre 8	3,283
New centre 9	3,283
New centre 10	3,698
New centre 11	3,698
New centre 12	6,270
New centre 13	5,000
New centre 14	1,062
Total new centres	49,812
Relocation of Al Baraem School	4,028
Completion of school and residential building works	2,341
Completion of schoolwork	457
Total	56,638

Source: Management information.

Leasehold improvements

Leasehold improvements pertain to the enhancements made on the Group's leased centres, schools, and university campuses. Leasehold improvements increased from SAR 12.9 million as at 31 December 2022G to SAR 18.2 million as at 31 December 2023G due to transfers from capital work in progress amounting to SAR 7.2 million, mainly relating to the addition of six new centres during the year, partially offset by the depreciation charge of SAR 3.7 million during the year.

Leasehold improvements increased from SAR 18.2 million as at 31 December 2023G to SAR 35.8 million as at 31 December 2024G mainly due to transfers, and additions amounting to SAR 12.8 million and SAR 7.8 million, respectively related to refurbishments done for both new HDC centres and MDX leased campuses, partly offset by depreciation charges amounting to SAR 5.7 million.

Leasehold improvements decreased from SAR 35.8 million as at 31 December 2024G to SAR 35.0 million as at 31 March 2025G due to depreciation charges of SAR 1.9 million, partially offset by additions amounting to SAR 1.1 million.

Medical equipment

Medical equipment relates to equipment held at the HDC Group centres and schools for the treatment and care of the students. Medical equipment decreased from SAR 3.6 million as at 31 December 2022G to SAR 3.3 million as at 31 December 2023G due to the depreciation charge for the year and the low level of additions made during the year.

Medical equipment decreased from SAR 3.3 million as at 31 December 2023G to SAR 1.4 million as at 31 December 2024G driven by depreciation charges during the period.

Medical equipment decreased SAR 1.4 million as at 31 December 2024G to SAR 1.3 million as at 31 March 2025G driven by depreciation charges during the period.

Academic equipment

Academic equipment includes equipment such as laptops, books, boards, etc., used for educational purposes in MDX. Academic equipment decreased from SAR 2.4 million as at 31 December 2022G to SAR 2.2 million as at 31 December 2023G, driven by depreciation charges of SAR 937 thousand, partially offset by additions during the year amounting to SAR 702 thousand.



Academic equipment increased from SAR 2.2 million as at 31 December 2023G to SAR 5.1 million as at 31 December 2024G, due to additions amounting to SAR 4.3 million, partially offset by depreciation charges amounting to SAR 1.4 million.

Academic equipment decreased from SAR 5.1 million as at 31 December 2024G to SAR 4.8 million as at 31 March 2025G, due to depreciation charges of SAR 585 thousand, partially offset by additions amounting to SAR 298 thousand.

Furniture and fixtures

Furniture and fixtures mainly comprised the Group's furniture for the centres, schools, and campuses.

Furniture and fixtures increased from SAR 4.4 million as at 31 December 2022G to SAR 6.8 million as at 31 December 2023G mainly due to transfers from capital work in progress during the year amounting to SAR 3.5 million in relation to the newly added centres for HDC Group.

Furniture and fixtures increased from SAR 6.8 million as at 31 December 2023G to SAR 7.8 million as at 31 December 2024G mainly due to additions and transfers amounting to SAR 2.9 million.

Furniture and fixtures remained relatively stable at SAR 7.8 million as at 31 December 2024G and as at 31 March 2025G, with depreciation charges of SAR 574 thousand.

Other assets

Other assets mainly comprised the Group's office equipment and vehicles. Other assets increased from SAR 4.2 million as at 31 December 2022G to SAR 5.8 million as at 31 December 2023G mainly due to additions during the year amounting to SAR 3.0 million in relation to the newly added centre vehicles; partially offset by depreciation charges for the year amounting to SAR 1.4 million.

Other assets increased from SAR 5.8 million as at 31 December 2023G to SAR 6.1 million as at 31 December 2024G mainly due to additions during the period.

Other assets increased from SAR 6.1 million as at 31 December 2024G to SAR 6.4 million mainly due to additions amounting to SAR 535 thousand during the period.

Capital work in progress

Capital work in progress fully pertains to HDC's projects under construction in relation to the ongoing development of daycare centres (SAR 31.8 million), and 2 schools (SAR 7.1 million) and improvements to existing centres and schools (SAR 5.2 million).

Capital work in progress increased from SAR 19.0 million as at 31 December 2022G to SAR 26.6 million as at 31 December 2023G, mainly due to the additions of a centre in Jizan area (+SAR 12.9 million).

Capital work in progress increased from SAR 26.6 million as at 31 December 2023G to SAR 34.2 million as at 31 December 2024G mainly due to the ongoing development of 12 daycare centres and the relocation of Al Baraem School (under Tadarruj program).

Capital work in progress increased from SAR 34.2 million as at 31 December 2024G to SAR 44.2 million mainly due to the development of 15 daycare centres and 2 school under development, partially offset by reclassifications to right of use assets (SAR 5.0 million), representing pre-operating lease payments that were capitalized within Capital work in progress, and later reclassified as right of use assets.

As at 31 March 2025G, the Group has capital commitments of SAR 56.6 million related to projects undertaken in the Kingdom of Saudi Arabia by the Group's subsidiary, HDC Group (of which SAR 49.8 million for the new daycare centres and SAR 4.0 million for the relocation of Al Baraem School and SAR 2.8 million for 2 new schools).



6.7.2.1.2 Right-of-use assets

The following table summarizes the right-of-use assets as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.38): Right-of-use assets

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
At 1 January	52,438	85,339	85,218	97,118
Acquisition of a subsidiary	38,581	-	-	-
Additions	27,119	21,312	43,030	14,936
Termination	(17,948)	-	-	-
Modification	(1,554)	-	(742)	-
Transferred to property and equipment	-	-	(3,676)	-
Depreciation	(13,297)	(21,433)	(26,712)	(6,836)
At the end of the year/period	85,339	85,218	97,118	105,218

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G and Management information.

Right of use assets

The Group has lease contracts for buildings and offices. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of residential buildings used for staff accommodation and offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases; accordingly, the related costs are recorded in short-term leases under direct costs.

Right-of-use assets comprised centres, schools, and staff accommodation relating to HDC Group, as well as the MDX university campuses and administrative offices.

Right-of-use assets remained relatively stable at SAR 85.3 million as at 31 December 2022G and SAR 85.2 million as at 31 December 2023G, mainly due to additions amounting to SAR 21.3 million during the year, primarily relating to the addition of seven new centres, partially offset by depreciation charges amounting to SAR 21.4 million.

Right-of-use assets increased from SAR 85.2 million as at 31 December 2023G to SAR 97.1 million as at 31 December 2024G mainly due to additions in HDC amounting to SAR 35.4 million relating to newly opened HDC centres and in MDX amounting to SAR 5.1 million relating to the newly leased campus spaces. This was partly offset by depreciation charges of SAR 26.7 million during the period.

Right-of-use assets increased from SAR 97.1 million as at 31 December 2024G to SAR 105.2 million as at 31 March 2025G mainly due to additions in (i) HDC amounting to SAR 13.2 million relating to newly opened HDC centres and a land leased for the construction of a new centre and (ii) MDX amounting to SAR 1.9 million relating to newly leased campus space. This was partly offset by depreciation charges of SAR 6.8 million during the period.



6.7.2.1.3 Goodwill and intangible assets

The following table summarizes the goodwill and intangible assets as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.39): Goodwill and intangible assets net book value

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Goodwill	500,267	500,267	500,267	500,267
Agreements and student relationship with definite useful lives	122,631	116,901	111,375	109,994
Brand names with definite useful lives	3,840	3,616	3,392	3,336
Total	626,738	620,784	615,034	613,597

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the Three-month period ended 31 March 2025G

Table (6.40): Goodwill and intangible assets accumulated amortization

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Agreements and student relationship with definite useful lives	19,952	25,682	31,208	32,589
Brand names with definite useful lives	-	224	448	504
Total	19,952	25,906	31,656	33,093

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Goodwill and intangible assets comprised of goodwill, agreements and student relationships with definite useful lives, and brand names with definite useful lives stemming from (i) the acquisition of 100% of the shares and voting interests of Middlesex Associates FZ – LLC on 2 August 2018G for a total consideration of SAR 423.6 million, and (ii) the acquisition of 60% of the voting shares of Human Development Company LLC and its 100% subsidiary Human Rehabilitation Company LLC for a total cash consideration of SAR 220.4 million. in addition to a contingent consideration of up to SAR 47.1 million payable in two tranches. The intangible assets were identified by a third-party independent expert and are amortized over their respective useful lives.

Goodwill and intangible assets decreased from SAR 626.7 million as at 31 December 2022G to SAR 620.8 million as at 31 December 2023G, and to SAR 615.0 million as at 31 December 2024G, and further to SAR 613.6 million as at 31 March 2025G due to the amortization charge during the year/period.

It is worth noting that the Group performs its annual impairment test to goodwill internally at year-end and when circumstances indicate that the carrying value may be impaired. As at 31 March 2025G, management has not identified any circumstances that may indicate that the carrying value of goodwill and agreements with an indefinite useful life may be impaired; therefore, no impairment assessment as at 31 March 2025G was performed.

Goodwill

Table (6.41): Goodwill

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Middlesex University	279,847	279,847	279,847	279,847
Human Development Company	220,419	220,419	220,419	220,419
Total	500,267	500,267	500,267	500,267

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G



Goodwill pertains to (i) the acquisition of 100% of the shares and voting interests of Middlesex Associates FZ – LLC on 2 August 2018G for a total consideration of SAR 423.6 million, and (ii) the acquisition of 60% of the voting shares of Human Development Company LLC and its 100% owned subsidiary Human Rehabilitation Company LLC for a total cash consideration of SAR 220.4 million in addition to a contingent consideration of up to SAR 47.1 million payable in two tranches.

Goodwill amounted to SAR 500.2 million as of December 31, 2022, in relation to the goodwill recognized upon the acquisition of Middlesex University for a total of SAR 423.6 million, and the acquisition of Human Development Group on October 27, 2022, which resulted in goodwill amounting to SAR 220.4 million for Human Development Group LLC and Human Rehabilitation Company LLC as of December 31, 2023, December 30, 2024, and March 31, 2025.

Middlesex Associates FZ-LLC

On 2 August 2018G, the Group acquired 100% of the shares and voting interests in Middlesex Associates FZ-LLC for a total consideration of SAR 423.6 million. The Group engaged a third party independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby a separately identifiable intangible asset was identified in relation to an agreement the subsidiary has entered into with Middlesex UK, which was estimated to have a fair value of SAR 134.8 million at the acquisition date and a useful life of 30 years from the date of acquisition. Accordingly, SAR 134.8 million was reduced from the initially recognised amount of goodwill resulting in adjusted goodwill of SAR 279.8 million at acquisition.

Human Development Company LLC

On 27 October 2022G, the Group acquired 60% of the voting shares of Human Development Company LLC and its 100% owned subsidiary, Human Rehabilitation Company LLC, both of which are engaged in the provision of special education and care needs services, for a total cash consideration of SAR 220.3 million in addition to contingent consideration of up to SAR 47.1 million payable in two tranches. It is worth noting that the first tranche was paid during the second half of the financial Year ended 31 December 2023G whereas the second tranche was paid during the second half of the financial Year ended 31 December 2024G. The Group engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby separately identifiable intangible assets have been identified with acquisition-date estimated fair values of SAR 11.6 million. As a result, the initial goodwill at acquisition amounted to SAR 220.4 million.

Agreement and student relationship with definite useful lives

An independent expert has identified agreements and student relationships as intangible assets in relation to an agreement MDX has entered into with Middlesex UK, as well as agreements with joint operations and expat student relationships with definite useful lives to be amortized over their respective lives. Agreements and student relationships with definite useful lives amounted to SAR 119.4 million in relation to the agreement between MDX and MDX UK and are amortized over a useful life of 30 years.

Agreements and student relationships with definite useful lives increased to SAR 122.6 million as at 31 December 2022G as a result of the acquisition of HDC Group, which resulted in the addition of SAR 7.8 million to the agreements and student relationships with definite useful lives balance, related to agreements with joint operations and expat student relationships, which are amortized over their respective useful lives of 14 years and 4 years, respectively.

Agreements and student relationships with definite useful lives decreased to SAR 116.9 million as at 31 December 2023G, SAR 111.4 million as at 31 December 2024G, and SAR 110.0 million as at 31 March 2025G, driven by amortization expenses amounting to SAR 5.7 million and SAR 5.5 million in 2024G and SAR 1.4 million in the three-month period ended 31 March 2025G.

Brand names with definite useful lives

The brand name of HDC Group centres was identified by an independent expert as an intangible asset upon the acquisition of HDC Group and is amortized annually over its useful life of 25 years. The brand names with definite useful lives balance amounted to SAR 3.8 million as at 31 December 2022G and decreased to SAR 3.6 million, SAR 3.4 million, and SAR 3.3 million as at 31 December 2023G, 31 December 2024G and 31 March 2025G, respectively, as a result of amortization expenses amounting to SAR 224 thousand in 2023G and 2024G and SAR 56 thousand in the three-month period ended 31 March 2025G.



6.7.2.1.4 Investment in an associate

The following table summarizes the investment in an associate as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.42): Investment in an associate

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
At 1 January	381,079	389,316	389,702	401,893
Share of results	27,196	21,113	32,918	6,184
Amortization of PPA assets	(3,033)	(3,033)	(3,033)	(759)
Share of results in profit or loss	24,163	18,080	29,885	-
Dividends	(15,926)	(17,694)	(17,694)	-
At the end of the period	389,316	389,702	401,893	407,318

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

The following table summarizes the financial information of the Group's investment in NEMA as at and for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2025G:

Table (6.43): Group's investment in NEMA

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
Current assets	215,672	205,363	221,000	309,370
Non-current assets	1,176,960	1,161,818	1,154,729	1,171,139
Current liabilities	(174,805)	(186,861)	(225,220)	(295,341)
Non-current liabilities	(471,066)	(423,789)	(350,478)	(367,769)
Equity attributable to the equity holders of NEMA	746,761	756,531	800,031	817,697
Group's share in net assets at 35%	261,367	264,786	280,011	286,194
Goodwill and intangibles at acquisition	132,653	132,653	132,653	132,653
Costs of acquisition capitalised	9,484	9,484	9,484	9,484
Amortization of PPA assets	(14,188)	(17,221)	(20,255)	(21,012)
Group's carrying amount of the investment	389,316	389,702	401,893	407,319
Revenue	487,081	514,927	569,576	145,066
Profit	77,702	60,325	94,052	17,668
Group's share of profit at 35% *	27,196	21,113	32,918	6,184
Amortization of PPA assets	(3,033)	(3,033)	(3,033)	(759)
Share of result in an associate	24,163	18,080	29,885	5,425

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

*Year ended 31 December 2022G includes the Group's share of transaction costs amounting to SAR 1.7 million in relation to the acquisition of a 100% stake in LIWA College of Technology by NEMA.



Investment in an associate

The Group has a 35% interest in NEMA Holding Company LLC, acquired on 6 March 2018G. NEMA is involved in the provision of tertiary education and vocational services in Abu Dhabi, United Arab Emirates. NEMA is a private entity that is not listed on any public exchange. The Group's interest in NEMA is accounted for using the equity method in the special purpose consolidated financial statements.

Investment in an associate increased from SAR 389.3 million as at 31 December 2022G to SAR 389.7 million as at 31 December 2023G mainly driven by the share of results (prior to amortization of PPA) amounting to SAR 21.1 million, partly offset by dividends amounting to SAR 17.7 million.

Share of result in an associate decreased by 25.2% from SAR 24.2 million in 2022G to SAR 18.1 million in 2023G as the associate recorded an additional decrease in profits from SAR 77.7 million in 2022G to SAR 60.3 million in 2023G due to the additional impacts of the COVID-19 pandemic on students who completed their academic hours in the fiscal year 2022G, which were partially impacted by the introduction of tax in the UAE from June 2023G onwards and higher market financing rates.

Investment in an associate increased from SAR 389.7 million as at 31 December 2023G to SAR 401.9 million as at 31 December 2024G mainly driven by the share of results amounting to SAR 29.9 million.

Share of result in an associate increased by 65.3% from SAR 18.1 million in 2023G to SAR 29.9 million in 2024G in line with the increase in profit generated by NEMA over the period from SAR 60.3 million to SAR 94.1 million partially offset by dividends amounting to SAR 17.7 million.

Investment in an associate increased from SAR 401.9 million as at 31 December 2024G to SAR 407.3 million as at 31 March 2025G mainly driven by the share of results amounting to SAR 5.4 million.

Share of result in an associate increased by 68.4% from SAR 3.2 million in the three-month period ended 31 March 2024G to SAR 5.4 million in the three-month period ended 31 March 2025G in line with the increase in profit generated by NEMA over the period from SAR 11.4 million to SAR 17.7 million.

The following table summarizes the financial information (statement of comprehensive income, statement of financial position and statement of cash flows) of NEMA Holding Company as at and for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.44): NEMA Holding Company statement of comprehensive income data

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Revenue	487,081	514,927	569,576	5.7%	10.6%	8.1%	126,380	145,066	14.8%
Direct costs	(202,222)	(212,732)	(241,670)	5.2%	13.6%	9.3%	(59,280)	(67,361)	13.6%
Gross profit	284,859	302,195	327,906	6.1%	8.5%	7.3%	67,100	77,705	15.8%
General, selling and administrative expenses	(149,754)	(162,593)	(139,749)	8.6%	(14.0%)	(3.4%)	(32,745)	(38,059)	16.2%
Management fees	(7,382)	(6,536)	-	(11.5%)	(100.0%)	(100.0%)	-	-	N/A
Allowance for doubtful debts, net	(9,185)	(3,916)	(8,221)	(57.4%)	110.0%	(5.4%)	(1,679)	(2,178)	29.7%
Other expenses	(1,842)	(4,960)	(8,080)	169.3%	62.9%	109.4%	(1,448)	(2,983)	106.1%
Loss on fair valuation of investments held at fair value	-	-	-	N/A	N/A	N/A	-	-	N/A
Government grant	14,236	14,236	14,236	0.0%	0.0%	0.0%	3,559	3,559	0.0%
Other income	5,380	6,933	-	28.9%	(100.0%)	(100.0%)	-	-	N/A
EBITDA	136,311	145,361	186,092	6.6%	28.0%	16.8%	34,787	38,043	9.4%



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR, 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Depreciation and amortisation	(42,108)	(50,517)	(56,246)	20.0%	11.3%	15.6%	(14,283)	(13,132)	(8.1%)
EBIT	94,203	94,844	129,846	0.7%	36.9%	17.4%	20,504	24,911	21.5%
Interest expense	(16,501)	(29,174)	(25,811)	76.8%	(11.5%)	25.1%	(7,361)	(5,073)	(31.1%)
EBT	77,702	65,670	104,035	(15.5%)	58.4%	15.7%	13,142	19,839	51.0%
Corporate tax	-	(5,345)	(9,981)	N/A	86.7%	N/A	(1,768)	(2,171)	22.7%
Profit for the year/period	77,702	60,325	94,054	(22.4%)	55.9%	(28.9%)	11,374	17,668	55.3%

Source: Management information.

Table (6.45): NEMA Holding Company statement of financial position data

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Assets				
Non-current assets				
Property and equipment	819,761	762,540	759,063	766,415
Right-of-use assets	68,460	59,233	53,294	52,964
Investment properties	99,221	155,995	161,129	171,952
Intangible Assets	7,564	31,881	29,094	27,657
Goodwill	181,955	152,170	152,150	152,150
Total non-current assets	1,176,960	1,161,818	1,154,729	1,171,139
Current assets				
Inventories	665	509	768	870
Trade and other receivables	157,931	160,213	181,647	254,093
Cash in hand and at bank	57,076	44,641	38,122	54,407
Total current assets	215,672	205,363	220,536	309,370
Total assets	1,392,632	1,367,181	1,375,266	1,480,509
Equity and liabilities				
Equity				
Share capital	233,466	233,466	233,466	233,466
NCI reserve	(53,086)	(53,086)	-	-
Retained Earnings and other equity	566,381	576,151	566,563	584,231
Total equity	746,761	756,531	800,029	817,697
Liabilities				
Non-current liabilities				
Employees' end of service benefits	48,927	49,577	54,386	55,164
Lease and other liabilities	86,035	75,183	77,326	61,499
Term loan*	336,104	299,029	270,528	251,105
Total non-current liabilities	471,066	423,789	402,241	367,769
Current liabilities				
Other bank borrowings*	72,567	43,995	21,091	1,132



SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Leases	2,363	4,067	21,351	9,366
Accounts and other payables	97,333	121,026	131,018	284,843
Bank overdraft*	-	15,281	-	-
Due to related parties	2,541	2,491	463	298
Total current liabilities	174,805	186,861	172,995	295,043
Total liabilities	645,871	610,650	575,236	662,812
Total equity and liabilities	1,392,632	1,367,181	1,375,266	1,480,509

Source: Management information.

Table (6.46): NEMA Holding Company statement of cash flows data

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Operating activities									
Profit before tax and zakat	77,702	60,325	94,054	(22.40%)	55.9%	10.0%	11,374	17,668	55.3%
Adjustments:									
Depreciation of property and equipment	42,108	50,517	56,246	20.00%	11.3%	15.6%	14,283	13,132	(8.1%)
Movements in WC items and non-cash expenses / incomes	45,007	973	12,297	(97.80%)	1164.2%	(47.7%)	77,509	81,378	5.0%
Government grant	(14,236)	(14,236)	(14,236)	0.00%	0.0%	0.0%	(3,559)	(3,559)	0.0%
Employees end of service benefits provision	-	-	8,972	N/A	N/A	N/A	2,244	2,299	2.5%
Employees end of service benefits paid	-	-	(4,145)	N/A	N/A	N/A	(656)	(1,470)	124.0%
Loss on fair valuation of investments held at fair value	-	-	-	N/A	N/A	N/A	-	-	N/A
Net Cash Flow from operations	150,582	97,579	153,187	(35.2%)	57.0%	0.9%	101,195	109,448	8.2%
Sale / (Purchase) of property, plant & equipment	(29,077)	(25,124)	(33,002)	(13.60%)	31.4%	6.5%	(8,335)	(23,960)	187.5%
Sale /(Purchase) of Investments	(184,884)	-	-	(100.00%)	N/A	(100.0%)	-	-	N/A
Net cash flows from / (used in) investing activities	(213,961)	(25,124)	(33,002)	(88.30%)	31.4%	(60.7%)	(8,335)	(23,960)	187.5%
Movement in bank borrowings, net	138,399	(50,367)	(66,685)	(136.40%)	32.4%	N/A	(57,687)	(39,381)	(31.7%)
Net movement in shareholders account	-	-	-	N/A	N/A	N/A	-	-	N/A
Dividends paid	(45,480)	(25,298)	(50,556)	(44.40%)	99.8%	5.4%	(25,298)	(25,278)	(0.1%)



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Repayment of lease liability	(5,867)	(9,224)	(9,463)	57.20%	2.6%	27.0%	(1,576)	(4,543)	188.3%
Net cash flows from / (used in) financing activities	87,051	(84,890)	(126,704)	(197.5%)	49.3%	N/A	(84,562)	(69,203)	(18.2%)
Net increase/decrease in cash and cash equivalents	23,672	(12,435)	(6,519)	(152.50%)	(47.6%)	N/A	8,298	16,285	96.2%
Beginning cash and cash equivalents balance	33,404	57,076	44,641	70.90%	(21.8%)	15.6%	44,641	38,122	(14.6%)
Ending cash and cash equivalents balance	57,076	44,641	38,122	(21.80%)	(14.6%)	(18.3%)	52,939	54,407	2.8%

Source: Management information.

6.7.2.2 Current assets

The following table summarizes the current assets as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.47): Current assets

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Inventories	609	907	1,701	1,701
Trade and other receivables	104,311	119,812	154,761	218,946
Due from related parties	-	9,283	8,847	-
Cash and bank balances	76,270	105,557	200,967	222,849
Total	181,190	235,559	366,276	443,496

Source: The special purpose consolidated financial statements for the years ended 31 December 2022G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Current assets increased from SAR 181.2 million as at 31 December 2022G to SAR 235.6 million as at 31 December 2023G as a result of:

1. an increase in cash and bank balances by SAR 29.3 million driven by the increase in net cash flows from operating activities in line with the continued growth in operations of MDX and the full year impact of the acquisition of HDC Group. This was partially offset by the shareholder distributions amounting to SAR 30.3 million during the year;
2. an increase in trade and other receivables by SAR 15.5 million driven by the increase in gross trade receivables by SAR 23.5 million in line with the increase in tuition revenue driven by the increase in the number of MDX students and the ramp up of newly added HDC Group centres. This was partly offset by the decrease in amounts due under joint services agreements by SAR 3.9 million following collections made by the Group; and
3. dues from related party balances amounting to SAR 9.3 million in relation to an unpaid dividend receivable balance from NEMA.

Current assets increased from SAR 235.6 million as at 31 December 2023G to SAR 366.3 million as at 31 December 2024G as a result of the increase in cash and bank balances by SAR 95.4 million driven by the cash from operating activities amounting to SAR 146.9 million coupled with the proceeds from bank borrowings drawn by HDC Group. This was partially offset by the decrease in balances due from related parties by SAR 0.4 million following the settlement, while the remaining balances due from an affiliate of HDC Group related to the provision of medical equipment on behalf of the affiliate.



Current assets increased from SAR 366.3 million as at 31 December 2024G to SAR 443.5 million as at 31 March 2025G as a result of:

1. an increase in trade and other receivables by SAR 64.2 million driven by the increase in gross trade receivables by SAR 58.1 and an increase in the accrued share of revenues from joint service agreements by SAR 3.1 million;
2. an increase in cash and bank balances by SAR 21.9 million driven by the increase in net cash flows from operating activities in line with the continued growth in operations of the Group as a result of an increase in the average number of students and beneficiaries.

6.7.2.2.1 Inventories

Inventories pertain to HDC Group's educational tools and other tools used in centres and schools. Inventory increased from SAR 609 thousand as at 31 December 2022G to SAR 907 thousand as at 31 December 2023G in line with the addition of five additional centres during the year.

Inventory decreased from SAR 907 thousand as at 31 December 2023G to SAR 1.7 million as at 31 December 2024G in line with the addition of eight additional centres during the year.

Inventory remained stable at SAR 1.7 million as at 31 December 2024G and 31 March 2025G, as the Group opened only 1 new centre during the three-month period ended 31 March 2025G.

6.7.2.2.2 Trade and other receivables

The following table summarizes the trade and other receivables as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.48): Trade and other receivables

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Trade receivables	100,291	123,781	139,178	199,050
Less: allowance for expected credit losses	(24,645)	(28,563)	(23,200)	(24,971)
Trade receivables, net	75,646	95,218	115,978	174,079
Prepayment	4,123	3,611	5,502	5,592
Refundable deposits	4,434	5,201	3,970	3,965
Accrued share of revenue from joint services agreements	9,021	7,809	15,168	20,092
Advances to suppliers	1,339	2,573	4,218	3,611
Amounts due under joint services agreements	6,280	2,337	5,261	5,714
Other receivables	3,468	3,063	4,664	5,893
Total	104,311	119,812	154,761	218,946

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the years ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Trade and other receivables mainly comprised net receivables from government clients and students, accrued share of revenue from joint services agreements, and refundable deposits, amongst others.

Trade and other receivables increased from SAR 119.8 million as at 31 December 2023G to SAR 154.8 million as at 31 December 2024G, following the increase in gross receivables balance by SAR 15.4 million primarily driven by the increase in average number of beneficiaries under HDC, as the newly added centres ramped-up and an expected credit loss write off against legacy MDX receivables relating to the COVID-19 period. This was coupled with the increase in accrued share of revenue from joint services agreements (+SAR 7.4 million) due to the delay in finalization of the financials of joint operations partners and therefore delays in the reconciliation of accrued balances for the period.

Trade and other receivables increased from SAR 119.8 million as at 31 December 2023G to SAR 154.8 million as at 31 December 2024G, following the increase in net receivables balance by SAR 15.4 million primarily driven by the increase



in average number of beneficiaries under HDC, as the newly added centres ramped-up and an expected credit loss write off against legacy MDX receivables relating to the COVID-19 period. This was coupled with the increase in accrued share of revenue from joint services agreements (+SAR 7.4 million) due to the delay in finalization of the financials of joint operations partners and therefore delays in the reconciliation of accrued balances for the period.

Trade and other receivables increased from SAR 154.8 million as at 31 December 2024G to SAR 218.9 million as at 31 March 2025G mainly driven by further increase in gross receivables balance by SAR 64.2 million primarily stemming from HDC, in line with the increase in average number of beneficiaries and the historically high DSO levels recorded relating to these receivables.

Trade receivables

The following table summarizes the trade receivables by subsidiary as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.49): Trade receivables by subsidiary

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Government client 1	47,105	64,567	103,888	163,493
Government client 2	22,266	18,132	5,610	6,064
Government client 3	-	1,225	-	-
Government clients	69,371	83,924	109,498	169,557
Individuals	8,911	11,543	5,234	3,886
HDC Group	78,282	95,467	114,733	173,443
MDX	22,009	28,314	24,445	25,607
Gross trade receivables	100,291	123,781	139,178	199,050
Allowance for expected credit losses	(24,645)	(28,563)	(23,200)	(24,971)
Trade receivables, net	75,646	95,218	115,978	174,079
Group Days sales outstanding (DSO) ⁽¹⁾	233	143	133	132
Pro forma Days sales outstanding (DSO) ⁽²⁾	153	143	133	132

Source: Management information

⁽¹⁾ Group DSO was calculated using gross receivables / revenue * 365 days (90 days for the Three-month period ended 31 March 2025G).

⁽²⁾ Pro forma DSO was calculated using the full-year impact of HDC Group's revenue for 2022G, along with its receivables as at 31 December 2022G. This is an indicative illustration of the average DSO days the Group would have recorded if the HDC Group acquisition had occurred before 2022G and to provide an analytical view of the DSO trends throughout the historical period.

Trade receivables represent the gross outstanding balances from the Group's offered services to centres, schools, and university students. HDC Group was the largest contributor to the Group's gross trade receivables balance, representing 87.1% as at 31 March 2025G, with the remaining portion relating to MDX.

HDC Group's government clients receivable balance constituted 69.2% of the Group's gross trade receivables as at 31 December 2022G, 67.8% as at 31 December 2023G, 78.7% as at 31 December 2024G and 85.2% as at 31 March 2025G. Meanwhile, Government Client 1 constituted 60.2% of HDC's gross trade receivables as at 31 December 2022G, 67.6% as at 31 December 2023G, 90.5% as at 31 December 2024G, and 94.3% as at 31 March 2025G and constituted 47.0% of the Group's gross trade receivables as at 31 December 2022G, 52.2% as at 31 December 2023G, 74.6% as at 31 December 2024G and 82.1% as at 31 March 2025G.

The consolidation of HDC Group's results impacted the Group's DSO, which reached 233 days as at 31 December 2022G (including two months of revenue from the HDC Group after the acquisition, while accounting for the full balance of the Group's trade receivables as at 31 December 2022G).

Trade receivables increased from SAR 100.3 million as at 31 December 2022G to SAR 123.8 million as at 31 December 2023G in line with the increase in tuition and special education and care needs services revenue, driven by the increase in the average number of MDX students and the ramp-up of newly added HDC Group centres, and hence the growth in the average number of students/beneficiaries. Pro forma DSO remained relatively stable, decreasing from 153 days (including the impact of the full year of revenue in HDC Group) as at 31 December 2022G to 143 days as at 31 December 2023G, largely due to collections made during the year. As at 31 December 2023G, SAR 83.9 million of trade receivables related to dues from government clients.



Trade receivables increased from SAR 123.8 million as at 31 December 2023G to SAR 139.2 million as at 31 December 2024G in line with the increase in average number of beneficiaries of HDC Group, given the gradual opening of new centers, in addition to recognizing an expected credit loss provision against old receivables related to the COVID-19 pandemic period. DSO decreased from 143 days as at 31 December 2023G to 133 days as at 31 December 2024G in line with improvement in collections.

Trade receivables increased from SAR 139.2 million as at 31 December 2024G to SAR 199.1 million as at 31 March 2025G, primarily driven by the increase in dues from governmental clients (+SAR 60.1 million), given the increase in number of beneficiaries. Furthermore, DSO decreased slightly from 133 days as at 31 December 2024G to 132 days as at 31 March 2025G.

The following table summarizes the trade receivables ageing as at 31 December 2022G:

Table (6.50): Trade receivables ageing as at 31 December 2022G

SAR in 000s	Not past due	0-60 days	61-120 days	121-365 days	More than 365 days	Total as at 31 December 2022G
Trade receivables	-	7,559	59,674	4,294	4,119	75,646

Source: Management information

The following table summarizes the trade receivables ageing as at 31 December 2023G:

Table (6.51): Trade receivables ageing as at 31 December 2023G

SAR in 000s	Not past due	0-60 days	61-120 days	121-365 days	More than 365 days	Total as at 31 December 2023G
Trade receivables	-	13,024	73,169	6,427	2,597	95,218

Source: Management information

The following table summarizes the trade receivables ageing as at 31 December 2024G:

Table (6.52): Trade receivables ageing as at 31 December 2024G

SAR in 000s	Not past due	0-60 days	61-120 days	121-365 days	More than 365 days	Total as at 31 December 2024G
Trade receivables	106,289	3,342	926	3,795	1,626	115,978

Source: Management information

The following table summarizes the trade receivables ageing as at 31 March 2025G:

Table (6.53): Trade receivables ageing as at 31 March 2025G

SAR in 000s	Not past due	0-60 days	61-120 days	121-365 days	More than 365 days	Total as at 31 March 2025G
Trade receivables	94,584	3,782	73,292	2,260	161	174,079

Source: Management information



The following table summarizes the movement in the allowance for expected credit losses for the Year ended 31 December 2022G, 2023G, 2024G and for the three-month period ended 31 March 2025G:

Table (6.54): Movement in the allowance for expected credit losses

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
At 1 January	12,314	24,645	28,563	23,200
Acquired through business combination	10,464	-	-	-
Charge for the year	4,205	7,956	4,951	3,722
Reversal	(2,338)	(782)	-	-
Write-offs	-	(3,256)	(10,314)	(1,951)
At the end of the year/period	24,645	28,563	23,200	24,971

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

The Group implements a simplified approach in calculating Expected Credit Losses (ECL), as the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting period. As per the internal policies set by management:

- MDX applies a 99% provision on balances aged for more than one year, approximately 89% for balances aged from 6 months to one year, and 12% to 18% for balances aged less than 6 months.
- HDC Group applies a 100% provision for balances aged for more than one year and 4% for balances aged from 6 months to one year until 2023G. After that the policy changed to 12% for balances aged from 6-months to one year.

ECL increased from SAR 24.6 million as at 31 December 2022G to SAR 28.6 million as at 31 December 2023G, due to the charge for the year amounting to SAR 8.0 million, in line with the increase in aged receivables balances over the same period partially offset by write off provision amounted to SAR 3.2 million.

ECL decreased from SAR 28.6 million as at 31 December 2023G to SAR 23.2 million as at 31 December 2024G due to write offs amounting to SAR 10.3 million relating to provisions against tuition fee receivables in MDX identified during Management's review of ECL during 2024G.

ECL increased from SAR 23.2 million as at 31 December 2024G to SAR 25.0 million as at 31 March 2025G due to charges for the year amounting to SAR 3.7 million, partially offset by reversals amounting to SAR 2.0 million. The continued MDX review of ECL provisions has led to the reversal, as Management viewed the amounts provided for to be conservative due to COVID-19 related receivables, and believes the outstanding receivables are adequately provided for.

As at 31 March 2025G, the Group had long outstanding balances (over one year) amounting to SAR 21.8 million, with a related provision of SAR 21.7 million. As at 31 March 2025G, ECL accounted for 99.3% of the total trade receivables balance.

Prepayments

Prepayments mainly pertain to the Group's prepaid rent, insurance, and interest expenses.

Prepayments decreased from SAR 4.1 million as at 31 December 2022G to SAR 3.6 million as at 31 December 2023G due to the decrease in MDX prepayments by SAR 0.9 million, driven by the change in contractual terms with medical insurance providers resulting in quarterly invoicing, as compared to invoicing on a bi-annual basis previously. This was partially offset by the increase in prepayments of HDC Group by SAR 0.4 million during the year, due to the increase in the average headcount, leading to an increase in medical insurance costs.

Prepayments increased from SAR 3.6 million as at 31 December 2023G to SAR 5.5 million as at 31 December 2024G and 5.6 as at 31 March 2025G mainly driven by the incorporation of the Company during Q4 of 2024G.

Refundable deposits

Refundable deposits mainly pertain to the cash margin on bank guarantees placed with issuing banks by HDC Group to the Ministry of Human Resources and Social Development (MHRSD) for the operating licenses of centres and visa deposits by MDX relating to international students, amounting to SAR 4.4 million as at 31 December 2022G, SAR 5.2 million as at 31 December 2023G, and SAR 4.0 million as at 31 December 2024G and SAR 4.0 million as at 31 March 2025G.



Refundable deposits increased from SAR 4.4 million as at 31 December 2022G to SAR 5.2 million as at 31 December 2023G, in line with the increase in bank guarantees from SAR 21.1 million as at 31 December 2022G to SAR 37.3 million as at 31 December 2023G, due to the addition of new centres.

Refundable deposits decreased from SAR 5.2 million as at 31 December 2023G to SAR 4.0 million as at 31 December 2024G in line with the decrease in bank guarantees from SAR 37.3 million as at 31 December 2023G to SAR 31.0 million as at 31 December 2024G due to additions of new centres.

Refundable deposits remained stable and amounted to SAR 4.0 million as at 31 December 2024G and 31 March 2025G.

Accrued share of revenue from joint service agreements

Accrued share of revenue from joint service agreements pertains to accrued amounts due in relation to the agreement to jointly operate and manage schools. The share of the Group is allocated to the based on contractually agreed percentages, and the amounts recorded are accrued by management based on the actual internal reporting and performance of the schools. These accruals represent the share of revenue prior to invoicing, as the invoicing of the Group's share is done after the completion of the academic year (July of each calendar year). Post invoicing, balances are moved to the "amounts due under joint services agreements" account.

Management accrues for its share of revenue from the joint services agreements based on its estimates of the full academic year results of the jointly operated schools. Once the academic year is completed and the jointly operated schools issue their financial statements, Management adjusts the accrual and issues the invoices to be collected from the joint services agreements' partners. As such, the fluctuation of the accrued share of revenue from joint services agreements as at 31 December 2022G, 2023G, 2024G and as at 31 March 2025G is impacted by Management estimates.

Accrued share of revenue from joint services agreements decreased from SAR 9.0 million as at 31 December 2022G to SAR 7.8 million as at 31 December 2023G.

Accrued share of revenue from joint services agreements increased from SAR 7.8 million as at 31 December 2023G to SAR 15.2 million as at 31 December 2024G mainly as the Group accrues its share of revenue from joint services agreements based on the academic year performance of the schools subject to the joint services agreements and issues the invoices post reconciliation with the joint operations partners post the finalization of the academic year.

Accrued share of revenue from joint service agreements increased further to SAR 20.1 million as at 31 March 2025G, as a result of the impact of the cutoff date, coupled with balances carried over from academic year 2023G/2024G, noting that joint operations DSO increased from 488 days as at 31 December 2024G to 608 days as at 31 March 2025G.

Advances to suppliers

Advances to suppliers pertained exclusively to advances made for MDX's educational material suppliers prior to the receipt of the related service invoices.

Advances to suppliers increased from SAR 1.4 million as at 31 December 2022G to SAR 2.6 million as at 31 December 2023G due to advances for educational material suppliers.

Advances to suppliers increased from SAR 2.6 million as at 31 December 2023G to SAR 4.2 million as at 31 December 2024G due to advances for educational material suppliers.

Advances to suppliers decreased from SAR 4.2 million as at 31 December 2024G to SAR 3.6 million as at 31 March 2025G mainly due to the impact of the cut off and the timing of invoice reception from suppliers.

Amounts due under joint services agreements

Amounts due under joint services agreements relate to the Group's share of revenue from the jointly operated schools that have been invoiced but not yet paid and pertain mainly to HDC Group.

Amounts due under joint services agreements amounted to SAR 6.3 million as at 31 December 2022G and decreased to SAR 2.3 million as at 31 December 2023G as a result of invoicing.

Amounts due under joint services agreements increased from SAR 2.3 million as at 31 December 2023G to SAR 5.3 million as at 31 December 2024G and further to SAR 5.7 million as at 31 March 2025G.

Amounts due under joint service agreements are mainly reliant on the timing of the closure of the financial statements of the joint-operations schools. The credit terms with the joint-operation schools are typically 45 days post completion of the academic year (excluding one school which is 30 days post completion of the academic year), and after issuance of the school financial statements.



Other receivables

Other receivables relate to VAT receivables, costs incurred on behalf of joint services agreements and employee advances.

Other receivables decreased from SAR 3.5 million as at 31 December 2022G to SAR 3.1 million as at 31 December 2023G as a result of the amortization of employee advances.

Other receivables increased from SAR 3.1 million as at 31 December 2023G to SAR 4.7 million as at 31 December 2024G and mainly includes donations (SAR 1.1 million) and employee advances (SAR 371 thousand), among others.

Other receivables increased from SAR 4.7 million as at 31 December 2024G to SAR 5.9 million as at 31 March 2025G mainly stemming from an increase in VAT receivables balance in line with the ongoing constructions undertaken by the Group.

6.7.2.2.3 Due from related parties

The following table summarizes the due from related parties as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.55): Due from related parties

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Parent company	-	-	-	-
Associate	-	8,847	8,847	-
Other related parties	-	436	-	-
Total	-	9,283	8,847	-

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Due from related parties related to payments made on behalf of an affiliate of HDC Group. Due from related parties amounted to nil as at 31 December 2022G and increased to SAR 9.3 million as at 31 December 2023G, mainly due to an unpaid dividend receivable balance from NEMA.

Due from related parties decreased from SAR 9.3 million as at 31 December 2023G to SAR 8.8 million as at 31 December 2024G following the settlement of a portion of the balances due from affiliate of HDC Group (Tanasoq Medical Company) relating to the provision of medical equipment whereby HDC Group purchased medical equipment on their behalf. The Group subsequently collected a portion of the balance, and the balance decreased to nil as at 31 December 2024G and nil as at 31 March 2025G. The remaining balance (SAR 8.8 million) pertains to the dividends payable from NEMA to the Group, which the Group recognized as balances due from Amanat Holdings as at 31 December 2024G.

6.7.2.2.4 Cash and bank balances

The following table summarizes the cash and bank balances as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.56): Cash and bank balances

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Cash on hand	2,619	5,018	17	603
Current accounts with banks	33,206	19,649	113,488	129,308
Bank term deposits	40,445	80,890	30,334	-
Shariah-compliant term deposits			57,128	92,938
Total	76,270	105,557	200,967	222,849

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G



Cash and bank balances mainly comprised bank term deposits, current accounts held with banks, and cash on hand.

Cash and bank balances increased from SAR 76.3 million as at 31 December 2022G to SAR 105.6 million as at 31 December 2023G, mainly driven by the increase in net cash flows from operating activities in line with the continued growth in MDX operations and the full-year impact of the acquisition of HDC Group. This was partially offset by shareholder distributions amounting to SAR 30.3 million during the year.

Cash and bank balances increased from SAR 105.6 million as at 31 December 2023G to SAR 201.0 million as at 31 December 2024G mainly driven by the cash from operating activities in line with the continued growth in operations, coupled with the proceeds from bank borrowings received by HDC, and partly offset by the acquisition of property and equipment (SAR 58.0 million) and shareholder distributions (SAR 33.4 million).

Cash and bank balances increased from SAR 201.0 million as at 31 December 2024G to SAR 222.8 million as at 31 March 2025G, mainly driven by cash from operating activity, coupled with the proceeds from bank borrowings received by HDC and dividends received from NEMA. This was partially offset by the additions of property and equipment.

6.7.2.3 Equity

The following table summarizes the equity as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.57): Equity

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Share capital	10	10	1,024,013	1,024,013
Statutory reserve	3	3	12,011	12,011
Shareholder contributions	977,297	991,543	-	-
Other reserves	(18,630)	(17,841)	(17,016)	(17,016)
Retained earnings	67,898	73,384	139,244	179,489
Total equity attributable to the equity holders of the company	1,026,578	1,047,099	1,158,252	1,198,497
Non-controlling interest	26,832	51,581	64,167	72,692
Total	1,053,410	1,098,680	1,222,419	1,271,189

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G

Equity comprised share capital, statutory reserve, shareholder contributions, other reserves, retained earnings, and non-controlling interest.

Equity increased from SAR 1,053.4 million as at 31 December 2022G to SAR 1,098.7 million as at 31 December 2023G driven by the increase in non-controlling interest by SAR 24.7 million driven by the increase in HDC Group's equity, coupled with the increase in shareholder contributions as a result of transfer of investees owned by Amanat to the Company.

Equity increased from SAR 1,098.7 million as at 31 December 2023G to SAR 1,222.4 million as at 31 December 2024G driven by the increase in retained earnings by SAR 65.8 million as a result of profit for the period amounting to SAR 148.1 million in 2024G.

Equity increased from SAR 1,222.4 million as at 31 December 2023G to SAR 1,271.2 million as at 31 March 2025G driven by the increase in retained earnings by SAR 40.2 million as a result of profit for the period amounting to SAR 48.8 million in the three-month period ended 31 March 2025G.

6.7.2.3.1 Share capital

The share capital of the Group is SAR 10 thousand as at 31 December 2022G and 2023G, represented by 1,000 ordinary shares in issuance of SAR 10 each which were fully paid up. The share capital of the Group increased from SAR 10 thousand as at 31 December 2022G and 2023G to SAR 1,024 million as at 31 December 2024G and 31 March 2025G since during the third quarter of 2024G, the shareholder of the Company resolved to increase the share capital of the Company to SAR 1,024 million through a conversion of the shareholder contribution balance as of 30 June 2024G. The required regulatory approvals were obtained in October 2024G.



6.7.2.3.2 Statutory reserve

As required by the Companies Law and the Articles of Association of the Company, a minimum of 10% of the profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 30% of the nominal value of the paid-up share capital. Accordingly, statutory reserve amounted to SAR 3 thousand as at 31 December 2022G and 2023G, SAR 12.0 million as at 31 December 2024G and 31 March 2025G.

6.7.2.3.3 Shareholder contributions

Shareholder contributions represent equity contributions made by Amanat to the Company through the transfer of investees owned by Amanat to the Company, in addition to the settlement of the related contingent consideration made on behalf of the Company.

Shareholder contributions increased from SAR 977.3 million as at 31 December 2022G to SAR 991.5m as at 31 December 2023G mainly due to the settlement of the first tranche of the contingent consideration on behalf of the Company.

Shareholder contributions declined from SAR 991.5 million to nil as at 31 December 2024G and 31 March 2025G following the transfer of the balance to share capital in October 2024G.

6.7.2.3.4 Other reserves

Other reserves related to the acquisition of economic interest held by non-controlling interests at NEMA and actuarial gains/(losses) from the remeasurement of employee's benefit obligations.

Other reserves amounted to SAR 18.6 million as at 31 December 2022G and increased to SAR 17.8 million as at 31 December 2023G, then to SAR 17.0 million as at 31 December 2024G and 31 March 2025G as a result of actuarial losses from remeasurement of employee's benefit obligations at HDC Group.

6.7.2.3.5 Retained earnings

Retained earnings increased from SAR 67.9 million as at 31 December 2022G to SAR 73.4 million as at 31 December 2023G in line with the increase in profit for the year.

Retained earnings increased from SAR 73.4 million as at 31 December 2023G to SAR 139.2 million as at 31 December 2024G in line with the increase in profit for the period.

Retained earnings increased from SAR 139.2 million as at 31 December 2024G to SAR 179.5 million as at 31 March 2025G in line with the increase in profit for the period.

6.7.2.3.6 Non-controlling interest

Non-controlling interest pertains to the external partners' 40% ownership in Human Development Company LLC. Non-controlling interest amounted to SAR 26.8 million as at 31 December 2022G, SAR 51.6 million as at 31 December 2023G, SAR 64.2 million as at 31 December 2024G, and SAR 72.7 million as at 31 March 2025G.

6.7.2.4 Non-current liabilities

The following table summarizes the non-current liabilities as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.58): Non-current liabilities

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Lease liabilities	67,444	60,931	73,438	82,977
Other long-term payable	30,113	-	-	-
Deferred tax liability	-	51,051	51,051	50,198
Financing from banks	-	-	16,915	15,467
Employees' defined benefit obligations	15,189	16,719	20,396	21,971
Total	112,746	128,701	161,800	170,613

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G



Non-current liabilities comprise lease liabilities, other long-term payables, deferred tax liability, financing from banks and employees' defined benefit obligations.

Non-current liabilities increased from SAR 112.7 million as at 31 December 2022G to SAR 128.7 million as at 31 December 2023G mainly as a result of deferred tax liabilities recorded amounting to SAR 51.1 million related to the initial recognition of a deferred tax liability (DTL) in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's special purpose consolidated statement of financial position and attributable to the UAE-based Group entities. This was partially offset by the decrease in long term payables by SAR 30.1 million as the balance was reclassified under accounts and other payables (as a current liability) as at 31 December 2023G.

Non-current liabilities increased from SAR 128.7 million as at 31 December 2023G to SAR 161.8 million as at 31 December 2024G as a result of (i) the long-term loan taken with the purpose of funding 80% of the acquisition of land and building for the newly opened centre in Al Narjis area of Riyadh which amounted to SAR 16.9 million as at December 2024G (ii) HDC obtained and utilized two new facilities from Al Rajhi Bank and Arab National Bank to finance working capital requirements.

Non-current liabilities increased from SAR 161.8 million as at 31 December 2024G to SAR 170.6 million as at 31 March 2025G mainly due to an increase in lease liabilities by SAR 9.5 million, resulting from the registration of new lease contracts within the HDC Group and the addition of a leased campus space at MDX, due to the increase in the number of centres and enrolled students.

6.7.2.4.1 Lease liabilities

The following table summarizes the lease liabilities movement for the years ended 31 December 2022G, 2023G, 2024G and for the Three-month period ended 31 March 2025G:

Table (6.59): Lease liabilities movement

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
At 1 January	51,901	87,940	85,352	103,182
Acquisition of a subsidiary	38,397	-	-	-
Additions	27,119	21,312	43,030	14,936
Accretion of interest	2,501	5,478	6,454	1,612
Termination	(18,260)	-	-	-
Modification	(1,644)	-	(743)	-
Payments	(12,074)	(29,378)	(30,912)	(9,010)
At the end of the year/period	87,940	85,352	103,182	110,720
Current	20,496	24,421	29,744	27,742
Non-current	67,444	60,931	73,438	82,977
Total	87,940	85,352	103,182	110,720

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

Lease liabilities pertain to the centres and staff accommodation related to HDC Group, as well as the MDX university campuses, amongst others.

Lease liabilities decreased from SAR 87.9 million as at 31 December 2022G to SAR 85.4 million as at 31 December 2023G, as the payments made during the year amounting to SAR 29.4 million exceeded the additions related to the addition of new centres amounting to SAR 21.3 million and the accretion of interest of SAR 5.5 million during the year.

Lease liabilities decreased from SAR 85.4 million as at 31 December 2023G to SAR 103.2 million as at 31 December 2024G mainly due to additions of SAR 43.0 million during the period, partially offset by payments made on existing leases amounting to SAR 30.9 million.

Lease liabilities increased from SAR 103.2 million as at 31 December 2024G to SAR 110.7 million as at 31 March 2025G driven by additions of SAR 14.9 million during the period pertaining to 3 new leases recorded under HDC, coupled with the accretion of interest of SAR 1.6 million during the year. This was partially offset by payments made on existing leases amounting to SAR 9.0 million.



6.7.2.4.2 Other long-term payables

The following table summarizes the other long-term payables as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.60): Other long-term payables

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Contingent consideration	30,113	-	-	-
Total	30,113	-	-	-

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

Other long-term payables amounted to SAR 30.1 million as at 31 December 2022G and related to the non-current portion of the contingent consideration for the acquisition of HDC Group. The balance was reclassified under accounts and other payables (current liabilities) as at 31 December 2023G and was paid during the Three-month period ended 31 December 2024G.

6.7.2.4.3 Deferred tax liability

Deferred tax liability relates to the initial recognition of a deferred tax liability (DTL) in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's special purpose consolidated statement of financial position and attributable to the UAE-based Group entities. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the substantial enactment of UAE Corporate Tax Law in the UAE during January 2023G and the subsequent issuance of further clarifications during the second half of 2023G. This is based on the understanding that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE Corporate Tax in the future. The deferred tax liability is non-cash in nature, and no cash liability is expected to crystallize in the future. Accordingly, the Group has recorded a deferred tax liability of SAR 51.1 million in 2023G.

6.7.2.4.4 Financing from banks

During the Three-month period ended 31 December 2024G, one of the subsidiaries of the Group, namely the HDC Group, acquired a new Islamic Sharia compliant facility amounting to SAR 45.7 million for the purchase of a plot of land and buildings for the current expansion projects in KSA. The facility's interest rate is based on market rates and is repaid on a quarterly basis over three years. As at 31 December 2024G, SAR 16.9 million were withdrawn from the facility. This facility is secured by a corporate guarantee from the shareholders of HDC Group in addition to personal guarantees from the minority shareholders of HDC Group. HDC also has revolving bank facilities used to finance short-term working capital requirements when needed, with maturities ranging from 6 to 12 months and earning profit at competitive rates.

6.7.2.4.5 Employees' defined benefit obligations

The following table summarizes the employees' defined end of service benefits for the years ended 31 December 2022G, 2023G, 2024G and for the Three-month period ended 31 March 2025G:

Table (6.61): Employees' end of service benefits

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2025G
At 1 January	8,087	15,189	16,719	20,384
Acquisition of a subsidiary	5,037	-	-	-
Charge for the year	2,659	4,729	6,631	1,709
Remeasurement	130	(1,315)	(1,375)	-
Payments made during the year	(724)	(1,884)	(1,579)	(122)
At the end of the year/period	15,189	16,719	20,396	21,971

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

Employees' defined benefit obligations relate to the provisions for the end of service benefits of the Group's employees, based on the governing laws of the territories in which the Group operates.



Employees' defined benefit obligations increased from SAR 15.2 million as at 31 December 2022G to SAR 16.7 million as at 31 December 2023G due to charges during the year of SAR 4.7 million, partly offset by payments made during the year and remeasurements amounting to SAR 1.9 million and SAR 1.3 million, respectively.

Employees' defined benefit obligations increased from SAR 16.7 million as at 31 December 2023G to SAR 20.4 million as at 31 December 2024G, due to charges during the period of SAR 6.6 million, partly offset by payments made during the period of SAR 1.6 million.

Employees' defined benefit obligations increased from SAR 20.4 million as at 31 December 2024G to SAR 22.0 million as at 31 March 2025G, due to charges during the period of SAR 1.7 million, partly offset by payments made during the period of SAR 122 thousand.

6.7.2.5 Current liabilities

The following table summarizes the current liabilities as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.62): Current liabilities

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Financing from banks	23,583	12,029	45,750	47,670
Lease liabilities	20,496	24,421	29,744	27,742
Accounts and other payables	82,256	81,755	69,361	72,238
Contract liabilities	36,479	46,196	62,565	102,942
Due to related parties	50	2,295	2,880	-
Total	162,864	166,696	210,300	250,592

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

Current liabilities comprise financing from banks, lease liabilities, accounts and other payables, contract liabilities, and due to related party balances.

Current liabilities increased from SAR 162.9 million as at 31 December 2022G to SAR 166.7 million as at 31 December 2023G as a result of:

1. an increase in contract liabilities by SAR 9.7 million on the back of the further increase in student enrolments and the addition of new centres impacting the advance fees collected relating to the second term of the academic year 2023G/2024G; and
2. an increase in lease liabilities by SAR 3.9 million as a result of addition of new special education needs facilities.

This was partially offset by the decrease in financing from banks balance by SAR 11.6 million due to the settlement of the outstanding loans during the year as the facilities undertaken are short-term in nature and have a maturity of one year.

Current liabilities increased from SAR 166.7 million as at 31 December 2023G to SAR 210.3 million as at 31 December 2024G as a result of:

1. an increase in financing from banks by SAR 33.7 million as HDC Group was granted two new facilities from Al Rajhi Bank and Arab National Bank (ANB) to finance working capital requirements; and
2. an increase in lease liabilities by SAR 16.4 million in line with the increase of students and beneficiaries during the year.

This was partially offset by the decrease in accounts and other payables by SAR 12.4 million mainly due to the payment of the second tranche of the contingent consideration amounting to SAR 32.2 million.

Current liabilities increased from SAR 210.3 million as at 31 December 2024G to SAR 250.6 million as at 31 March 2025G as a result of an increase in lease liabilities by SAR 40.4 million mainly attributed to the impact of the closing date related to revenue recognition for the provision of educational services, in addition to the continued increase in the average number of students/beneficiaries.



6.7.2.5.1 Financing from banks

The following table summarizes the financing from banks as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.63): Financing from banks

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Revolving bank facilities	23,583	12,029	62,665	63,137
Total	23,583	12,029	62,665	63,137

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

The following table summarizes the financing from banks by bank as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.64): Financing from banks by bank

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Al Rajhi Bank facility 1	5,680	-	-	-
Al Rajhi Bank facility 2	5,242	-	-	-
Al Rajhi Bank facility 3	-	-	15,428	15,606
Al Rajhi Bank facility 4	-	-	-	-
Arab National Bank (ANB) facility 1	6,239	-	-	-
Arab National Bank (ANB) facility 2	5,199	-	-	-
Arab National Bank (ANB) facility 3	-	5,654	-	-
Arab National Bank (ANB) facility 4	-	4,388	-	-
Arab National Bank (ANB) facility 5	-	-	30,251	-
Arab National Bank (ANB) facility 6	-	-	-	32,064
Domestic revolving bank loan	22,359	10,042	45,679	47,670
Domestic long-term loan	-	-	16,915	15,467
Domestic bank facilities	1,224	1,987	-	-
Domestic bank facilities - Arab National Bank	-	-	71	-
Total	23,583	12,029	62,665	63,137

Source: Management information.



Table (6.65): Financing from banks details

Bank	Borrowing entity	Purpose	Date obtained	Maturity date	Facility Amount (SAR in 000s)	Interest	Balance as at 31 December 2024G	Balance as at 31 March 2025G
Al Rajhi Bank 1&2	HDC Group	Working capital financing	January 2024G	July 2024G	5,000	SAIBOR + 6%	-	-
Al Rajhi Bank 3&4	HDC Group	Working capital financing	August 2024G	February 2025G	10,400	SAIBOR + 6%	15,428	15,606
Arab National Bank (ANB) facility 1	HDC Group	Working capital financing	August 2023G	February 2024G	5,400	SAIBOR + 4%	-	-
Arab National Bank (ANB) facility 2	HDC Group	Working capital financing	November 2023G	May 2024G	4,000	SAIBOR + 8%	-	-
Arab National Bank (ANB) facility 3	HDC Group	Working capital financing	January 2024G	July 2024G	3,800	SAIBOR + 4%	-	-
Arab National Bank (ANB) facility 4	HDC Group	Working capital financing	January 2024G	July 2024G	6,100	SAIBOR + 4%	-	-
Arab National Bank (ANB) facility 5	HDC Group	Financing for land purchase	August 2024G	January 2025G	30,300	SAIBOR + 4%	30,251	-
Arab National Bank (ANB) facility 6	HDC Group	Financing for land purchase	January 2025G	July 2025G	32,100	SAIBOR + 4%	-	32,064
Domestic long term loans - Arab National Bank	HDC Group	Financing for land purchase	July 2024G	July 2029G	16,800	SAIBOR + 2.25%	16,915	15,467

Source: Management information.

The following table summarizes the long-term loan repayment schedule as at 31 March 2025G:

Table (6.66): Long-term loan repayment schedule as at 31 March 2025G

SAR in 000s	2024G	2025G	2026G	2027G	2028G	2029G
Arab National Bank	-	-	2,800	5,600	5,600	2,800

Source: Management information.

Bank financing related to HDC Group and comprised local short-term revolving bank facilities obtained from Al Rajhi Bank and Arab National Bank along with letters of guarantees issued by HDC Group to the Ministry of Human Resources and Social Development (MHRSD) in relation to the operational licenses of the centres.

Bank financing decreased from SAR 23.6 million as at 31 December 2022G to SAR 12.0 million as at 31 December 2023G, mainly due to the settlement of outstanding loans during the year, as the facilities undertaken are short-term in nature and have a maturity of one year. This was partially offset by the issuance of new credit facilities amounting to SAR 10.0 million in August 2023G and November 2023G from Arab National Bank, maturing in the first half of 2024G.

Bank financing increased from SAR 12.0 million as at 31 December 2023G to SAR 62.7 million as at 31 December 2024G as HDC obtained and utilized (i) two new facilities from Al Rajhi Bank and Arab National Bank to finance working capital requirements and (ii) a domestic long-term loan from Arab National Bank on July 2024G to finance 80% of the purchase of a plot of land and a centre building in Al Narjis area of Riyadh, with a plot of land and a building held as a collateral in addition to personal guarantees from the minority shareholders of HDC.



Bank financing increased from SAR 62.7 million as at 31 December 2024G to SAR 63.1 million as at 31 March 2025G driven by further withdrawals from HDC's revolving credit facilities to finance working capital requirements, partially offset by repayments relating to the domestic long-term loan obtained in the prior period.

As of 31 March 2025G, Nema Holding Company had existing long-term financing facilities amounting to SAR 251.1 million. The long-term facilities of Nema Holding are secured by a mortgage on two properties owned by the company.

6.7.2.5.2 Accounts and other payables

The following table summarizes the accounts and other payables as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.67): accounts and other payables

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Contingent consideration	14,543	32,215	-	-
Accrued profit share	15,355	19,577	24,562	14,600
VAT payables	16,584	13,194	2,200	691
Customer deposits	3,010	4,003	5,446	5,615
Accrued royalty fee	2,235	2,672	3,100	6,700
Zakat and income tax provision	1,956	2,195	13,104	17,858
Accounts payable	3,509	1,328	4,966	7,945
Staff related accruals	3,915	1,316	6,202	3,117
Other accruals and payables	21,149	5,255	5,781	11,712
Total	82,256	81,755	69,361	72,238

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G. Management information.

Accounts and other payables mainly comprise accrued profit share, VAT payables, and customer deposits, amongst others.

Accounts and other payables decreased from SAR 82.3 million as at 31 December 2022G to SAR 81.8 million as at 31 December 2023G, driven mainly by the decrease in other accruals and payables by SAR 15.9 million due to the subsequent settlement of VAT payables, partially offset by the increase of contingent consideration by SAR 17.7 million relating to the second tranche of the acquisition fee dependent on the financial performance of HDC Group.

Accounts and other payables decreased from SAR 81.8 million as at 31 December 2023G to SAR 69.4 million as at 31 December 2024G mainly due to the payment of the second tranche of the contingent consideration amounting to SAR 32.2 million in addition to the decrease in the share of accrued profits. This was partially offset by the increase in Zakat and tax provisions by SAR 10.9 million mainly due to the newly implemented corporate tax law on the Group's UAE based entities and accrued profit share (+SAR 5.0 million) in line with the increase in MDX profit for the year.

Accounts and other payables increased from SAR 69.4 million as at 31 December 2024G to SAR 72.2 million as at 31 March 2025G mainly due to the increase in zakat and income tax provisions (+SAR 4.8 million) in line with the growth in operations of the Group, accrued royalty fee (+SAR 5.9 million), in line with the increase in MDX student enrolments and the impact of the cut-off period as compared to the academic year, partially offset by the decrease in accrued profit share (-SAR 10.0 million) as the Group settled the portion relating to the prior academic period.

Contingent consideration

Contingent consideration mainly relates to the contingent consideration upon the acquisition of HDC Group, which stipulates an additional payment of two tranches amounting to SAR 14.7 million and SAR 32.5 million in 2022G and 2023G, respectively, dependent on financial performance. It is worth noting that these balances have been met and settled in full as at 31 December 2024G.

Accordingly, contingent consideration amounted to SAR 14.5 million as at 31 December 2022G and increased to SAR 32.2 million as at 31 December 2023G, and nil as at 31 December 2024G and 31 March 2025G following the payments made during the period.

Accrued profit share



Accrued profit share pertains to outstanding amounts due to MDX UK based on a share of net profit, with payments made post academic year close.

Accrued profit share increased from SAR 15.4 million as at 31 December 2022G to SAR 19.6 million as at 31 December 2023G in line with the increase in MDX net profit during the year.

Accrued profit share increased from SAR 19.6 million as at 31 December 2023G to SAR 24.6 million as at 31 December 2024G in line with the increase in MDX net profit during the year.

Accrued profit share decreased from SAR 24.6 million as at 31 December 2024G to SAR 14.6 million as at 31 March 2025G due to the impact of the cut-off date as at 31 March 2025G and the settlement of dues.

VAT payables

VAT payables represent the outstanding VAT payments due to the tax authority from HDC Group. VAT payables amounted to SAR 16.6 million as at 31 December 2022G, driven by the acquisition of HDC Group in October 2022G.

VAT payables decreased from SAR 16.6 million as at 31 December 2022G to SAR 13.2 million as at 31 December 2023G mainly due to the settlement of VAT tax payments during the year.

VAT payables decreased from SAR 13.2 million as at 31 December 2023G to SAR 2.2 million as at 31 December 2024G following the additional settlement of VAT payables.

VAT payables decreased from SAR 2.2 million as at 31 December 2024G to SAR 691 thousand as at 31 March 2025G following the additional settlement of VAT payables.

Customer deposits

Customer deposits mainly comprise MDX tuition fee deposits received from students to secure their enrolment in the upcoming term. Customer deposits are collected from students prior to the start of the term and deducted from the first instalment due from the students.

Customer deposits increased from SAR 3.0 million as at 31 December 2022G to SAR 4.0 million as at 31 December 2023G, SAR 5.4 million as at 31 December 2024G and SAR 5.6 million 31 March 2025G, in line with the increase in the average number of students over the period.

Accrued royalty fee

Accrued royalty fee pertains to outstanding amounts due to MDX UK in relation to a royalty fee per full-time student upon completion of each academic year.

Accrued royalty fee remained relatively stable amounting to SAR 2.2 million as at 31 December 2022G, and increased to SAR 2.7 million as at 31 December 2023G, to SAR 3.1 million as at 31 December 2024G and further to SAR 6.7 million as at 31 March 2025G in line with the growth in MDX's enrolled students over the period.

Zakat and income tax provision

Zakat and income tax provision related to HDC and MDX and increased from SAR 2.0 million as at 31 December 2022G to SAR 2.2 million as at 31 December 2023G in line with the increase in the Zakat base of HDC Group.

Zakat and income tax provisions increased to SAR 13.1 million as at 31 December 2024G and further to SAR 17.9 million as at 31 March 2025G, mainly due to the enactment of UAE Corporate Tax Law in the UAE during January 2023G and subsequent issuance of further clarifications during the second half of 2023.

Accounts payable

Accounts payable related to suppliers for various operational costs including maintenance, utilities, and marketing.

Accounts payable decreased from SAR 3.5 million as at 31 December 2022G to SAR 1.3 million as at 31 December 2023G due to the settlement of payable balances as part of the normal course of business mainly relating to operational services.

Accounts payable increased from SAR 1.3 million as at 31 December 2023G to SAR 5.0 million as at 31 December 2024G and further to SAR 7.9 million as at 31 March 2025G mainly due to the incorporation of the Company during 2024G and the activation of the head office during Q4 of 2024G and as part of the normal course of business, as the Group continued to expand during the period.

Staff related accruals



Staff-related accruals mainly pertain to accrued salaries and vacation salaries for HDC Group.

Staff-related accruals decreased from SAR 3.9 million as at 31 December 2022G to SAR 1.3 million as at 31 December 2023G in line with the payment of staff benefits during the year.

Staff related accruals increased from SAR 1.3 million as at 31 December 2023G to SAR 6.2 million as at 31 December 2024G mainly driven by the outstanding accrued salaries in HDC relating to bonuses of 2024G and the unpaid social insurance balance.

Staff related accruals decreased from SAR 6.2 million as at 31 December 2024G to SAR 3.1 million as at 31 March 2025G due to settlement of the accrued salaries relating to 2024G during the period.

Other accruals and payables

Other accruals and payables related mainly to operating costs incurred but have not yet been invoiced.

Other accruals and payables decreased from SAR 21.1 million as at 31 December 2022G to SAR 5.3 million as at 31 December 2023G, driven by the decrease in HDC Group payables as a result of the settlement of dividends due to the previous shareholders, relating to the pre-acquisition period.

Other accruals and payables increased from SAR 5.3 million as at 31 December 2023G to SAR 5.8 million as at 31 December 2024G as part of the normal course of business.

Other accruals and payables increased from SAR 5.8m as at 31 December 2024G to SAR 11.7 million as at 31 March 2025G, mainly due to graduation accruals (+SAR 900 thousand), agency fees (SAR 900 thousand), management fees (+SAR 600 thousand), amongst others

6.7.2.5.3 Contract liabilities

The following table summarizes the contract liabilities by subsidiary as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.68): Contract liabilities by subsidiary

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Middlesex University	34,269	43,202	58,833	58,507
HDC	2,209	2,994	3,732	44,433
Total	36,479	46,196	62,565	102,942

Source: Management information

Contract liabilities mainly related to MDX, which represented an average of 96.1% across the period. MDX contract liabilities accounted for an average of 19.1% of the following year's revenue. It is worth noting that term fees are invoiced prior to the start of the term and are recognized as revenue upon completion of each academic month.

Contract liabilities related to HDC Group represented an average of 3.9% across the period. HDC Group contract liabilities accounted for an average of 1.6% of the following year's revenue. It is worth noting that term fees are invoiced prior to the start of the term and are recognized as revenue upon completion of each academic month.

Contract liabilities increased from SAR 36.5 million as at 31 December 2022G to SAR 46.2 million as at 31 December 2023G, due to a further increase in the average number of beneficiaries and the addition of new centres, impacting the advance fees collected relating to the second term of the academic year 2023G/2024G.

Contract liabilities increased from SAR 46.2 million as at 31 December 2023G to SAR 62.6 million as at 31 December 2024G, in line with the increase in number of students during the period, in addition to the opening of 8 new centers, which affected the tuition fees collected in advance for the second semester of the academic year 2024G/2025G.

Contract liabilities increased from SAR 62.6 million as at 31 December 2024G to SAR 102.9 million as at 31 March 2025G, primarily due to the impact of the cut-off date relating to revenue recognition against provision of education services, in addition to the continuous increase in the average number of students/beneficiaries.



6.7.2.5.4 Due to related parties

Due to related parties comprised mainly balances due to an affiliate of HDC Group in relation to the rent of a building.

Due to related parties amounted to SAR 50 thousand as at 31 December 2022G. Due to related parties increased to SAR 2.3 million as at 31 December 2023G and pertained to rent expenses due to an affiliate of HDC Group.

Due to related parties decreased from SAR 2.9 million as at 31 December 2024G to nil as at 31 March 2025G following the settlement of balances due by the Group relating to the settlement of the rent expense to the HDC Group affiliate.

6.7.2.6 Working capital

The following table summarizes the working capital as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.69): Working capital

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Current assets				
Inventories	609	907	1,701	1,701
Trade and other receivables	104,311	119,812	154,761	218,946
Due from related parties	-	9,283	8,847	-
Cash and bank balances	76,270	105,557	200,967	222,849
Total current assets	181,190	235,559	366,276	443,496
Current liabilities				
Financing from banks	23,583	12,029	45,750	47,670
Lease liabilities	20,496	24,421	29,744	27,742
Accounts and other payables	82,256	81,755	69,361	72,238
Contract liabilities	36,479	46,196	62,565	102,942
Due to related parties	50	2,295	2,880	-
Total current liabilities	162,864	166,696	210,300	250,592
Working capital ⁽¹⁾	18,326	68,863	155,976	192,904

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G and Management information.

⁽¹⁾ Working capital was calculated as total current assets as at 31 December 2022G, 2023G and 2024G and as at 31 March 2025G minus total current liabilities as at 31 December 2022G, 2023G and 2024G and as at 31 March 2025G.

Working capital increased from SAR 18.3 million as at 31 December 2022G to SAR 68.9 million as at 31 December 2023G as a result of the increase in current assets from SAR 181.2 million to SAR 235.6 million driven by:

1. the increase in cash and bank balances by SAR 29.3 million driven by the increase in net cash flows from operating activities in line with the continued growth in operations of MDX and the full year impact of the acquisition of HDC Group, partially offset by shareholders distribution amounting to SAR 30.3 million during the year;
2. the increase in trade and other receivables by SAR 15.5 million driven by the increase in gross trade receivables by SAR 23.5 million in line with the increase in tuition revenue driven by the increase in the average number of MDX students and the ramp up of newly added HDC Group centres. This was partially offset by a decrease of SAR 3.9 million in amounts due under joint operations service agreements, following collections made by the Group; and
3. the increase in due from related party balances amounting to SAR 9.3 million in relation to an unpaid dividend receivable balance from NEMA.



This was partially offset by the increase in current liabilities from SAR 162.9 million as at 31 December 2022G to SAR 166.7 million as at 31 December 2023G as a result of:

1. an increase in contract liabilities by SAR 9.7 million on the back of the further increase in the average number of students and the addition of new centres impacting the advance fees collected relating to the second term of the academic year 2023G/2024G, coupled with and
2. an increase in lease liabilities by SAR 3.9 million due to the ramp up of new special care centres.

This was partially offset by a decrease in bank financing amounting to SAR 11.6 million due to the settlement of loans maturing during the year, as the facilities are short-term in nature and are due within one year.

Working capital increased from SAR 68.9 million as at 31 December 2023G to SAR 156.0 million as at 31 December 2024G as a result of the increase in current assets from SAR 235.6 million to SAR 366.3 million, due to the increase in cash and bank balances by SAR 95.4 million, driven by the increase in net cash flows from operating activities by SAR 146.9 million, coupled with the proceeds from bank borrowings withdrawn by HDC Group. This was partially offset by the decrease in due from related party balances by SAR 0.4 million following the settlement of balances due from an affiliate of HDC Group related to the provision of medical equipment on behalf of the affiliate.

Working capital increased from SAR 156.0 million as of December 31, 2024, to SAR 192.9 million as of March 31, 2025, as a result of an increase in current assets from SAR 366.3 million to SAR 443.5 million, due to an increase in trade and other receivables by SAR 64.2 million, including a rise in net trade receivables by SAR 58.1 million. In addition, cash and bank balances increased by SAR 21.9 million, mainly driven by higher cash flows from operating activities, in line with the Group's operational growth resulting from an increase in the average number of students and beneficiaries.

6.7.2.7 Capitalization and indebtedness

Prior to the Offering, the Current Shareholders owned the entire Shares of the Company and, following the completion of the Offering, the Current Shareholders will collectively own 70% of the Company's Shares.

The table below sets out the details of the Company's capitalization as shown in the special purpose consolidated financial statements of the Group for the years ended 31 December 2022G, 2023G, and 2024G and three-month period ended 31 March 2025G.

Table (6.70): Company's capitalization

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Lease liabilities	87,940	85,352	103,182	110,719
Financing from banks	23,584	12,029	62,665	63,137
Total loans	111,523	97,321	165,847	173,856
Shareholders' equity				
Paid-up share capital	10	10	1,024,013	1,024,013
Statutory reserve	3	3	12,011	12,011
Additional capital contribution	977,297	991,543	-	-
Other reserves	(18,630)	(17,841)	(17,016)	(17,016)
Retained earnings	67,898	73,384	139,244	179,489
Total equity attributable to the equity holders of the Company	1,026,578	1,047,099	1,158,252	1,198,497
Total Capitalization (total loans + total Shareholders' equity)	1,138,101	1,144,480	1,324,099	1,372,353
Total Loans / Total Capitalization	10.8%	9.3%	14.3%	14.5%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G and Management information.



The Directors confirm that:

As at the date of this Prospectus, none of the Company's Share is under option.

As at the date of this Prospectus, the Company does not have any debt instruments.

The Company's existing cash balances and cash flows are sufficient to meet its anticipated cash needs for working capital and capital expenditure for at least twelve (12) months following the date of this Prospectus, subject to no material adverse change affecting the Company's business.

6.7.3 Consolidated statement of cash flows

The following table summarizes the consolidated statement of cash flows for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.71): Consolidated statement of cash flows data

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Operating activities									
Profit before tax and zakat	70,174	122,669	162,169	74.8%	32.2%	52.0%	49,440	52,738	6.7%
Adjustments for:									
Share of results of an associate	(24,163)	(18,080)	(29,885)	(25.2%)	65.3%	11.2%	(3,222)	(5,425)	68.4%
Depreciation of property and equipment	3,319	8,797	12,369	165.0%	40.6%	93.0%	2,489	3,906	56.9%
Depreciation of right-of-use assets	13,297	21,433	26,712	61.2%	24.6%	41.7%	5,632	6,836	21.4%
Amortization of intangible assets	4,550	5,954	5,750	30.9%	(3.4%)	12.4%	1,437	1,437	0.0%
Reversal of provision in relation to capital work-in-progress	-	-	(2,100)	N/A	N/A	N/A	-	-	N/A
Loss on disposal of property and equipment	256	11	-	(95.7%)	N/A	N/A	-	-	N/A
Gain on modification and termination of leases	(402)	-	-	N/A	N/A	N/A	-	-	N/A
Allowance for expected credit losses on trade receivables, net	1,867	7,174	4,951	284.3%	(31.0%)	62.8%	(8,739)	1,771	N/A
Provision for employees' end of service benefits	2,659	4,729	6,631	77.8%	40.2%	57.9%	768	1,709	122.5%
Finance income	(344)	(1,913)	(3,664)	456.1%	91.5%	226.4%	(1,023)	(1,200)	17.3%
Finance costs	2,689	8,380	9,192	211.6%	9.7%	84.9%	1,792	2,263	26.3%
Total operating activities	73,902	159,154	192,125	115.4%	20.7%	61.2%	48,574	64,035	31.8%
Working capital changes									
Inventories	(52)	(298)	(794)	473.1%	166.4%	290.8%	(132)	-	(100%)
Trade and other receivables	(12,369)	(22,675)	9,283	83.3%	N/A	N/A	4,368	(66,020)	N/A
Due from related parties	-	(436)	(39,900)	N/A	9051.4%	N/A	-	-	N/A



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Accounts and other payables and contract liabilities	2,965	(8,695)	21,281	N/A	N/A	167.9%	26,227	38,373	46.3%
Due to a related party	50	2,245	585	4390.0%	(73.9%)	242.1%	6	(2,880)	(48106.4%)
Cash from operations	64,496	129,295	182,580	100.5%	41.2%	68.3%	79,043	33,508	(57.6%)
Employees' end of service benefits paid	(724)	(1,884)	(1,579)	160.2%	(16.2%)	47.7%	-	-	N/A
Zakat paid	-	(2,489)	(3,142)	N/A	26.2%	N/A	-	-	N/A
Payment of lease liabilities	(12,074)	(29,378)	(30,912)	143.3%	5.2%	60.0%	(7,536)	(9,010)	19.6%
Net cash flows from / (used in) operating activities	51,698	95,544	146,947	84.8%	53.8%	68.6%	71,507	24,498	(65.7%)
Investing activities									
Acquisition of property and equipment	(6,725)	(25,185)	(57,977)	274.5%	130.2%	193.6%	(5,741)	(12,473)	117.3%
Cash acquired on acquisition of a subsidiary	11,572	-	-	(100.0%)	N/A	(100.0%)	-	-	N/A
Dividends received from an associate	-	-	-	N/A	N/A	N/A	8,847	8,847	0.0%
Changes in bank term deposits	(10,111)	10,111	(26,795)	N/A	(365.0%)	N/A	(45,501)	-	(100.0%)
Interest received on bank deposits	344	1,913	3,664	456.1%	91.5%	226.4%	1,023	1,188	16.1%
Dividends paid to non-controlling interests	-	-	(12,000)	N/A	N/A	N/A	-	-	N/A
Net cash flows from / (used in) investing activities	(4,920)	(13,161)	(93,108)	N/A	607.5%	N/A	(41,372)	(2,438)	(94.1%)
Financing activities									
Movements in financing from banks, net	8,250	-	-	N/A	N/A	N/A	-	-	N/A
Revenues from financing from bank	-	20,635	74,938	N/A	263.2%	N/A	9,877	10,472	6.0%
Payment of financing from banks	-	(32,189)	(24,302)	N/A	(24.5%)	N/A	-	(10,000)	N/A-
Shareholder distributions	(32,355)	(30,334)	(33,367)	(6.2%)	10.0%	1.6%	-	-	N/A
Finance costs paid	(188)	(1,097)	(2,493)	483.5%	127.3%	264.2%	(517)	(651)	25.9%
Net cash flows from / (used in) financing activities	(24,293)	(42,985)	14,776	76.9%	(134.4%)	N/A	9,360	(179)	(101.9%)
Net increase/decrease in cash and cash equivalents	22,485	39,398	68,615	20.9%	74.2%	45.1%	39,495	21,881	(44.6%)
Cash and cash equivalents at the beginning of the year/ period	43,674	66,159	105,557	51.5%	59.6%	55.5%	105,557	174,173	65.0%
Cash and cash equivalents at the end of the year/ period	66,159	105,557	174,172	38.4%	65.0%	51.1%	145,052	196,054	35.2%

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.



Table (6.72): Non-cash transactions

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G
Additions to right-of-use assets	27,119	21,312	43,030	851	14,936
Additions to lease liabilities	27,119	21,312	43,030	851	14,936
Settlement of contingent consideration	-	14,246	32,460	-	-
Acquisition of a subsidiary	220,305	-	-	-	-
Transferred from right-of-use assets to property and equipment	-	-	3,676	-	-
Dividend from an associate	15,926	8,847	8,847	-	-

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

Net cash flows from operating activities

Net cash flows from operating activities increased from SAR 51.7 million in 2022G to SAR 95.5 million in 2023G primarily driven by the growth in operations as profit before zakat and income tax increased by SAR 52.5 million, reflecting the full-year impact of the acquisition of HDC Group in October 2022G. This was partially offset by the increase in cash used in the payment of lease liabilities by SAR 17.3 million, the increase in cash used for the settlement of accounts and other payables and contract liabilities by SAR 11.7 million, and the increase in cash used in trade and other receivables by SAR 10.3 million.

Net cash flows from operating activities increased from SAR 95.5 million in 2023G to SAR 146.9 million, mainly driven by further growth in operations, in line with the increase in profit before zakat and income tax by SAR 39.5 million following the increase in EBITDA during the period. The increase was also supported by higher cash from operations (+SAR 53.3 million), primarily stemming from an increase in trade and other receivables (+SAR 32.0 million), partially offset by the increase in the due from related party balance (+SAR 39.5 million).

Net cash flow from operating activities decreased from SAR 71.5 million in the three-month period ended 31 March 2024G to SAR 24.5 million in the three-month period ended 31 March 2025G mainly attributable to a decline in cash from operations by SAR 45.5 million, mainly driven by a decrease in trade and other receivables (-SAR 70.4 million), reflecting higher outstanding balances due from customers at period end.

Net cash flows from / (used in) investing activities

Net cash flows used in investing activities increased from cash flow from investing activities amounting to SAR 4.9 million in 2022G to cash flow used in investing activities amounting to SAR 13.2 million in 2023G driven by the increase in additions to property and equipment by SAR 18.5 million mainly related to additions of Al Jizan centre (SAR 12.9 million) coupled with the decrease in cash acquired on the acquisition of HDC in 2022G amounting to SAR 11.6 million during the year.

Net cash flows used in investing activities increased from SAR 13.2 million in 2023G to SAR 93.1 million in 2024G, mainly driven by higher additions to property and equipment (+SAR 32.8 million) mainly related to the newly opened HDC centres during the period, coupled with changes in bank term deposits (-SAR 36.9 million). This was partially offset by an increase in interest received on bank term deposits (+SAR 1.8 million).

Net cash from used in investing activities decreased from SAR 41.4 million in the three-month period ended 31 March 2024G to SAR 2.4 million in the three-month period ended 31 March 2025G mainly due to the addition of bank term deposits during the three-month period ended 31 March 2024G.

Net cash flows (used in) / from financing activities

Net cash flow used in financing activities increased from SAR 24.3 million in 2022G to SAR 43.0 million in 2023G mainly due to the repayment of loans by SAR 32.2 million, partially offset by proceeds from loans amounting to SAR 20.6 million and the decrease in shareholder distributions from SAR 32.4 million to SAR 30.3 million during the year.



Net cash flows used in financing activities increased from cash flow used in financing activities amounting to SAR 43.0 million in 2023G to cash flow from financing activities amounting to SAR 14.8 million in 2024G stemming from the increase in net movements in financing from banks by SAR 62.2 million reflecting higher borrowings during the period. This was partially offset by an increase in shareholder distributions (-SAR 3.0 million).

Net cash flows from financing activities declined from net cash flows from financing activities amounting to SAR 9.4 million in the three-month period ended 31 March 2024G to net cash flows used in financing activities amounting to SAR 179 thousand in the three-month period ended 31 March 2025G mainly driven by a decline in net movements in financing from banks by SAR 9.4 million following repayment of bank financing (-SAR 10.0 million).

6.7.4 Contingencies

6.7.4.1 Bank guarantees

The following table summarizes the bank guarantees for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.73): Bank guarantees

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Bank guarantees	4,060	4,881	3,649	3,244
Total	4,060	4,881	3,649	3,244

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

Bank guarantees

Banks guarantees are held against cash margins placed with issuing banks amounting to SAR 4.1 million as at 31 December 2022G, SAR 4.9 million as at 31 December 2023G, SAR 3.6 million as at 31 December 2024G and SAR 3.2 million as at 31 March 2025G.

The following table summarizes the Group's share of an associate's contingent liabilities for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2025G and 2024G:

Table (6.74): Group's share of an associate's contingent liabilities

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Bank guarantees	21,131	37,265	30,977	30,932
Total	21,131	37,265	30,977	30,932

Source: The special purpose consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G and the consolidated financial statements for the year ended 31 December 2024G and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2025G.

Capital commitments

As at 31 March 2025G, the Group has capital commitments of SAR 56.6 million related to projects undertaken in the Kingdom of Saudi Arabia by the Group's subsidiary, HDC Group (of which SAR 49.8 million for the new daycare centres and SAR 4.0 million for the relocation of Al Baraem School according to Tadarruj Program requirements, and SAR 2.8 million for two new schools).



6.7.5 Material subsidiaries analysis

6.7.5.1 Middlesex Associates FZ-LLC ("Middlesex University")

6.7.5.1.1 Statement of comprehensive income

The following table summarizes the statement of comprehensive income for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2024G and 2025G (in AED):

Table (6.75): Statement of comprehensive income data (in AED)

AED in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 2024G-31 March 2025G
Revenue	148,064	175,582	219,330	18.6%	24.9%	21.7%	68,245	83,302	22.1%
Direct costs	(69,758)	(79,182)	(92,530)	13.5%	16.9%	15.2%	(27,345)	(32,836)	20.1%
Gross profit	78,306	96,400	126,800	23.1%	31.5%	27.3%	40,900	50,466	23.4%
General, selling and administrative expenses	(41,198)	(50,911)	(64,051)	23.6%	25.8%	24.7%	(16,627)	(21,540)	29.5%
Other operating income	1,878	3,038	2,883	61.8%	(5.1%)	23.9%	781	1,368	75.1%
Operating profit	38,986	48,527	65,632	24.5%	35.2%	29.7%	25,054	30,294	20.9%
Finance income	340	1,892	3,624	456.5%	91.6%	226.5%	1,011	969	(4.2%)
Finance costs	(1,998)	(1,902)	(1,554)	(4.8%)	(18.3%)	(11.8%)	(414)	(325)	(21.5%)
Profit before tax	37,328	48,517	67,703	30.0%	30.0%	34.7%	25,651	30,938	20.6%
Income tax expense	-	-	(7,855)	N/A	N/A	N/A	(2,956)	(3,572)	20.8%
Profit for the year/period	37,328	48,517	59,848	30.0%	23.4%	26.6%	22,695	27,366	20.6%

Source: The special purpose financial statements of Middlesex Associates FZ-LLC ("Middlesex University") for the years ended 31 December 2022G, 2023G and 2024G and the unaudited interim condensed financial statement of Middlesex Associates FZ-LLC ("Middlesex University") for the three-month period ended 31 March 2025G.

The following table summarizes the statement of comprehensive income for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G (In SAR):

Table (6.76): Statement of comprehensive income data (In SAR)

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 2024G-31 March 2025G
Revenue	149,711	177,535	221,769	18.6%	24.9%	21.7%	69,004	84,229	22.1%
Direct costs	(70,534)	(80,063)	(93,559)	13.5%	16.9%	15.2%	(27,649)	(33,201)	20.1%
Gross profit	79,177	97,472	128,211	23.1%	31.5%	27.3%	41,355	51,027	23.4%
General, selling and administrative expenses	(41,656)	(51,477)	(64,764)	23.6%	25.8%	24.7%	(16,812)	(21,779)	29.5%
Other operating income	1,899	3,072	2,915	61.8%	(5.1%)	23.9%	790	1,383	75.1%
Operating profit	39,420	49,067	66,362	24.5%	35.2%	29.7%	25,333	30,631	20.9%
Finance income	344	1,913	3,665	456.5%	91.6%	226.5%	1,022	980	(4.2%)



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Finance costs	(2,020)	(1,923)	(1,571)	(4.8%)	(18.3%)	(11.8%)	(419)	(329)	(21.5%)
Profit before tax	37,742	49,060	68,456	30.0%	30.0%	34.7%	25,936	31,282	20.6%
Income tax expense	-	-	(7,942)	N/A	N/A	N/A	(2,989)	(3,611)	20.8%
Profit for the year/period	37,742	49,060	60,514	30.0%	23.4%	26.6%	22,947	27,671	20.6%

Source: Management information

Note: The special purpose financial statements and the unaudited interim condensed financial statement are issued in AED, the above tables have been converted to SAR for convenience purposes using an exchange rate of 1 AED = 1.011 SAR consistently for all years / periods.

The following table summarizes the key performance indicators for the three years ended 31 December 2022G, 2023G and 2024G and the three-month periods ended 31 March 2024G and 2025G:

Table (6.77): Statement of comprehensive income key performance indicators

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 30 June 2023G-31 March 2025G
As a % of revenue				Percentage points			As a % of revenue	Percentage points	
Direct costs	47.1%	45.1%	42.2%	(2.0)	(2.9)	(4.9)	40.1%	39.4%	(0.7)
Gross profit margin	52.9%	54.9%	57.8%	2.0	2.9	4.9	59.9%	60.6%	0.7
General, selling and administrative expenses	30.1%	34.4%	36.5%	4.3	2.1	6.4	24.4%	25.9%	1.5
Operating profit	26.3%	27.6%	29.9%	1.3	2.3	3.6	36.7%	36.4%	(0.3)
Profit before tax	25.2%	27.6%	30.9%	2.4	3.2	5.7	37.6%	37.1%	(0.4)
Profit for the year/period	25.2%	27.6%	27.3%	2.4	(0.3)	2.1	33.3%	32.9%	(0.4)

Source: Management information

Revenue

Revenue comprised tuition fees net of scholarships awarded and administrative and other service fees.

MDX revenue increased by 18.6% from SAR 149.7 million in 2022G to SAR 177.5 million in 2023G driven mainly by the increase in tuition fees, net of scholarships awarded by SAR 27.5 million on the back of an increase in the average number of students from 4,374 to 5,041 over the period attributed mainly to the continuous growth in core international markets such as India and Africa, as well as the influx of students from Russia and countries of the Commonwealth of Independent States (CIS), coupled with the increase in administrative and other service fees by SAR 0.4 million.

MDX revenue increased by 24.9% from SAR 177.5 million in 2023G to SAR 221.8 million in 2024G as a result of the increase in tuition fees, net of scholarship awarded by SAR 44.2 million mainly driven by an increase in the average number of students from 5,041 students to 5,828 students driven by the further increase in the university's international marketing and recruitment efforts to further expand the international students' base to further expand the international students' base, in addition to the increase in administrative and other service fees from students by SAR 2.1 million as a result of the increase in short courses income by SAR 1.8 million.



MDX revenue increased by 22.1% from SAR 69.0 million in the three-month period ended 31 March 2024G to SAR 84.2 million in the three-month period ended 31 March 2025G as a result of the increase in tuition fees, net of scholarship awarded by SAR14.7m mainly driven by an increase in the average number of students from 5,549 students to 6,478 students driven by the further increase in the university's international marketing and recruitment efforts to further expand the international students' base, in addition to the increase in administrative and other service fees from students by SAR 0.6 million as a result of the increase in short courses income by SAR 1.5 million as a result of the newly implemented team focusing on utilizing classrooms during the summer period.

Direct costs

Direct costs comprised salaries and employee-related costs, royalty and profit-sharing arrangements, depreciation of right-of-use assets, student-related expenses, and leases.

Direct costs increased by 13.5% from SAR 70.5 million in 2022G to SAR 80.1 million in 2023G, mainly driven by the increase in (i) royalty and profit-sharing arrangements cost by SAR 5.6 million in 2023G, as a result of the increase in profit share by SAR 3.9 million, in line with the increase in MDX net profit for the year by SAR 11.3 million, as well as the increase in royalty expenses (+SAR 1.7 million), in line with the increase in the average number of MDX students, (ii) salaries and employee related expenses by SAR 2.7 million, on the back of an increase in the average number of full-time teachers from 64 to 69, and a further increase in the average monthly salary per teacher by 4.1% to SAR 21.0 thousand, and (iii) depreciation of right-of-use assets by SAR 1.6 million driven by additions of right-of-use assets amounting to SAR 3.8 million. This was partially offset by the decrease in lease expenses by SAR 0.3 million, reflecting the adoption of IFRS16.

Direct cost increased by 16.9% from SAR 80.1 million in 2023G to SAR 93.6 million in 2024G on the back of the increase in (i) royalty and profit-sharing arrangements by SAR 5.1 million mainly driven by the increase in profit share, in line with the increase in MDX net profit (+SAR 11.5 million) driven by the increase in MDX student enrolments and (ii) salaries and other expenses by SAR 4.1 million driven by an increase in the full-time teacher salaries (+SAR 5.0 million) on the back of an increase in the average monthly salary per full time teacher from SAR 36.1 thousand in 2023G to SAR 38.2 thousand in 2024G.

Direct cost increased by 20.1% from SAR 27.7 million in the three-month period ended 31 March 2024G to SAR 33.2 million in the three-month period ended 31 March 2025G on the back of the increase in (i) royalty and profit-sharing arrangements by SAR 2.3 million mainly driven by the increase in profit share, in line with the increase in MDX net profit (+SAR 4.7 million) driven by the increase in MDX student enrolments and (ii) salaries and other expenses by SAR 1.3 million driven by an increase in the full-time teacher salaries (+SAR 739 thousand) on the back of an increase in the average monthly salary per full time teacher from SAR 40.7 thousand in the Three-month period ended 31 March 2024G to SAR 41.9 thousand in the Three-month period ended 31 March 2025G.

Gross profit

Gross profit increased by 23.1% from SAR 79.2 million in 2022G to SAR 97.5 million in 2023G in line with the growth in operations, as the average number of students increased from 4,159 to 4,797 over the same period. Gross profit margin improved to 54.9% due to the absorption of fixed costs, as salaries and employee related expenses decreased as a percentage of revenue from 23.3% to 21.2%, and the depreciation of right-of-use assets decreased as a percentage of revenue from 8.2% to 7.8% during the same period.

Gross profit increased by 31.6% from SAR 97.5 million in 2023G to SAR 128.2 million in 2024G driven by the increase in revenue by SAR 44.2 million as a result of the increase in the number of students from 5,041 students to 5,828 students. Gross profit margin improved from 54.9% to 57.8% mainly driven by improvements on salaries and employee related expenses as the company opted for a strategical change to rely more on part-time teachers, rather than increasing the full-time teachers headcount, which resulted in a decline of salaries and employee related costs as a percentage of revenue from 45.1% in 2023G to 22.1% in 2024G.

Gross profit increased from SAR 41.4 million in the three-month period ended 31 March 2024G to SAR 51.0 million in the three-month period ended 31 March 2025G driven by the increase in revenue by SAR 15.2 million as a result of the increase in the number of students from 5,549 students to 6,478 students. Gross profit margin improved slightly from 59.9% to 60.6% mainly driven by improvements on salaries and employee related expenses as the company opted for a strategical change to rely more on part-time teachers, rather than increasing the full-time teachers headcount, which resulted in a decline of salaries and employee related costs as a percentage of revenue from 16.1% in the three-month period ended 31 March 2024G to 14.8% in the three-month period ended 31 March 2025G.



General, selling, and administrative expenses

General, selling, and administrative expenses comprised mainly employee related expenses, marketing and communications, expected credit loss on trade receivables, and management fees, amongst others.

General, selling, and administrative expenses increased by 23.6% from SAR 41.7 million in 2022G to SAR 51.5 million in 2023G, driven by the increase in (i) employee related expenses by SAR 3.7 million, on the back of the increase in the average monthly salary by 10.6% from SAR 17.8 thousand in 2022G to SAR 19.7 thousand in 2023G, (ii) marketing and communication expenses by SAR 1.1 million to enhance enrollments, and (iii) depreciation expenses by SAR 0.9 million. General, selling, and marketing expenses as a percentage of revenue increased from 27.8% to 29.0% during the same period.

General, selling and administrative expenses increased by 25.8% from SAR 51.5 million in 2023G to SAR 64.8 million in 2024G on the back of the increase in (i) Legal and professional fees by SAR 6.8 million for MDX amounting to SAR 8.6 million during the year, (ii) salaries and employee related expenses by SAR 4.5 million in line with the increase in headcount by 20 employees during the period. General, selling, and administrative expenses as a percentage of revenue remained stable at 29.2% during the period.

General, selling and administrative expenses increased by 29.5% from SAR 16.8 million in the three-month period ended 31 March 2024G to SAR 21.8 million in the three-month period ended 31 March 2025G on the back of the increase in salaries and employee related expenses by SAR 1.9 million in line with the increase in headcount by 2 employees during the period. General, selling, and administrative expenses as a percentage of revenue increased from 24.4% to 26.0% during the period.

Other operating income

Other operating income comprised mainly student fines and consultancy revenue, amongst others.

Other operating income increased by 62.0% from SAR 1.9 million in 2022G to SAR 3.1 million, on the back of the additional increase in student fines, in line with the increase in the average number of students.

Other operating income decreased by 5.1% from SAR 3.1 million in 2023G to SAR 2.9 million in 2024G driven by the increase in foreign exchange gains/ losses by SAR 0.2 million coupled with net student visa and medical fees increased by SAR 0.2 million.

Other operating income increased by 75.1% from SAR0.8m in the three-month period ended 31 March 2024G to SAR 1.3 million in the three-month period ended 31 March 2025G as net student visa and medical fees increased by SAR0.4m, coupled with the increase in student fines by SAR 0.2 million.

Finance income

Finance income related to interest from term deposits. Finance income was SAR 0.3 million in 2022G, and further by 456.1% to SAR 1.9 million in 2023G, due to the higher level of deposits undertaken by MDX during the period, mainly driven by the increase in deposit rates during 2023G.

Finance income increased by 94.7% from SAR 1.9 million in 2023G to SAR 3.7 million in 2024G due to the continued increase in the level of deposits undertaken by the Group during the period.

Finance income remained at SAR 1.0 million in the three-month period ended 31 March 2024G and in the three-month period ended 31 March 2025G due to the stability of deposits undertaken by the Group during the period.

Finance costs

Finance costs relate to interest on lease expenses. Finance costs remained relatively stable amounting to SAR 2.0 million in 2022G and 2023G.

Finance costs decreased from SAR 1.9 million in 2023G to SAR 1.6 million in 2024G in line with lease agreements approaching maturity.

Finance costs decreased from SAR 0.4 million in the three-month period ended 31 March 2024G to SAR 0.3 million in the three-month period ended 31 March 2025G in line with lease agreements approaching maturity.

Income tax

Income tax amounted to SAR 8.0 million in 2024G and relate due to the enactment of UAE Corporate Tax Law in the UAE during January 2023G and subsequent issuance of further clarifications during the second half of 2023G.



Income tax increased from SAR 3.0 million in the three-month period ended 31 March 2024G to SAR 3.6 million in the three-month period ended 31 March 2025G in line with increase in net income by SAR 4.7 million.

Profit for the year / period

Profit for the year increased by 30.0% from SAR 37.7 million in 2022G to SAR 49.1 million in 2023G, driven by the growth in profit before income tax by SAR 11.3 million, coupled with the increase in finance income by SAR 1.6 million during the same period. Profit margin for the year increased from 25.2% in 2022G to 27.6% in 2023G.

Profit for the year increased by 23.4% from SAR 49.1 million in 2023G to SAR 60.5 million in 2024G on the back of the growth in profit before income tax coupled with the increase in finance income, partially offset by income tax amounting to SAR 8.0 million during the period. Accordingly, profit margin decreased from 27.6% to 27.3% during the period.

Profit for the period increased by 20.6% from SAR 23.0 million in the three-month period ended 31 March 2024G to SAR 27.7 million in the three-month period ended 31 March 2025G on the back of the growth in profit before income tax partially offset by income tax amounting to SAR 3.6 million during the period. Accordingly, profit margin decreased from 33.3% to 32.9% during the period.

6.7.5.1.2 Statement of financial position

The following table summarizes the statement of financial position as at 31 December 2022G, 2023G, 2024G and 31 March 2025G (in AED):

Table (6.78): Statement of financial position data (in AED)

AED in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Assets				
Non-current assets				
Property and equipment	9,072	12,079	17,237	16,590
Right-of-use assets	47,288	37,357	28,257	25,476
Total non-current assets	56,360	49,436	45,494	42,066
Current assets				
Trade and other receivables	13,288	15,029	15,572	14,354
Cash and bank balances	62,034	91,171	120,417	151,433
Total current assets	75,322	106,200	135,989	165,787
Total assets	131,682	155,636	181,483	207,853
Equity and liabilities				
Equity				
Share capital	300	300	300	300
Retained earnings	14,406	32,923	34,771	62,137
Total equity	14,706	33,223	35,071	62,437
Liabilities				
Non-current liabilities				
Lease liabilities	36,939	23,768	11,701	7,077
Provision for employees' end of service benefits	9,674	11,097	12,721	13,297
Total non-current liabilities	46,613	34,865	24,422	20,374
Current liabilities				
Lease liabilities	11,584	15,023	17,940	19,461
Accounts payable and accruals	24,887	29,639	45,711	47,716
Due to a related party	0	159	153	-
Contract liabilities	33,892	42,727	58,186	57,864
Total current liabilities	70,363	87,548	121,990	125,041
Total liabilities	116,976	122,413	146,412	145,415
Total equity and liabilities	131,682	155,636	181,483	207,853

Source: The special purpose financial statements of Middlesex Associates FZ-LLC ("Middlesex University") for the years ended 31 December 2022G, 2023G and 2024G and the unaudited interim condensed financial statement of Middlesex Associates FZ-LLC ("Middlesex University") for the three-month period ended 31 March 2025G.



The following table summarizes the statement of financial position as at 31 December 2022G, 2023G, 2024G and 31 March 2025G (In SAR):

Table (6.79): Statement of financial position data (In SAR)

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Assets				
Non-current assets				
Property and equipment	9,173	12,213	17,429	16,775
Right-of-use assets	47,814	37,773	28,572	25,759
Total non-current assets	56,987	49,986	46,000	42,534
Current assets				
Trade and other receivables	13,436	15,196	15,746	14,514
Cash and bank balances	62,724	92,186	121,756	153,117
Total current assets	76,160	107,382	137,502	167,631
Total assets	133,147	157,367	183,502	210,164
Equity and liabilities				
Equity				
Share capital	303	303	303	303
Retained earnings	14,566	33,289	35,158	62,829
Total equity	14,870	33,593	35,461	63,132
Liabilities				
Non-current liabilities				
Lease liabilities	37,350	24,032	11,831	7,156
Provision for employees' end of service benefits	9,782	11,221	12,863	13,445
Total non-current liabilities	47,131	35,253	24,694	20,601
Current liabilities				
Lease liabilities	11,713	15,190	18,140	19,677
Accounts payable and accruals	25,164	29,969	46,220	48,246
Due to a related party	-	161	155	-
Contract liabilities	34,269	43,202	58,833	58,507
Total current liabilities	71,146	88,522	123,347	126,432
Total liabilities	118,277	123,774	148,041	147,033
Total equity and liabilities	133,147	157,367	183,502	210,164

Source: Management information

Note: The special purpose financial statements and the unaudited interim condensed financial statement are issued in AED, the above tables have been converted to SAR for convenience purposes using an exchange rate of 1 AED = 1.011 SAR consistently for all years / periods.

Property and equipment

Property and equipment comprised leasehold improvements, academic equipment related to teaching and classroom equipment, and other assets, amongst others.

Property and equipment increased from SAR 9.2 million as at 31 December 2022G to SAR 12.2 million as at 31 December 2023G due to the increase in other assets by SAR 2.5 million relating to the opening of two new labs, coupled with further furniture and fixture additions at the two operational university campuses by SAR 577 thousand.

Property and equipment increased from SAR 12.2 million as at 31 December 2023G to SAR 17.4 million as at 31 December 2024G mainly due to the addition of academic equipment SAR 4.3 million accompanied by the addition of SAR 4.0 million in leasehold improvements during the period.



Property and equipment decreased from SAR 17.4 million as at 31 December 2024G to SAR 16.8 million as at 31 March 2025G mainly due to the depreciation charge of leasehold improvements amounting to SAR 0.6 million during the period.

Fully depreciated assets gross book value amounted to SAR 10.3 million as at 31 March 2025G.

Right-of-use assets

Right-of-use assets pertain to the MDX university campuses, amongst others.

Right-of-use assets decreased from SAR 47.8 million as at 31 December 2022G to SAR 37.8 million as at 31 December 2023G mainly due to the amortization charge and payments during the year, offsetting the addition of a new educational block during the year.

Right-of-use assets decreased further from SAR 37.8 million as at 31 December 2023G to SAR 28.6 million as at 31 December 2024G driven by the increased payments and amortisation charges offsetting additions of educational blocks during the period.

Right-of-use assets decreased further from SAR 28.6 million as at 31 December 2024G to SAR 25.8 million as at 31 March 2025G driven by the increased payments and amortisation charges offsetting additions of educational blocks during the period.

Trade and other receivables

Trade and other receivables mainly comprised net trade receivables collected from enrolled students, prepayments, refundable deposits, among others.

Trade and other receivables increased from SAR 13.4 million as at 31 December 2022G to SAR 15.2 million as at 31 December 2023G, mainly driven by (i) the increase in gross trade receivables balance by SAR 6.3 million, in line with the increase in the average number of students during the year, and (ii) the increase in advances to suppliers by SAR 1.2 million.

Trade and other receivables increased from SAR 15.2 million as at 31 December 2023G to SAR 15.7 million as at 31 December 2024G, mainly due to the increase in the advances to suppliers by SAR 1.4 million coupled with a decrease in estimated credit losses by SAR 2.3 million during the year.

Trade and other receivables decreased from SAR 15.7 million as at 31 December 2024G to SAR 14.5 million as at 31 March 2025G, mainly due to the increase in the estimated credit loss by SAR 1.9 million during the period.

Cash and bank balances

Cash and bank balances comprise bank term deposits, current accounts held with banks, and cash on hand.

Cash and bank balances increased from SAR 62.7 million as at 31 December 2022G to SAR 92.2 million as at 31 December 2023G, mainly driven by the increase in net cash flows from operating activities in line with the continued growth in MDX operations, and the additions to term deposits during the year by SAR 40.5 million.

Cash and bank balances increased from SAR 92.2 million as at 31 December 2023G to SAR 121.8 million as at 31 December 2024G, on the back of the increase in the current account with banks (+SAR 23.0 million).

Cash and bank balances increased from SAR 121.8 million as at 31 December 2024G to SAR 153.1 million as at 31 March 2025G, on the back of the increase in the current account with banks (+SAR 60.9 million).

Share capital

Share capital comprises 300 ordinary shares in issuance of SAR 1,000 each, which were fully paid up. Share capital amounted to SAR 303 thousand as at 31 December 2022G, 2023G, 2024G and as at 31 March 2025G.

Retained earnings

Retained earnings increased from SAR 14.6 million as of December 31, 2022, SAR 33.3 million as of December 31, 2023, SAR 35.2 million as of December 31, 2024, and SAR 62.8 million as of March 31, 2025, in line with the increase in Middlesex University Dubai's profits during this period.

Lease liabilities

Lease liabilities pertain to the MDX university campuses lease agreements, among others.

Lease liabilities decreased from SAR 49.0 million as at 31 December 2022G to SAR 39.2 million as at 31 December 2023G, mainly due to the payments of existing lease liabilities, offsetting the addition of an educational block during the year.



Lease liabilities decreased from SAR 39.2 million as at 31 December 2023G to SAR 30.0 million as at 31 December 2024G mainly due to paying the existing lease liability due payments amounting to SAR 17.7 million offsetting the two new lease additions in December 2024G amounting to SAR 6.5 million.

Lease liabilities decreased from SAR 30.0 million as at 31 December 2024G to SAR 26.8 million as at 31 March 2025G.

Provision for employees' end of service benefits

Provision for employees' end of service benefits relates to provisions for the end of service benefits of MDX's employees.

Provision for employees' end of service benefits increased from SAR 9.8 million as at 31 December 2022G to SAR 11.2 million as at 31 December 2023G, mainly due to charges during the year of SAR 2.4 million, partly offset by payments made during the year and remeasurements amounting to SAR 655 thousand.

Provision for employees' end of service benefits increased from SAR 11.2 million as at 31 December 2023G to SAR 12.9 million as at 31 December 2024G mainly due to the charges during the period of SAR 2.4 million, partly offset by payments made during the period and remeasurements amounting to SAR 773 thousand.

Provision for employees' end of service benefits increased from SAR 12.9 million as at 31 December 2024G to SAR 13.4 million as at 31 March 2025G mainly due to the charges during the period of SAR 491 thousand.

Accounts payable and accruals

Accounts payable and accruals mainly comprise other accruals and payables in relation to accrued profit share and royalty fees, payable to MDX UK, and customer deposits, amongst others.

Accounts payable and accruals increased from SAR 25.2 million as at 31 December 2022G to SAR 30.0 million as at 31 December 2023G, mainly driven by the increase in accrued profit share recorded within other accruals and payables by SAR 4.2 million, in line with the increase in MDX profit during the year. This was partly offset by the decline in accounts payable (-SAR 2.0 million).

Accounts payable and accruals increased from SAR 30.0 million as at 31 December 2023G to SAR 46.2 million as at 31 December 2024G mainly driven by the increase in tax provision (+SAR 7.9 million) coupled with increase in accrued profit share (+SAR 5.0 million), and customer deposits (+SAR 1.4 million) as at 31 December 2024G.

Accounts payable and accruals increased from SAR 46.2 million as at 31 December 2024G to SAR 48.2 million as at 31 March 2025G mainly driven by the normal course of operations.

Due to a related party

Due to a related party decreased from SAR 161 thousand as at 31 December 2023G to 155 thousand as at 31 December 2024G to nil as at 31 March 2025G, mainly due to the settlement of amounts due to Amanat Holdings PJSC.

Contract liabilities

Contract liabilities mainly represent deferred revenue recorded in relation to fees collected in advance from students.

Contract liabilities increased further from SAR 34.3 million as at 31 December 2022G to SAR 43.2 million as at 31 December 2023G, in line with the increase in revenue and the average number of students during the year.

Contract liabilities increased further from SAR 43.2 million as at 31 December 2023G to SAR 58.8 million as at 31 December 2024G, in line with the further increase in revenue and student enrolments during the year.

Contract liabilities remained stable from SAR 58.8 million as at 31 December 2024G to SAR 58.5 million as at 31 March 2025G.



6.7.5.1.3 Statement of cash flows

The following table summarizes the statement of cash flows for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2024G and 2025G (in AED):

Table (6.80): Statement of cash flows data (in AED)

AED in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G
Operating activities:					
Profit before tax and zakat	37,328	48,517	67,703	25,651	30,938
Adjustments for:					
Depreciation of property and equipment, and right-of-use assets	14,554	17,042	20,113	4,495	6,090
Loss on disposal and write-off of property and equipment	254	11	-	-	-
Gain on modification and termination of leases	(395)	-	-	-	-
Allowance for expected credit losses, net of reversal	1,846	4,649	5,197	2,000	1,834
Provision for employees' end of service benefits	2,324	2,177	2,388	486	486
Finance income	(340)	(1,892)	(3,624)	(1,011)	(969)
Finance costs	1,998	1,902	1,554	414	325
	57,569	72,406	93,330	32,035	38,704
Working capital changes					
Trade and other receivables	(3,590)	1,051	(4,654)	4,712	(605)
Due from a related party	-	-	-	-	-
Accounts and other payables and contract liabilities	12,125	6,146	23,434	(6,759)	(2,122)
Due to a related party	-	159	6	-	(153)
Cash from operations	66,104	79,762	112,117	29,988	35,824
Employees' end of service benefits paid	(648)	(754)	(764)	(11)	(9)
Payment of lease liabilities	(10,972)	(15,395)	(17,521)	(4,505)	(5,272)
Net cash flows from operating activities	54,484	63,613	93,831	25,472	30,543
Investing activities:					
Acquisition of property and equipment	(3,984)	(6,368)	(9,354)	(352)	(817)
Interest received on bank deposits	340	1,892	2,767	408	1,299
Net cash flows from/ (used in) investing activities	(3,664)	(4,476)	(6,587)	56	483
Financing activities:					
Dividends paid	(32,000)	(30,000)	(58,000)	-	-
Cash flows used in a financing activity	(32,000)	(30,000)	(58,000)	-	-
Net (decrease)/ increase in cash and cash equivalents	18,840	29,138	29,245	25,528	31,026
Cash and cash equivalents at the beginning of the year/ period	43,194	62,034	91,172	91,172	120,417
Cash and cash equivalents at the end of the year/ period	62,034	91,172	120,417	116,700	151,443

Source: The special purpose financial statements of Middlesex Associates FZ-LLC ("Middlesex University") for the years ended 31 December 2022G, 2023G and 2024G and the unaudited interim condensed financial statement of Middlesex Associates FZ-LLC ("Middlesex University") for the three-month period ended 31 March 2025G.



The following table summarizes the statement of cash flows for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G (In SAR):

Table (6.81): Statement of cash flows data (In SAR)

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G
Operating activities:					
Profit before tax and zakat	37,743	49,057	68,456	25,936	31,282
Adjustments					
Depreciation of property and equipment, and right-of-use assets	14,716	17,232	20,336	4,545	6,158
Loss on disposal and write-off of property and equipment	257	11	-	-	-
Gain on modification and termination of leases	(399)	-	-	-	-
Allowance for expected credit losses	1,867	4,701	5,255	2,022	1,855
Provision for employees' end of service benefits	2,350	2,201	2,415	491	491
Finance income	(344)	(1,913)	(3,665)	(1,022)	(980)
Finance costs	2,020	1,923	1,571	419	329
	58,209	73,211	94,368	32,391	39,135
Working capital changes					
Trade and other receivables	(3,630)	1,063	(4,706)	4,764	(612)
Due from a related party	-	-	-	-	-
Accounts and other payables and contract liabilities	12,260	6,214	23,695	(6,834)	(2,146)
Due to a related party	-	161	6	-	(155)
Cash from operations	66,839	80,649	113,364	30,322	36,223
Employees' end of service benefits paid	(655)	(762)	(773)	(11)	(9)
Payment of lease liabilities	(11,094)	(15,566)	(17,716)	(4,555)	(5,331)
Net cash flows from operating activities	55,090	64,321	94,875	25,756	30,883
Investing activities:					
Acquisition of property and equipment	(4,028)	(6,439)	(9,458)	(356)	(826)
Interest received on bank deposits	344	1,913	2,798	413	1,314
Net cash flows from investing activities	(3,685)	(4,526)	(6,660)	57	488
Financing activities:					
Dividends paid	(32,356)	(30,334)	(58,645)	-	-
Cash flows used in a financing activity	(32,356)	(30,334)	(58,645)	-	-
Net (decrease)/ increase in cash and cash equivalents	19,050	29,462	29,570	25,812	31,371
Cash and cash equivalents at the beginning of the year / period	43,674	62,724	92,186	92,186	121,756
Cash and cash equivalents at the end of the year / period	62,724	92,186	121,756	117,998	153,117

Source: Management information

Note: The special purpose financial statements and the unaudited interim condensed financial statement are issued in AED, the above tables have been converted to SAR for convenience purposes using an exchange rate of 1 AED = 1.011 SAR consistently for all years / periods.

Net cash flows from operating activities

Net cash flows from operating activities increased from SAR 55.1 million in 2022G to SAR 64.3 million in 2023G, primarily driven by the growth in operations as profit before income tax increased by SAR 11.3 million, driven by the increase in the average number of students during the year, partially offset by the increase in cash used in the payment of lease liabilities by SAR 4.5 million.



Net cash flow from operating activities increased from SAR 64.3 million in 2023G to SAR 94.9 million in 2024G as a result of the increase in profit before income tax by SAR 19.4 million driven by the growth in revenue during the period, offset by the cash outflow in the accounts and other payable and contract liabilities by SAR 17.5 million.

Net cash flow from operating activities increased from SAR 25.8 million in the three-month period ended 31 March 2024G to SAR 30.9 million in the three-month period ended 31 March 2025G as a result of the increase in profit before income tax by SAR 5.3 million driven by the growth in revenue during the period, partially offset by the cash outflow in the accounts and other payable and contract liabilities by SAR 4.7 million.

Net cash flows from/ (used in) investing activities

Net cash flows used in investing activities increased from SAR 3.7 million in 2022G to SAR 4.5 million in 2023G driven by the increase in investments in property and equipment by SAR 2.4 million, partly offset by the increase in interest received on bank term deposits by SAR 1.6 million.

Net cash flows used in investing activities increased from net cash flow used in investing activities amounting to SAR 4.5 million in 2023G to SAR 6.6 million in 2024G as a result of the increase in additions on property and equipment by SAR 3.1 million.

Net cash flows from investing activities increased from net cash flow from investing activities amounting to SAR 57 thousand in the three-month period ended 31 March 2024G to SAR 488 thousand in the three-month period ended 31 March 2025G as a result of the increase in interest received on bank deposits by SAR 0.9 million.

Net cash flows used in financing activities

Net cash flow used in financing activities decreased from SAR 32.4 million in 2022G to SAR 30.3 million in 2023G, in line with the decrease in dividends paid during the year.

Net cash flow used in investing activities decreased from SAR 30.3 million in 2023G to SAR 58.6 million in 2024G, in line with the increase in dividends paid during the period.

6.7.5.2 Human Development Company LLC ("HDC Group")

6.7.5.2.1 Consolidated statement of comprehensive income

The following table summarizes the consolidated statement of comprehensive income for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.82): Consolidated statement of comprehensive income data

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Revenue	125,449	164,319	215,296	31.0%	31.0%	31.0%	55,788	69,568	24.7%
Direct costs	(68,703)	(95,321)	(140,442)	38.7%	47.3%	43.0%	(33,078)	(47,717)	44.3%
Gross profit	56,746	68,998	74,854	21.6%	8.5%	14.9%	22,710	21,851	(3.8%)
General and administrative expenses	(25,373)	(17,986)	(25,921)	(29.1%)	44.1%	1.1%	(6,461)	(6,180)	(4.4%)
Other income	11,474	16,349	28,224	42.5%	72.6%	56.8%	6,842	8,103	18.4%
Operating profit	42,847	67,361	77,157	57.2%	14.5%	34.2%	23,091	23,774	3.0%
Finance costs	(3,883)	(4,652)	(7,377)	19.8%	58.6%	37.8%	(1,373)	(1,934)	40.8%
Profit before zakat	38,965	62,709	69,780	60.9%	11.3%	33.8%	21,718	21,840	0.6%
Zakat	(1,936)	(2,679)	(3,696)	38.4%	37.9%	38.2%	(527)	(548)	4.0%
Profit for the year/period	37,029	60,030	66,084	62.1%	10.1%	33.6%	21,191	21,292	0.5%

Source: The consolidated financial statements of Human Development Company LLC for the years ended 31 December 2022G, 2023G, and 2024G and the unaudited interim condensed consolidated financial statements of Human Development Company LLC for the three-month period ended 31 March 2024G and 2025G.



The following table summarizes the consolidated statements of comprehensive income key performance indicators for the three years ended 31 December 2022G, 2023G and 2024G and the Three-month period ended 31 March 2024G and 2025G:

Table (6.83): Consolidated statement of comprehensive income key performance indicators

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 30 June 2023G-31 March 2025G
	As a % of revenue			Percentage points			As a % of revenue		Percentage points
Direct costs	54.8%	58.0%	65.2%	3.2	7.2	10.5	59.3%	68.6%	9.3
Gross margin	45.2%	42.0%	34.8%	(3.2)	(7.2)	(10.5)	40.7%	31.4%	(9.3)
General and administrative expenses	20.2%	10.9%	12.0%	(9.3)	1.1	(8.2)	11.6%	8.9%	(2.7)
Operating profit	34.2%	41.0%	35.8%	6.8	(5.2)	1.7	41.4%	34.2%	(7.2)
Profit before zakat	31.1%	38.2%	32.4%	7.1	(5.8)	1.4	38.9%	31.4%	(7.5)
Profit for the year/period	29.5%	36.5%	30.7%	7.0	(5.8)	1.2	38.0%	30.6%	(7.4)

Source: Management information

While developing the Management Discussion and Analysis of Financial Position and Results of Operations section, HRC was considered part of the HDC Group for the following reasons i) wholly owned by HDC and both companies operate special needs services; ii) HDC and HRC are managed by the same management team and monitored based on service line (i.e. centres vs. schools) rather than subsidiaries; and iii) HDC and HRC both have the same financial reporting.

Revenue

Revenue comprised rehabilitation program revenue, transportation revenue, share of revenue from joint services agreements, and school program revenue, amongst others.

Revenue increased by 31.0% from SAR 125.5 million in 2022G to SAR 164.3 million in 2023G, mainly driven by the increase in rehabilitation revenue, due to further increase in revenue from centres added prior to 2021G by SAR 12.5 million, with the average number of beneficiaries increasing from 2,653 in 2022G to 3,541 in 2023G. This was coupled with an increase in transportation revenue by SAR 4.1 million in line with the increase in the average number of beneficiaries during the year.

Revenue increased by 31.0% from SAR 164.3 million in 2023G to SAR 215.3 million in 2024G mainly driven by the increase in special education and care needs services revenue (+SAR 45.1 million) driven by the further increase in the average number of beneficiaries from 3,541 in 2023G to 4,491 in 2024G.

Revenue increased by 24.7% from SAR 55.8 million in the Three-month period ended 31 March 2024G to SAR 69.6 million in the Three-month period ended 31 March 2025G mainly driven by the increase in special education and care needs services revenue (+SAR 11.0 million) driven by the further increase in the avg. number of beneficiaries from 3,915 in the Three-month period ended 31 March 2024G to 5,163 in the Three-month period ended 31 March 2025G.

Direct costs

Direct costs mainly comprised employee salaries and other benefits, transportation and shipping service contracts, and depreciation of right-of-use assets, amongst others.

Direct costs increased by 38.7% from SAR 68.7 million in 2022G to SAR 95.3 million in 2023G, mainly driven by the increase in employee salaries and other benefits by SAR 16.7 million. This was coupled with the increase in transportation and shipping service contracts by SAR 4.3 million, in line with the new centre additions during the year.

Direct costs increased by 47.3% from SAR 95.3 million in 2023G to SAR 140.4 million in 2024G. This was mainly attributed to the increase in employees' salaries and other benefits (+SAR 32.9 million), on the back of the increase in the average salary per HDC academic staff member from SAR 4.0 thousand in 2023G to SAR 4.6 thousand in 2024G and the increase in the average number of direct staff from 1,253 direct staff members in 2023G to 1,712 direct staff members in 2024G on the back



of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.0 thousand in 2023G to SAR 4.6 thousand in 2024G in line with the inflationary pay rises in KSA, and the increase in the minimum salary of the MHRSD qualified employees (which was partially compensated through an increase in grant income, recorded under other operating income).

Direct costs increased by 44.3% from SAR 33.1 million in the three-month period ended 31 March 2024G to SAR 47.7 million in the three-month period ended 31 March 2025G. This was mainly attributed to the increase in employees' salaries and other benefits (+SAR 9.7 million), on the back of the increase in the average salary per HDC academic staff member from SAR 4.3 thousand in the Three-month period ended 31 March 2024G to SAR 5.3 thousand in the three-month period ended 31 March 2025G and the increase in the average number of direct staff from 1,831 direct staff members in the three-month period ended 31 March 2024G to 2,111 direct staff members in the three-month period ended 31 March 2025G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 3.9 thousand in the three-month period ended 31 March 2024G to SAR 4.4 thousand in the three-month period ended 31 March 2025G driven by the employee annual bonuses paid in February, in addition to inflationary increases.

Gross profit

Gross profit increased by 21.6% from SAR 56.7 million in 2022G to SAR 69.0 million in 2023G, mainly driven by the increase in rehabilitation revenue, as a result of the increase in revenue from centres opened prior to 2021G by SAR 12.5 million, partly offset by the increase in employee salaries and other benefits by SAR 16.7 million and the increase in transportation expenses by SAR 4.3 million. Gross margin decreased from 45.2% in 2022G to 42.0% in 2023G, mainly driven by (i) the increase in employee salaries and other benefits as a percentage of revenue from 35.1% in 2022G to 37.0% in 2023G, on the back of the newly opened centres in 2022G, 2023G not fully ramping up (ii) the increase in transportation expenses as a percentage of revenue from 4.5% in 2022G to 5.4% in 2023G.

Gross profit increased by 8.5% from SAR 69.0 million in the 2023G to SAR 74.9 million 2024G, with the increase in salaries outpacing the increase in special education and care needs services revenue. Gross margin declined from 42.0% in the 2023G to 34.8% in the 2024G, mainly driven by the increase in employee salaries and other benefits as a percentage of revenue from 37.0% in 2023G to 43.5% in the 2024G, mainly due to the increase in the average number of direct staff members from 1,127 members in 2023G to 1,586 members in the 2024G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.0 thousand in the 2023G to SAR 4.5 thousand in 2024G driven by the cost of living pay increases, coupled with the increase in the minimum salary of the MHRSD qualified employees (which was partially compensated through an increase in grant income, recorded under other operating income).

Gross profit decreased by 3.8% from SAR 22.7 million in the three-month period ended 31 March 2024G to SAR 21.9 million in the three-month period ended 31 March 2025G, with the increase in special education and care needs services revenue outpacing the increase in salaries slightly. Gross margin declined from 40.7% in the three-month period ended 31 March 2024G to 31.4% in the Three-month period ended 31 March 2025G, mainly driven by the increase in employee salaries and other benefits as a percentage of revenue from 43.0% in the three-month period ended 31 March 2024G to 48.3% in the three-month period ended 31 March 2025G, mainly due to the increase in the average number of direct staff members from 1,692 members in the three-month period ended 31 March 2024G to 1,974 members in the three-month period ended 31 March 2025G on the back of the new centre hirings. Furthermore, the average monthly salary per direct staff member increased from SAR 4.6 thousand in the three-month period ended 31 March 2024G to SAR 5.3 thousand in the three-month period ended 31 March 2025G driven by the cost of living pay increases, coupled with the employee bonuses paid in February.

General, selling and administrative expenses

General, selling and administrative expenses mainly comprise staff costs, provision for doubtful debts, legal and professional fees, amongst others.

General, selling and administrative expenses decreased by 29.1% from SAR 25.4 million in 2022G to SAR 18.0 million in 2023G. This was mainly driven by (i) the decrease in related party balances written off by SAR 3.7 million, and (ii) the decline in provision for expected credit losses by SAR 600 thousand, partly offset by the increase in employee salaries and other benefits, in line with the increase in administrative staff during the period. As a result, general and administrative expenses decreased as a percentage of revenue from 20.2% in 2022G to 10.9% in 2023G.

General and administration expenses increased by 44.1% from SAR 18.0 million in 2023G to SAR 26.0 million in 2024G. This was mainly driven by the increase in the employee related expenses (+SAR 6.1 million), on the back of the increase in the admin staff during the period. As a result, general and administration expenses increased as a percentage of revenue from 10.9% in 2023G to 12.0% in 2024G.

General and administration expenses decreased by 4.4% from SAR 6.5 million in the three-month period ended 31 March 2024G to SAR 6.2 million in the three-month period ended 31 March 2025G. This was mainly driven by the decrease in the



employee related expenses (-SAR 0.9 million), on the back of the decrease in the admin staff during the period. As a result, general and administration expenses decreased as a percentage of revenue from 11.6% in the three-month period ended 31 March 2024G to 8.9% in the three-month period ended 31 March 2025G.

Other income

Other income comprised grant income relating to a contribution received from the Ministry of Human Resources and Social Development of the Kingdom of Saudi Arabia in relation to Saudization initiatives.

Other income increased by 42.5% from SAR 11.5 million in 2022G to SAR 16.4 million in 2023G and further by 72.6% to SAR 28.2 million in 2024G.

Other income increased by 18.4% from SAR 6.8 million in the three-month period ended 31 March 2024G to SAR 8.1 million.

Finance costs

Finance costs increased by 19.8% from SAR 3.9 million in 2022G to SAR 4.7 million in 2023G on the back of a further increase in finance costs on lease liabilities, reaching SAR 3.6 million, in line with the additions of 6 centres during the year.

Finance costs increased by 58.6% from SAR 4.7 million in 2023G to SAR 7.4 million in 2024G, in line with the increase in the number of centres with 8 new centre additions during the period.

Finance costs increased by 40.8% from SAR 1.4 million in the three-month period ended 31 March 2024G to SAR 1.9 million in the three-month period ended 31 March 2025G, in line with the increase in the number of centres with 6 new centre additions during the period.

Zakat

Zakat increased by 38.4% from SAR 1.9 million in 2022G to SAR 2.7 million in 2023G and further by 37.9% to reach SAR 3.7 million in 2023G, in line with the increase in the profitability and taxable base over the same period.

Zakat increased by 4.0% from SAR 572 thousand in the three-month period ended 31 March 2024G to SAR 548 thousand in the three-month period ended 31 March 2025G, in line with the increase in the profitability and taxable base over the same period.

Profit for the year/period

Profit for the year increased by 62.1% from SAR 37.0 million in 2022G to SAR 60.0 million in 2023G, mainly due to the increase in gross profit by SAR 12.3 million driven by the increase in the average number of beneficiaries from 2,653 in 2022G to 3,541 in 2023G, in addition to the decrease in general and administrative expenses by SAR 7.4 million and the increase in other income by SAR 4.9 million. Accordingly, profit margin for the year increased from 29.5% in 2022G to 36.5% in 2023G.

Profit for the year increased by 10.2% from SAR 60.0 million in 2023G to SAR 66.1 million in 2024G. Gross profit margin decreased from 36.5% in 2023G to 30.7% in 2024G, driven by the decline in the EBITDA margin from 49.0% in 2023G to 44.5% in 2024G and the increase in zakat expenses during the period.

Profit for the period remained stable at SAR 21.2 million for the three-month period ended 31 March 2024G and the three-month period ended 31 March 2025G. Gross profit margin decreased from 38.0% to 30.6% during the same period, driven by the decline in the EBITDA margin from 47.8% to 40.7% and the increase in zakat expenses during the period.



6.7.5.2.1.1 Revenue by type of goods or service

The following table summarizes the revenue by type of goods or service for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.84): Revenue by type of goods or service

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Tuition fees, net of scholarship awarded	10,425	10,758	11,418	3.2%	6.1%	4.7%	3,434	3,735	8.8%
Special education and care needs services	91,887	123,105	168,268	34.0%	36.7%	35.3%	42,771	53,754	25.7%
Administrative and other service fees from students	11,768	18,547	20,333	57.6%	9.6%	31.4%	5,187	8,257	59.2%
Share of revenue from joint services agreements	11,369	11,908	15,277	4.7%	28.3%	15.9%	4,395	3,822	(13.1%)
Total	125,449	164,319	215,296	31.0%	31.0%	31.0%	55,788	69,568	24.7%

Source: Management information.

Tuition fees, net of scholarship awarded

Tuition fees, net of scholarship awarded comprised of the tuition revenue generated from HDC Group schools primarily focused on special education needs students.

HDC Group schools' net tuition fee is invoiced at the start of the academic year (net of scholarships) and recognized as revenue over the respective academic semesters.

Tuition fees, net of scholarship awarded increased by 3.2% from SAR 10.4 million in 2022G to SAR 10.8 million in 2023G driven by an increase in the average number of students from 327 students in 2022G to 351 students in 2023G.

Tuition fees, net of scholarship awarded increased by 6.1% from SAR 10.8 million in 2023G to SAR 11.4 million in 2024G due to the increase in tuition fees during the year.

Tuition fees, net of scholarship awarded increased by 8.8% from SAR 3.4 million in the three-month period ended 31 March 2024G to SAR 3.7 million in the three-month period ended 31 March 2025G mainly on the back of the increase in average number of students from 338 in the three-month period ended 31 March 2024G to 345 in the three-month period ended 31 March 2025G.

Special education and care needs services

Special education and care needs services represented revenue from daycare centres and clinics exclusively for HDC Group.

It is worth noting that the reported results correspond to the calendar year (beginning January and ending December), while the centres/schools operations extend over the academic year (September to May), accordingly the reported results represent the financial performance of the second and the first semester of the prior and current academic year respectively. As a result, the average number of beneficiaries during the fiscal year is monitored rather than the academic year end number of beneficiaries.

Special education and care needs services revenue increased by 34.0% from SAR 91.9 million in 2022G to SAR 123.1 million in 2023G due to the ramp up of the five new centres added in 2022G and six new centres added in 2023G. The number of active centres increased from 21 centres in 2022G to 27 centres in 2023G leading to an increase in the average number of beneficiaries from 2,653 in 2022G to 3,145 in 2023G.

Special education and care needs services revenue increased by 36.7% from SAR 123.1 million in 2023G to SAR 168.3 million in 2024G on the back of the expansions in the new centres added in 2022G and 2023G, in addition to the addition of eight new centres in 2024G. Accordingly, the average number of beneficiaries increased from 3,541 beneficiaries in 2023G to 4,491 beneficiaries in 2024G.



Special education and care needs services revenue increased by 25.7% from SAR 42.8 million in the three-month period ended 31 March 2024G to SAR 53.8 million in the three-month period ended 31 March 2025G on the back of the ramp up of centres added in 2023G and 2024G, in addition to the addition of a new centre during the Three-month period ended 31 March 2025G. Accordingly, the average number of beneficiaries increased from 3,915 beneficiaries in the three-month period ended 31 March 2024G to 5,163 beneficiaries in the three-month period ended 31 March 2025G.

Administrative and other service fees from students

Administrative and other service fees from students mainly comprised transportation revenue and clinical revenue, among others.

Administrative and other service fees from students revenue increased by 57.6% from SAR 11.8 million in 2022G to SAR 18.5 million in 2023G in line with the increase in the average number of enrolled beneficiaries in HDC Group.

Administrative and other service fees from students revenue increased by 9.6% from SAR 18.5 million in 2023G to SAR 20.3 million in 2024G, driven by the continued increase in the average number of enrolled beneficiaries in HDC Group.

Administrative and other service fees from students revenue increased by 59.2% from SAR 5.2 million in the three-month period ended 31 March 2024G to SAR 8.3 million in the three-month period ended 31 March 2025G, driven by the increase in the average number of enrolled beneficiaries.

Share of revenue from joint services agreements

Share of revenue from joint services agreements relate to the share of revenue of HDC from the third-party joint operations agreements to jointly operate and manage educational service schools for special care and needs students. The parties agreed to allocate a certain portion of net profit (depending on the school) to be shared with the Group and the remaining to the counterparty, whereby the operation costs will be allocated on an agreed upon share for each party.

Share of revenue from joint services agreements increased by 4.7% from SAR 11.4 million in 2022G to SAR 11.9 million in 2023G on the back of the ramp up of the newly added joint services agreement leading to an increase in average number of students from 639 in 2022G to 743 in 2023G.

Share of revenue from joint services agreements increased by 28.3% from SAR 11.9 million in the 2023G to SAR 15.3 million in 2024G driven by the increase in the average number of beneficiaries during the period, coupled with a more favourable beneficiary mix across grades associated with higher fees and the launch of two new schools during the period.

Share of revenue from joint services agreements decreased by 13.1% from SAR 4.4 million in the Three-month period ended 31 March 2024G to SAR 3.8 million in the three-month period ended 31 March 2025G driven by the decrease in the average revenue per student from SAR 19.5 thousand in the three-month period ended 31 March 2024G to SAR 14.3 thousand in the three-month period ended 31 March 2025G. This drop is because of a less favorable beneficiary mix across grades associated with lower tuition fees.

6.7.5.2.1.1.1 Special education and care needs services

The following table summarizes the special education and care needs services revenue by centres cohort for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.85): Special education and care needs services revenue by centres cohort

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Centres added prior to 2021G	68,411	80,956	97,645	18.3%	20.6%	19.5%	26,237	28,801	9.8%
Added in 2021G	7,927	12,740	16,018	60.7%	25.7%	42.2%	4,227	5,200	23.0%
Added in 2022G	15,549	21,903	26,269	40.9%	19.9%	30.0%	7,043	7,932	12.6%
Added in 2023G	-	7,507	18,164	N/A	142.0%	N/A	4,266	6,256	46.6%
Added in 2024G	-	-	10,184	N/A	N/A	N/A	998	5,192	420.1%



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Added in 2025G	-	-	-	N/A	N/A	N/A	-	373	N/A
Total	91,887	123,105	168,279	34.0%	36.7%	35.3%	42,771	53,754	25.7%
As a % of total				Percentage points			As a % of total		Percentage points
Centres added prior to 2021G	74.5%	65.7%	58.0%	(8.7)	(7.7)	(16.4)	61.3%	53.6%	(7.8)
Added in 2021G	8.6%	10.3%	9.5%	1.7	(0.8)	0.9	9.9%	9.7%	(0.2)
Added in 2022G	16.9%	17.8%	15.6%	0.9	(2.2)	(1.3)	16.5%	14.8%	(1.7)
Added in 2023G	-	6.1%	10.8%	N/A	4.7	N/A	10.0%	11.6%	1.7
Added in 2024G	-	-	6.1%	N/A	N/A	N/A	2.3%	9.7%	7.3
Added in 2025G	-	-	-	N/A	N/A	N/A	-	0.7%	0.7
Total	100.0%	100.0%	100.0%	-	-	-	100.0%	100.0%	-
Key performance indicators									
Number of centres									
Centres added prior to 2021G	13	13	13	0.0%	0.0%	N/A	13	13	0.0%
Added in 2021G	3	3	3	0.0%	0.0%	N/A	3	3	0.0%
Added in 2022G	5	5	5	0.0%	0.0%	N/A	5	5	0.0%
Added in 2023G	-	6	6	N/A	0.0%	N/A	6	6	0.0%
Added in 2024G	-	-	8	N/A	0.0%	N/A	8	8	0.0%
Added in 2025G	-	-	-	N/A	N/A	N/A	-	1	0.0%
Total	21	27	35	28.6%	29.6%	29.1%	35	36	2.9%
Average revenue per centre (SAR in 000s) *									
Centres added prior to 2021G	5,262	6,227	7,511	18.3%	20.6%	19.5%	8,073	8,862	9.8%
Added in 2021G	2,642	4,240	5,339	60.7%	25.7%	42.2%	5,636	6,933	23.0%
Added in 2022G	3,110	4,381	5,254	40.9%	19.9%	30.0%	5,635	6,346	12.6%
Added in 2023G	N/A	1,251	3,027	N/A	142.0%	N/A	2,844	4,170	46.6%
Added in 2024G	N/A	N/A	1,273	N/A	N/A	N/A	499	2,596	420.1%
Added in 2025G	N/A	N/A	-	N/A	N/A	N/A	-	1,492	N/A
Total	2,552	3,420	4,674	34.0%	36.7%	35.3%	4,752	5,973	25.7%
Morning utilization%									
Centres added prior to 2021G	68.7%	68.9%	70.2%	0.2	1.3	1.5	73.2%	81.7%	8.5
Added in 2021G	57.8%	73.9%	76.7%	16.0	2.8	18.9	74.0%	83.1%	9.1
Added in 2022G	51.9%	58.2%	67.8%	6.3	9.6	15.9	61.7%	71.3%	9.6
Added in 2023G	0.0%	27.5%	63.4%	27.5	35.9	63.4	54.3%	72.7%	18.4
Added in 2024G	0.0%	0.0%	19.4%	0.0	19.4	19.4	8.5%	41.8%	33.3
Added in 2025G	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%	26.4%	N/A
Total	55.9%	60.5%	59.0%	4.5	(1.4)	3.1	66.5%	69.9%	3.4
Total utilization%									
Centres added prior to 2021G	57.6%	57.8%	60.8%	0.1	3.1	3.2	56.1%	65.0%	8.9
Added in 2021G	57.8%	61.3%	74.1%	3.4	12.9	16.3	66.1%	83.1%	17.0
Added in 2022G	45.5%	44.7%	53.2%	(0.4)	8.5	7.8	48.7%	58.1%	9.4
Added in 2023	0.0%	22.5%	49.6%	22.5	27.1	49.6	40.7%	60.0%	19.4



SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Var. 2022G-2023G	Var. 2023G-2024G	CAGR. 2022G-2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G	Var. 31 March 2024G-31 March 2025G
Added in 2024G	0.0%	0.0%	20.2%	0.0	20.2	20.2	7.1%	37.9%	30.8
Added in 2025G	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%	26.4%	N/A
Total	55.2%	50.5%	52.8%	(4.6)	2.3	(2.4)	51.4%	59.8%	8.4

Source: Management information.

*Average revenue per centre for the Three-month period ended 31 March 2024G and 2025G represents the average revenue per centre for three-months as compared to the full year periods ended 31 December 2022G, 2023G and 2024G.

Centres added prior to 2021G

It is worth noting that newly added centres typically need an average of 12-24 months to ramp up and hence need to have been operational for 2 years or more to be considered a mature centre. Mature centres are defined as centres that have added prior to 2021G.

Revenue from centres added prior to 2021G increased by 18.3% from SAR 68.4 million in 2022G to SAR 81.0 million in 2023G mainly driven by the increase in the average revenue per centre from SAR 5.3 million to SAR 6.2 million on the back of the increase in the average number of beneficiaries from 1,956 beneficiaries to 2,307 beneficiaries driven mainly by the ramp up of a girls centre post the expansion of the capacity coupled with the further growth in the special education and needs market. Average revenue per beneficiary remained relatively stable and amounted to SAR 35.0 thousand in 2022G to SAR 35.1 thousand in 2023G.

Revenue from centres opened prior to 2021G increased by 20.6% from SAR 81.0 million in 2023G to SAR 97.6 million in 2024G mainly driven by the increase in the average number of beneficiaries from 2,307 students to 2,559 beneficiaries. The increase in the average number of beneficiaries was mainly driven by the further growth in the special education and needs market and increased parents' awareness. Average revenue per beneficiary increased from SAR 35.1 thousand in 2023G to SAR 38.1 thousand in 2024G, also driven by the higher number of beneficiaries enrolled in the ancillary physio and autism courses during the period.

Revenue from centres opened prior to 2021G increased by 9.8% from SAR 26.2 million in the Three-month period ended 31 March 2024G to SAR 28.8m in the Three-month period ended 31 March 2025G mainly driven by the increase in average number of beneficiaries from 2,360 in the Three-month period ended 31 March 2024G to 2,736 in the Three-month period ended 31 March 2025G. The increase in the average number of beneficiaries was mainly driven by the further growth in the special education and needs market and increased parents' awareness. Average revenue per beneficiary decreased from SAR 37.1 thousand in the Three-month period ended 31 March 2024G to SAR 35.1 thousand in the Three-month period ended 31 March 2025G, due to the lower number of beneficiaries enrolled in the ancillary physio and autism courses during the period.

Centres added in 2021G

Centres added in 2021G pertain to 3 centres launched during the end of 2021G.

Revenue from centres added in 2021G increased by 60.7% from SAR 7.9 million in 2022G to SAR 12.7 million in 2023G driven by the increase in the average revenue per centre by 60.7% from SAR 2.6 million to SAR 4.2 million as a result of the increase in number of beneficiaries by 48.8% from 247 beneficiaries to 368 beneficiaries, stemming from the further ramp up of the centres, coupled with the increase in average revenue per beneficiary from SAR 32.1 thousand in 2022G to SAR 34.7 thousand in 2023G.

Revenue from centres added in 2021G increased by 25.7% from SAR 12.7 million in 2023G to SAR 16.0 million in 2024G driven by the increase in the average number of beneficiaries from 368 to 445 during the period, stemming from the further ramp up of the centres. Average revenue per beneficiary increased from SAR 34.7 thousand in 2023G to SAR 36.0 thousand in 2024G.

Revenue from centres added in 2021G increased by 23.0% from SAR 4.2 million in the Three-month period ended 31 March 2024G to SAR 5.2 million in the Three-month period ended 31 March 2025G driven by the increase in the average number of beneficiaries from 397 to 499 during the period, stemming from the further ramp up of the centres. Average revenue per beneficiary decreased from SAR 35.5 thousand in the Three-month period ended 31 March 2024G to SAR 34.8 thousand in the Three-month period ended 31 March 2025G.



Centres added in 2022G

Centres added in 2022G pertain to 5 centres launched during 2022G of which only one was launched in January 2022G and the remaining 4 centres launched in September 2022G.

Revenue from centres added in 2022G increased by 40.9% from SAR 15.5 million in 2022G to SAR 21.9 million in 2023G. This was mainly attributed to four of the five operational centres operating only from September 2022G, and hence not having full year revenues, as evident with the increase in average revenue per centre from SAR 3.1 million to SAR 4.3 million in line with the increase in average number of beneficiaries from 450 to 644 during the period. This was coupled with the discontinued centre in 2021G (SAR 13.2 million in 2021G), which was replaced with the newly added centres in September 2022G.

Revenue from centres added in 2022G increased by 19.9% from SAR 21.9 million in 2023G to SAR 26.3 million in 2024G driven by the increase in the average number of beneficiaries from 644 to 724 during the period, stemming from the further ramp up of the centres. Average revenue per beneficiary increased from SAR 34.0 thousand in 2023G to SAR 36.3 thousand in 2024G.

Revenue from centres added in 2022G increased by 12.6% from SAR 7.0 million in the three-month period ended 31 March 2024G to SAR 7.9 million in the three-month period ended 31 March 2025G driven by the increase in the average number of beneficiaries from 662 to 790 during the period, stemming from the further ramp up of the centres. Average revenue per beneficiary decreased from SAR 35.5 thousand in the three-month period ended 31 March 2024G to SAR 33.5 thousand in the Three-month period ended 31 March 2025G.

Centres added in 2023G

Centres added in 2023G pertain to 6 additional centres launched during the end of 2023G.

It is worth noting that revenue from centres added in 2023G amounted to SAR 7.5 million in 2023G recording an average revenue per centre of SAR 1.3 million.

Revenue from centres added in 2023G increased by 142.0% from SAR 7.5 million in 2023G to SAR 18.2 million in 2024G. This was mainly attributed to the ramp up of the centres post their first year of operation. The average number of beneficiaries increased from 222 in 2023G to 489 in 2024G driven mainly by the ramp up of the centres during the year/period.

Revenue from centres added in 2023G increased by 46.6% from SAR 4.3 million in the three-month period ended 31 March 2024G to SAR 6.3 million in the three-month period ended 31 March 2025G. This was mainly driven by the increase in the average number of beneficiaries from 401 students to 592 beneficiaries. Average revenue per beneficiaries remained relatively stable and amounted to SAR 35.4 thousand in the three-month period ended 31 March 2024G and SAR 35.2 thousand in the three-month period ended 31 March 2025G.

Centres added in 2024G

Centres added in 2024G pertain to eight centres added; three of those centres were launched during January 2024G (Jouf, Al Khobar 2, and Al Madinah centres) and the remaining five were added during September 2024G with revenue relating to the one-month period (South of Narjis, Al Rimal, Uraijah, Jouf, Dammam).

Revenue amounted to SAR 10.2 million in 2024G with an average of 273 beneficiaries.

Revenue from centres added in 2024G increased by 420.1% from SAR 1.0 million in the three-month period ended 31 March 2024G to SAR 5.2 million in the three-month period ended 31 March 2025G. This was mainly driven by the increase in the average number of beneficiaries from 96 students to 513 beneficiaries during the centres' first year of operations. Average revenue per beneficiaries decreased from SAR 34.7 thousand in the three-month period ended 31 March 2024G to SAR 33.7 thousand in the three-month period ended 31 March 2025G.



Centres utilization

HDC's day care centres operate either through a morning shift, evening shift or both morning and evening shifts (with the majority of the centres operating through morning and evening shifts). Accordingly, the utilization of each day care centre is dependent on the shifts they operate for. Management monitors the utilization of the centres based on the following:

Morning shift utilization: This refers to the morning average number of beneficiaries / morning shift capacity.

Total utilization: This refers to the total average number of beneficiaries / the total (morning + evening) capacities.

It is worth noting that 26 of HDC's daycare centres (total of 36 daycare centres as at 31 March 2025G) operate on both morning and evening shifts to accommodate the varying needs of the beneficiaries. The morning shift capacity represents the physical capacity of each centre. Evening shifts were introduced to accommodate the needs of certain beneficiaries but remains less popular than the morning shifts, hence the morning shift is the primary driver of utilization, serving the majority of the enrolled beneficiaries. The introduction of the evening shift serves as a strategic enhancement and results in a total capacity that exceeds the physical capacity of the centre to account for the additional shift.

Accordingly, it is important to note that the evening shift's inclusion in the calculation of total capacity reduces the resultant total capacity utilization figures, however, does not imply that such centres are underutilized, but rather that the availability of a second shift in those centres allows for the enrolment of beneficiaries, across both morning and evening shifts, that may total in excess of the physical capacity of such centres, hence improving efficiency of the facilities. By leveraging the infrastructure and resources available during the day, HDC tries to maximize operational efficiency through the evening shift, offering additional enrolment opportunities without incurring significant incremental fixed costs.

6.7.5.2.2 Consolidated statement of financial position

The following table summarizes the consolidated statement of financial position as at 31 December 2022G, 2023G, 2024G and 31 March 2025G:

Table (6.86): Consolidated statement of financial position data

SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Assets				
Non-current assets				
Property and equipment	36,959	50,568	96,444	105,229
Intangible assets	2,405	2,132	-	-
Right-of-use assets	37,525	47,446	68,547	79,460
Total non-current assets	76,890	100,145	164,991	184,689
Current assets				
Inventories	748	1,046	1,701	1,701
Trade and other receivables	90,628	104,623	137,884	203,004
Contract assets	-	2,600	-	-
Due from related parties	2,600	436	-	-
Cash and bank balances	13,546	13,372	44,170	32,685
Total current assets	107,522	122,078	183,755	237,390
Total assets	184,412	222,223	348,747	422,079
Equity and liabilities				
Equity				
Capital	100	100	100	100
Statutory reserve	98	98	98	98
Shareholder contributions	18,013	18,013	18,013	18,013
Actuarial reserve	2,506	3,821	5,196	5,196
Retained earnings	67,910	110,941	137,025	158,317
Total equity	88,627	132,973	160,432	181,724



SAR in 000s	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
Liabilities				
Non-current liabilities				
Employees' benefits obligation	5,407	6,095	7,523	8,463
Financing from banks	-	-	16,915	15,467
Lease liabilities - non-current portion	30,094	36,816	61,607	75,821
Provision for dismantling cost	71	72	-	-
Total non-current liabilities	35,572	42,983	86,045	99,751
Current liabilities				
Financing from banks	23,584	12,029	45,750	47,670
Lease liabilities – current portion	8,784	9,314	11,604	8,064
Accounts and other payables	22,992	16,945	13,184	12,437
Trade payables and others	638	495	-	-
Contract liabilities	2,210	2,994	3,732	44,433
Due to related parties	49	2,295	-	-
Dividend Payable			28,000	28,000
Zakat payable	1,956	2,195	-	-
Total current liabilities	60,213	46,267	102,270	140,604
Total liabilities	95,784	89,250	188,315	240,355
Total equity and liabilities	184,412	222,223	348,747	422,079

Source: The consolidated financial statements of Human Development Company LLC for the years ended 31 December 2022G, 2023G and 2024G and the unaudited interim condensed consolidated financial statements of Human Development Company LLC for the three-month period ended 31 March 2025G.

* Trade and other receivables include prepayments and contract assets for the years ended 31 December 2023G and 31 December 2024G.

Property and equipment

Property and equipment comprised capital work in progress pertaining to the addition of new centres, expansion of centres, leasehold improvements relating to enhancements made on the centres and schools, and furniture and fixtures.

Property and equipment increased from SAR 37.0 million as at 31 December 2022G to SAR 50.6 million as at 31 December 2023G due to the increase in capital work in progress by SAR 6.6 million, following the addition of the centre in Jizan by SAR 12.9 million, partially offset by the transfer of completed projects to leasehold improvements and furniture and fixtures.

Property and equipment increased from SAR 50.6 million as at 31 December 2023G to SAR 96.4 million as at 31 December 2024G mainly driven by the increase in capital works in progress balance by SAR 38.7 million partly offset by the depreciation charges during the period as at 31 December 2024G.

Property and equipment increased from SAR 96.4 million as at 31 December 2024G to SAR 105.3 million as at 31 March 2025G mainly driven by the increase in capital works in progress balance by SAR 15.0 million partly offset by the depreciation charges during the period.

As at 31 March 2025G, the Group had a CWIP balance amounting to SAR 44.2 million. It is worth noting that fully depreciated assets' gross book value amounted to SAR 16.5 million as at 31 March 2025G.

Intangible assets

Intangible assets pertain to licenses purchased for running educational centres.

Intangible assets decreased from SAR 2.4 million as at 31 December 2022G to SAR 2.1 million as at 31 December 2023G mainly driven by the increase in amortization charges for the year by SAR 273.8 thousand.

Intangible Assets decreased from SAR 2.1 million as at 31 December 2023G to nil as at 31 December 2024G and as at 31 March 2025G.



Right-of-use assets

Right-of-use assets comprised centres, schools, and staff accommodation.

Right-of-use assets increased from SAR 37.5 million as at 31 December 2022G to SAR 47.4 million as at 31 December 2023G mainly driven by additions during the year amounting to SAR 17.5 million, in line with the six new centre additions during the year. This was partly offset by the depreciation charge for the year by SAR 7.6 million.

Right-of-use assets increased from SAR 47.4 million as at 31 December 2023G to SAR 68.5 million as at 31 December 2024G, mainly driven by the additions amounting to SAR 36.5 million, partly offset by the depreciation charge for the period by SAR 10.6 million.

Right-of-use assets decreased from SAR 68.5 million as at 31 December 2024G to SAR 79.5 million as at 31 March 2025G, mainly driven by the additions for the period amounting to SAR 13.1 million, partly offset by the minimal depreciation charge during the period.

Trade and other receivables

Trade and other receivables pertain to net receivables from the government clients and beneficiaries, as well as prepayments and other current assets.

Trade and other receivables increased from SAR 90.6 million as at 31 December 2022G to SAR 104.6 million as at 31 December 2023G, driven by the increase in gross trade receivables by SAR 18.2 million in line with the increase in rehabilitation revenues driven by the increase in the number of enrolled students and the ramp up of newly added HDC Group centres. This was partly offset by the write-off of educational fee receivables amounting to SAR 3.3 million, as there was no expectation of recovery.

Trade and other receivables increased from SAR 104.6 million as at 31 December 2023G to SAR 137.9 million as at 31 December 2024G, in line with the increase in the number of beneficiaries and the addition of new centres during the period. This was coupled with increase in accrued share of revenue from joint services agreements amounting to SAR 7.4 million and amounts due from joint operations amounting to SAR 3.0 million.

Trade and other receivables increased from SAR 137.9 million as at 31 December 2024G to SAR 203.0 million as at 31 March 2025G, in line with the increase in the number of beneficiaries during the period and the cut of date of the period. This was coupled with increase in amounts due under joint services agreements amounting to SAR 20.5 million and partially offset by decrease in accrued share of revenue from joint services agreements amounting to SAR 15.2 million.

Inventories

Inventories pertain to HDC Group's educational tools and other tools used in centres and schools.

Inventories increased from SAR 748 thousand as at 31 December 2022G to SAR 1.0 million as at 31 December 2023G and then increased to SAR 1.7 million as at 31 December 2024G, in line with the addition of centres during the year.

Inventories remained stable at SAR 1.7 million during the 31 December 2024G to 31 March 2025G.

Due from related parties

Due from related parties related to payments made on behalf of an affiliate of HDC.

Due from related parties decreased from SAR 2.6 million as at 31 December 2022G to SAR 436 thousand as at 31 December 2023G, on the back of the settlement of payments on behalf of Mr. Abdullah Al Mudaifar (Partner), offset by payments on behalf of affiliates of HDC.

Contract assets

Contract assets amounted to SAR 2.6 million as at 31 December 2023G and mainly related to accrued revenue of joint services agreements.

Cash and bank balances

Cash and bank balances mainly comprise current accounts held with banks and cash on hand.

Cash and bank balances remained stable at SAR 13.5 million as at 31 December 2022G and SAR 13.4 million as at 31 December 2023G and increased to SAR 44.2 million as at 31 December 2023G mainly due to the increased collections from beneficiaries given the cut-off date.



Cash and bank balances decreased from SAR 44.2 million as at 31 December 2024G to SAR 32.7 million as at 31 March 2025G.

Share capital

Share capital comprises 1,000 ordinary shares in issuance at SAR 10 each, which were fully paid up.

Statutory reserve

As required by the Companies Law and the Articles of Association of the Company in KSA, a minimum of 10% of the profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 30% of the nominal value of the paid-up share capital.

Shareholder contributions

Shareholder contributions represent payments from partners to provide the necessary working capital for HDC Group. During 2022G, financing was provided by Abdullah Al Mudaifar (former partner) for the working capital needs of HDC Group.

Lease liabilities

Lease liabilities pertain to the centres and staff accommodation relating to HDC Group.

Lease liabilities increased from SAR 38.9 million as at 31 December 2022G to SAR 46.1 million as at 31 December 2023G, due to additions related to the addition of new centres amounting to SAR 17.5 million and the accretion of interest of SAR 3.6 million during the year.

Lease liabilities increased from SAR 46.1 million as at 31 December 2023G to SAR 73.2 million as at 31 December 2024G mainly due to the payments made on existing leases exceeding the minimal additions made during the period.

Lease liabilities increased from SAR 73.2 million as at 31 December 2024G to SAR 83.9 million as at 31 March 2025G mainly due to the additions amounting to SAR 13.1 million during the period.

Employees' benefits obligation

Employees' benefits obligation increased from SAR 5.4 million as at 31 December 2022G to SAR 6.1 million as at 31 December 2023G, mainly due to the increase in the current service cost by SAR 3.1 million, partly offset by end-of-service benefits paid by SAR 1.1 million and actuarial remeasurement by SAR 1.3 million.

Employees' benefits obligation increased from SAR 6.1 million as at 31 December 2023G to SAR 7.5 million as at 31 December 2024G mainly due to the increase in the current service cost by SAR 3.6 million in line with increase in staff headcount for the period, partly offset by end of service benefits paid SAR 0.8 million and actuarial remeasurement by SAR 1.3 million.

Employees' benefits obligation increased from SAR 7.5 million as at 31 December 2024G to SAR 8.5 million as at 31 March 2025G mainly due to the increase in the current service cost by SAR 1.0 million.

Provision for dismantling costs

Provision for dismantling costs amounted to SAR 71 thousand as at 31 December 2022G, and SAR 72 thousand as at 31 December 2023G, mainly related to dismantling of leasehold improvements of the centres.

Financing from banks

Financing from banks comprised local short-term revolving bank facilities obtained from Al Rajhi Bank and Arab National Bank, along with letters of guarantees issued by HDC to the MHRSD in relation to the operational licenses of the centres.

Financing from banks decreased from SAR 23.6 million as at 31 December 2022G to SAR 12.0 million as at 31 December 2023G, mainly due to the settlement of outstanding loans during the year, as the facilities undertaken are short-term in nature and have a maturity of one year. This was partially offset by the issuance of new credit facilities amounting to SAR 10.0 million in August 2023G and November 2023G from ANB, maturing during the first half of 2024G.

Financing from banks increased from SAR 12.0 million as at 31 December 2023G to SAR 62.7 million as at 31 December 2024G and further to SAR 63.1 million as at 31 March 2025G as the Group has acquired a new domestic long-term loan from Arab National Bank with an interest rate of SAIBOR +2.25% to finance 80% of the purchase of a land in Al Khaleej District and a centre building in Al Narjis area of Riyadh. The agreement spans over a period over 5 years (with two years grace period). The plot of land and the building is mortgaged as collateral for the facility providing a coverage of 125%.



Due to related parties

Due to related parties comprised mainly balances due to an affiliate of HDC Group in relation to the rent of a building.

Due to related parties increased from SAR 49 thousand as at 31 December 2022G to SAR 2.3 million as at 31 December 2023G, on the back of payments from Learning Time Establishment for rent for a building amounting to SAR 2.3 million.

Due to related parties decreased from SAR 2.3 million as at 31 December 2023G to nil as at 31 December 2024G following the balance of dividend payments due.

Dividend Payable

Dividend Payable remained stable at SAR 28 million as at 31 December 2024G and as at 31 March 2025G following the balance of dividend payments due.

Accounts and other payables

Accounts and other payables mainly comprise of accrued expenses, VAT payables, customer deposits, amongst others.

Accounts and other payables decreased from SAR 23.0 million as at 31 December 2022G to SAR 16.9 million as at 31 December 2023G on the back of partial settlement of VAT payable balances amounting to SAR 3.2 million.

Accounts and other payables decreased from SAR 16.9 million as at 31 December 2023G to SAR 13.2 million as at 31 December 2024G on the back of partial settlement of VAT payable balances amounting to SAR 11.1 million partially offset by increase in staff accrual balance of SAR 4.8 million.

Accounts and other payables decreased from SAR 13.2 million as at 31 December 2024G to SAR 12.4 million as at 31 March 2025G on the back of partial settlement of staff related accruals by SAR 2.7 million.

Trade payables and others

Trade payables and others decreased from SAR 638 thousand as at 31 December 2022G to SAR 495 thousand as at 31 December 2023G, mainly due to the settlement of supplier balances.

Trade payables and others decreased from SAR 495 thousand as at 31 December 2023G to nil as at 31 December 2024G and as at 31 March 2025G mainly due to the settlement of supplier balances.

Contract liabilities

Contract liabilities mainly represent deferred revenue recorded in relation to fees collected in advance from beneficiaries and educational services that are short-term in nature. It is worth noting that the term fees are invoiced prior to the start of the term and are recognized as revenue upon completion of each academic month.

Contract liabilities increased from SAR 2.2 million as at 31 December 2022G to SAR 3.0 million as at 31 December 2023G and further to SAR 3.7 million as at 31 December 2024G, in line with the increase in student enrolments and rehabilitation revenues during the period.

Contract liabilities increased from SAR 3.7 million as at 31 December 2024G to SAR 44.4 million as at 31 March 2025G, mainly due to the deferred revenue recorded in relation to fees collected in advance from students and educational services that are short-term in nature. It is worth highlighting that the term fees are invoiced prior to the start of the term and are recognised as revenue upon completion of each academic month.

Zakat payable

Zakat payable increased from SAR 2.0 million as at 31 December 2022G to SAR 2.2 million as at 31 December 2023G, in line with the increase in the Zakat base.

Zakat payable decreased from SAR 2.2 million as at 31 December 2023G to nil as at 31 December 2024G and as at 31 March 2025G due to a reclassification to accrued expenses and other current liabilities.



6.7.5.2.3 Consolidated statement of cash flows

The following table summarizes the consolidated statement of cash flows for the three years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2024G and 2025G:

Table (6.87): Consolidated statement of cash flows data

SAR in 000s	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2025G
Operating activities:					
Profit before tax and zakat	38,965	62,709	69,780	21,718	21,840
Adjustments					
Depreciation of property and equipment, and right-of-use assets ⁽¹⁾	10,234	12,979	18,740	3,575	4,544
Intangible assets written-off	334	-	-	-	-
Finance cost	3,881	4,650	7,377	1,373	1,934
Provision for dismantling cost	2	2	-	-	-
Provision for a related party balance	1,807	-	-	-	-
Educational fee receivables written off	3,705	3,255	-	-	-
Impairment loss on projects in progress	727	-	-	-	-
Provision/(reversal) for expected credit losses	5,196	(782)	2,000	1,796	1,801
Provision for employees' end of service benefits	1,730	3,125	3,609	276	1,037
	66,580	85,937	101,506	28,738	31,156
Changes in operating assets and liabilities:					
Inventories	(181)	(299)	(655)	8	-
Educational fees receivable and contract assets ⁽³⁾	(32,781)	(19,069)	(32,660)	409	(67,041)
Changes in related parties' balances	(1,121)	4,410	(1,859)	17	-
Accounts and other payables and contract liabilities ⁽⁴⁾	16,296	(5,405)	(6,339)	29,443	39,428
Cash generated from operating activities	48,794	65,574	59,994	58,615	3,543
Employees' end of service benefits paid	(828)	(1,122)	(807)	-	-
Finance cost paid on loans and borrowings	(1,343)	(1,097)	(2,494)	-	-
Zakat paid	(1,678)	(2,440)	(3,141)	-	-
Payment of lease liabilities	-	-	-	(3,407)	(3,679)
Net cash from operating activities	44,945	60,916	53,552	55,208	(136)
Investing activities:					
Acquisition of property and equipment	(13,916)	(18,746)	(48,192)	(5,385)	(11,170)
Proceeds from sale of property and equipment	-	-	-	-	-
Net cash used in investing activities	(13,916)	(18,746)	(48,192)	(5,385)	(11,170)
Cash flows used in financing activities					
Dividend paid	(15,001)	(17,000)	(12,000)	-	-
Proceeds from loans and borrowings	35,122	20,635	78,416	9,877	10,472
Repayments of loans and borrowings	(38,657)	(32,190)	(27,780)	-	(10,000)
Payments of principal amount of lease liabilities	(7,012)	(13,789)	(13,197)	-	-
Financing costs paid	-	-	-	(517)	(651)
Net cash used in a financing activity	(25,547)	(42,344)	25,439	9,360	(179)
(Decrease) increase in bank balances and cash	5,481	(174)	30,799	59,183	(11,485)
Bank balances and cash at the beginning of the year	8,065	13,546	13,372	13,372	44,170
Bank balances and cash at the end of the year	13,546	13,372	44,171	72,555	32,685

Source: The consolidated financial statements of Human Development Company LLC for the years ended 31 December 2022G, 2023G and 2024G and the unaudited interim condensed consolidated financial statements of Human Development Company LLC for the three-month period ended 31 March 2025G.



Net cash flows from operating activities

Net cash flows from operating activities increased from SAR 44.9 million in 2022G to SAR 60.9 million in 2023G primarily driven by the growth in operations as profit before zakat increased by SAR 23.7 million, driven by the increase in the average number of beneficiaries and the addition of new centres during the year. This was partially offset by the decline in accounts and other payables and contract liabilities by SAR 21.7 million.

Net cash flows from operating activities decreased from SAR 60.9 million in 2023G to SAR 53.6 million in 2024G mainly driven by the increase in trade and other receivables by SAR 13.6 million. This was partially offset by the increase in profit during the period.

Net cash flows from operating activities decreased from SAR 55.2 million in the three-month period ended 31 March 2024G to net cash used in operations of SAR 0.1 million in the three-month period ended 31 March 2025G mainly driven by the increase in trade and other receivables by SAR 67.5 million mainly due to the cutoff period.

Net cash flows from / (used in) investing activities

Net cash flows used in investing activities increased from SAR 13.9 million in 2022G to SAR 18.7 million in 2023G driven by the increase in investments in property and equipment by SAR 4.8 million.

Net cash flows used in investing activities increased from cash flow used in investing activities amounting to SAR 18.7 million in 2023G to SAR 48.2 million in 2024G driven by the increase in investments in property and equipment by SAR 29.4 million.

Net cash flows used in investing activities increased from cash flow used in investing activities amounting to SAR 5.4 million in the three-month period ended 31 March 2024G to SAR 11.2 million in the three-month period ended 31 March 2025G driven by the increase in investments in property and equipment by SAR 5.8 million.

Net cash flows from / (used in) financing activities

Net cash flows used in financing activities increased from SAR 25.5 million in 2022G to SAR 42.3 million in 2023G mainly driven by the decline in proceeds from loans and borrowings by SAR 14.5 million.

Net cash flows used in financing activities increased from net cash flows used in financing activities of SAR 42.3 million in 2023G to net cash flow from financial activities of SAR 25.4 million in 2024G mainly driven by obtaining revolving bank facilities amounting to SAR 57.8 million.

Net cash flows from financing activities decreased from net cash flows from financing activities of SAR 9.4 million in the three-month period ended 31 March 2024G to net cash flow used in financial activities of SAR 0.2 million in the three-month period ended 31 March 2025G mainly driven by repayment of loans by SAR 10.0 million.



Dividend Distribution Policy

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7. Dividend Distribution Policy

Pursuant to Article 107 of the Companies Law, each Shareholder acquires all the rights attached to the Company's shares, including the right to receive a portion of the net dividends declared. The declaration and payment of any dividends will be recommended by the Board prior to approval by the Shareholders at the General Assembly meeting. However, there are no guarantees as to the actual distribution of dividends or the amounts to be paid in any year. Any dividends declared will depend on, amongst other things, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, restrictions contained in financing agreements to which the Company is a party, market and general economic conditions and Zakat and tax obligations, as well as other legal and regulatory considerations. [For further information, please refer to Section 2.1.7 ("Risks Related to the Company's Ability to Distribute Dividends and its Reliance on the Performance of its Subsidiaries") of this Prospectus.

After deducting all expenses, the Company's profits shall be allocated as follows:

1. The shareholder, upon determination of the share of net profits, may decide to form reserves to the extent that this serves the Company's interest or ensures the distribution of fixed dividends, as much as possible, to the Shareholders. The shareholder may deduct amounts from the net profits for social objectives that benefit the Company's staff.
2. The shareholder shall determine the percentage of the net profits to be distributed thereto after deduction of the reserves, if any.
3. The decision of the shareholder shall specify the maturity date and the distribution date. The Board of Directors shall implement the decision of the shareholder regarding the distribution of dividends within the time frame specified in the Implementing Regulations of the Companies Law.

The first entitlement of the Offer Shares to the dividends announced by the Company shall be from the date of this Prospectus and for subsequent financial years.

Shareholders shall be entitled to their share of the dividends, whether in cash or shares granted in accordance with the General Assembly resolution issued in this regard, which shall indicate the maturity date and the distribution date. Shareholders registered in the shareholders' registers at the end of the day on the specified maturity date shall be entitled to dividends.

The Company did not declare or distribute any dividends for the financial years ended 31 December 2021G, 2022G and 2023G and the nine-month period ended 30 September 2024G. However, the Group Companies did distribute dividends, whereas the distributed dividends to the transfer of ownership of the companies to the Company on 27 June 2024G were distributed to the ultimate beneficiary Amanat Holding, and the dividends distributed after the aforementioned date were made to the Company, as shown in the following table:

Table (7.1): Dividends Declared and Distributed by the Subsidiaries for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Period Ended 31 March 2025G

Group Company	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
	SAR million			
MDX Associates	32.4	30.3	58.6	-
HDC	-	-	-	-
Total dividends distributed from subsidiaries	32.4	30.3	58.6	-
Distributions from Investment in associates (NEMA Holding Company)	15.9	8.8	8.8	-
Total dividends distributed from subsidiaries and associates	48.3	39.2	67.5	-
Dividends announced but not distributed from HDC	-	-	24.0	-



Group Company	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G	As at 31 March 2025G
	SAR million			
Dividends announced but not distributed from investment in associates (NEMA Holding Company)*	-	8.8	8.8	-
Total dividends distributed and not distributed from subsidiaries and associates	48.3	48.0	100.3	-

* The dividends announced as at 31 December 2023G and 2024G, related to the Group's share in NEMA Holding Company were announced but distributed after the periods mentioned. Therefore, they were not included in the consolidated financial statements for these periods.

Source: The Group's audited special purpose consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G, the six months ended 30 June 2024G, the audited consolidated financial statements for the financial year ended 31 December 2024G and the interim unaudited condensed consolidated financial statements for the period ended 31 March 2025G.

The Company did not declare or distribute any dividends for the financial years ended 31 December 2022G, 2023G and 2024G and the three-month period ended 31 March 2025G.



Use of Offering Proceeds

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8. Use of Offering Proceeds

The total Offering Proceeds are estimated at approximately SAR Five hundred ninety-nine million, forty-seven thousand, eight hundred (599,047,800), of which approximately thirty-eight million Saudi riyals (SAR 38,000,000) will be used to settle all of the Offering expenses, which include the fees of the Saudi Exchange (Tadawul), the Securities Depository Center Company (Edaa), and other costs related to listing the shares, as well as the fees of the Financial Advisor, Lead Manager, Underwriter, Legal Advisors, Accountants, Market Consultant, and other Advisors, as well as translation, marketing, printing, distribution and other fees and expenses related to the Offering.

The Net Offering Proceeds, estimated at approximately SAR Five hundred sixty-one million, forty-seven thousand, eight hundred (561,047,800), will be paid to the Selling Shareholder, and the Company will not receive any portion of the Net Offering Proceeds. The Selling Shareholder will bear all fees, expenses, and costs associated with the Offering.

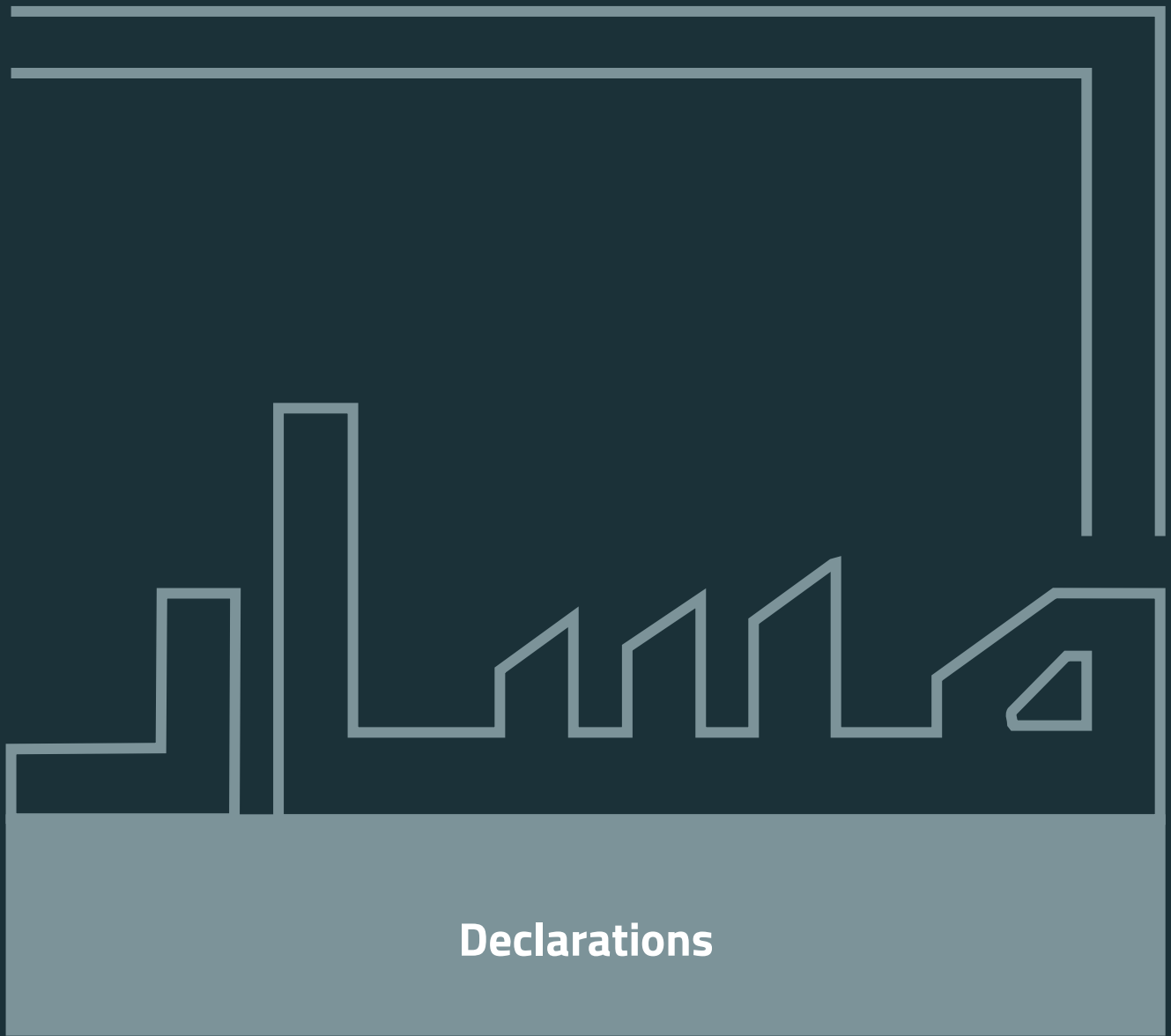
Expert Statements

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9. Expert Statements

All of the Advisors and the Auditor, whose names are listed on pages (vi) to (vii) of this Prospectus, have given and, as at the date of this Prospectus, have not withdrawn, their written consent to the publication of their names, logos, statements or reports in the form and wording they appear in this Prospectus. None of the Advisors or their employees within the team providing services to the Group or their relatives own any shares in the Company or have any interest whatsoever in the Company as at the date of this Prospectus which may affect their independence.



Declarations

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10. Declarations

The Directors declare that:

1. There has been no interruption in the business of the Issuer or any of its Subsidiaries which may have or has had a significant effect on the Issuer's financial position during the last 12 months.
2. No commissions, discounts, brokerage fees or other non-cash compensation have been granted in the three years immediately preceding the filing of the application for the registration and offer of securities that are subject to this Prospectus, in connection with the issuance or offer of any securities by the Issuer or any of its Subsidiaries.
3. There has been no material adverse change in the financial or trading condition of the Issuer or any of its Subsidiaries in the three financial years immediately preceding the filing of the application for the registration and offer of securities subject to this Prospectus and the period covered in the Auditor's report, up to the date of this Prospectus.
4. Other than as disclosed in Section 5 ("**Ownership and Organizational Structure**") of this Prospectus, none of the Directors or any of their relatives have any shareholding or interest of any kind in the Issuer or any of its Subsidiaries.
5. The Issuer, individually or jointly with its Subsidiaries, has working capital sufficient for a period of at least 12 months immediately following the date of publication of the Prospectus.
6. Other than as disclosed in Section 5.9 ("**Conflicts of Interest**") of this Prospectus, none of the Directors, either individually or collectively, have participated in any activity similar to or competitive with that of the Issuer or its Subsidiaries. The Directors undertake to comply with this regulatory requirement in the future, in accordance with the Companies Law and Chapter 6 of Part 3 of the CGRs.
7. None of the Directors, Senior Executives or Board Secretary have ever been declared bankrupt, been subject to bankruptcy proceedings, or been subject to any insolvency.
8. No insolvency has been declared during the previous five (5) years, nor has there been any insolvency involving a company in which any of the Directors, proposed directors, Senior Executives or Board Secretary were appointed to an administrative or supervisory position.
9. Other than as disclosed in Section 5.9 ("**Conflicts of Interest**") of this Prospectus, none of the Directors, Senior Executives, Board Secretary or any of their relatives or affiliates have any interest in any current contracts or arrangements, whether written or oral, or contracts or arrangements contemplated or expected to be concluded with the Issuer or its Subsidiaries as of the date of this Prospectus.
10. The Directors will refrain from participating in voting on resolutions related to business and contracts in which they have a direct or indirect interest.
11. Other than as disclosed in Section 4 ("**Company Section**") of this Prospectus, there is no intention to materially change the nature of the activity of the Issuer or its Subsidiaries.
12. The Issuer has no employee share schemes that allow employees to hold shares in the Issuer's share capital, and no other similar arrangements exist as at the date of this Prospectus.
13. The Issuer does not have any securities (contractual or otherwise) or any assets that are subject to fluctuation which would adversely and materially affect its financial position.
14. Other than as disclosed in Section 2 ("**Risk Factors**") and Section 4 ("**Company Section**"), the Issuer is not aware of any information regarding any governmental, economic, financial, monetary or political policies or any other factors that have or may have a direct or indirect material impact on its business or the business of its Subsidiaries.
15. Other than as disclosed in Section 2 ("**Risk Factors**") of this Prospectus, the Issuer is not aware of any seasonal factors or economic cycles related to the business that may have an impact on the business of the Issuer or its Subsidiaries or their financial position.
16. All contracts and agreements that the Issuer believes to be significant or material or which may affect investors' decisions to invest in the Offer Shares have been disclosed, and there are no other material agreements that have not been disclosed.



17. As at the date of this Prospectus, there are no material transactions or agreements with Related Parties that have a material impact on the Issuer's business. The Issuer confirms that it shall comply with all laws and regulations that govern transactions with Related Parties and that it shall obtain all of the required approvals with respect to any agreements and transactions entered into after the date of this Prospectus. The Issuer has developed procedures, controls and systems to enable the Group to meet the requirements of the relevant laws, regulations and directives, including the Companies Law, the Capital Market Law and its Implementing Regulations, the OSCOs and the Listing Rules.
18. As at the date of this Prospectus, the individuals whose names are listed in Section 5.1 ("**Share Capital and Ownership Structure of the Company**") are the legal and beneficial owners of the Issuer's shares.
19. The increase in the Issuer's share capital is in compliance with the applicable laws and regulations of the KSA.
20. Except as disclosed in Section 2.2.1 ("**Risks Related to the Licenses and Permits Under Which the Group Operates**"), to the best of their knowledge and belief, there are no other material risks that could affect the decisions of prospective investors to invest in the Offer Shares.
21. Except as disclosed in Section 2.2.1 ("**Risks Related to the Licenses and Permits Under Which the Group Operates**") and Section 11.5 ("**Government Approvals, Licenses and Certificates**"), the Issuer and its Subsidiaries hold all of the licenses and permits necessary to conduct their business.
22. None of the Issuer's shares are under option.
23. The Issuer is able to prepare the required reports in a timely manner in accordance with the implementing regulations issued by the CMA.
24. Except as disclosed in Section 2.1.19 ("**Risks Related to Financing**"), as at the date of this Prospectus, there are no material breaches of the terms and conditions of any agreements with lenders with respect to all loans, facilities and financing, and the Issuer is in compliance with all such terms and conditions.
25. Except as disclosed in Section 11.8 ("**Credit Facilities and Loans**"), neither the Issuer nor its Subsidiaries have issued any debt instruments or obtained any term loans, loans or other indebtedness as of the date of this Prospectus.
26. Except as disclosed in Section 5.9.2 ("**Interests of the Directors, Senior Executives and Board Secretary in the Shares and Debt Instruments of the Company and its Subsidiaries**"), none of the Directors or any of their relatives have any direct or indirect interest in the shares or debt instruments of the Issuer and its Subsidiaries or any interest in any other matter that could affect the business of the Issuer.
27. Except as disclosed in Section 11.8 ("**Credit Facilities and Loans**") and Section 2.1.19 ("**Risks Related to Financing**"), there are no mortgages, rights and encumbrances on the property of the Issuer or its Subsidiaries as at the date of this Prospectus.
28. The statistical information included in Section 3 ("**Market Overview**") that was obtained from external sources represents the latest information available from the relevant source.
29. Except as disclosed in Section 2 ("**Risk Factors**") and Section 11.10 ("**Insurance**"), the Group's insurance policies sufficiently cover the Issuer's and its Subsidiaries' performance of their business. The Group periodically renews its insurance policies and contracts to ensure continued insurance coverage.
30. All terms and conditions that may affect investors' decisions to invest in the Offer Shares have been disclosed.
31. Except as disclosed in Section 11.12 ("**Claims and Litigation**"), the Issuer and its Subsidiaries are not subject to any existing disputes, claims, lawsuits or investigation proceedings that may individually or collectively have a material effect on the business of the Issuer or its Subsidiaries or their financial position.
32. As at the date of this Prospectus, neither the Issuer nor its Subsidiaries have had a research and development policy for new products or production methods for the previous three financial years, nor does the Issuer produce any products.
33. Except as disclosed in Section 2.1.19 ("**Risks Related to Financing**"), the Issuer is in compliance with all the terms and conditions of the agreements entered into with the entities granting all loans, facilities and financing.
34. All material legal information related to the Issuer has been disclosed in the Prospectus.
35. This Prospectus contains all the information required to be included in accordance with the OSCOs, and no facts that may affect the application for the registration and offer of securities have been omitted from this Prospectus. Furthermore, the Directors bear full responsibility, individually and jointly, for the accuracy of the information contained in this Prospectus.
36. All of the Issuer's non-Saudi employees are under its sponsorship.



37. The third party information and data included in this Prospectus, including the information derived from the market study report prepared by the Market Consultant, is reliable and there is no reason for the Issuer to believe that such information is materially inaccurate.
38. They have submitted and will submit to the CMA all required documents pursuant to the Capital Market Law and the OSCOs.
39. The Issuer has prepared appropriate internal control systems, including a written policy to regulate conflicts of interest and address any possible conflicts of interest, including misuse of the Issuer's assets and abuse resulting from transactions with Related Parties. In addition, the Issuer has verified the integrity of its financial and operational systems and the application of appropriate risk management controls as required by Chapter 5 of the CGRs. The Directors also review the Issuer's internal control procedures on an annual basis.
40. The Issuer has developed procedures, controls and systems to enable it to meet the requirements of the relevant laws, regulations and directives, including the Companies Law, the Capital Market Law and its Implementing Regulations, the OSCOs and the Listing Rules.
41. The internal control, accounting, and information technology systems are adequate and appropriate.
42. None of the Directors may have a direct or indirect interest in any transactions or contracts entered into on behalf of the Issuer except with the approval of the General Assembly.
43. None of the Directors or the CEO shall have the right to vote on any contract or proposal in which they have an interest.
44. The Directors shall notify the Board of Directors of any direct or indirect personal interest they have in the transactions and contracts entered into by the Issuer, and such notification shall be recorded in the minutes of the Board of Directors meeting.
45. All transactions with Related Parties shall be entered into on an arm's length basis, and all business and contracts with Related Parties shall be voted on in Board meetings and, if required by law, the Issuer's General Assembly. Directors may not vote on any decision related to the business and contracts of the Issuer in which they hold a direct or indirect interest, whether at the level of the Board of Directors or the General Assembly, in accordance with Articles 27 and 71 of the Companies Law and Chapter 6 of Part 3 of the CGRs.
46. None of the Directors or Senior Executives may obtain a loan from the Issuer or its Subsidiaries, and the Issuer shall not guarantee any loan entered into by any of the Directors.
47. All necessary approvals have been obtained to list the Issuer's shares on the Exchange and to convert the Issuer into a listed joint-stock company.
48. Except as disclosed in this Prospectus, there has been no material change in the nature of the Issuer's business that could individually or in aggregate have a material effect on the Issuer's business or the business of its Subsidiaries or their financial position, results of operations or prospects. Except as disclosed in this Prospectus, the Issuer does not intend, as at the date hereof, to make any material changes.
49. The Offering does not breach any contracts or agreements to which the Issuer is a party.
50. The Offering is in compliance with all applicable laws and regulations in the Kingdom.
51. None of the Issuer's Directors are subject to any lawsuits or legal proceedings that could, individually or in aggregate, have a material adverse effect on the Issuer's business or the business of its Subsidiaries or their financial position.
52. The Directors declare that, to the best of their knowledge and belief, there are no other material risks as at the date hereof, other than those disclosed in Section 2 ("**Risk Factors**"), the non-disclosure of which could affect an investor's decision to invest in the Offer Shares.
53. The Issuer's balance and cash flows are sufficient to cover its expected working capital requirements and capex for at least twelve (12) months following the date of this Prospectus.
54. The Issuer shall comply with the mandatory governance requirements applicable to joint-stock companies in the KSA.
55. The Directors undertake to:
 - a) Record all Board resolutions and deliberations in the form of written meeting minutes signed thereby.
 - b) Disclose the details of any Related Party transactions in accordance with the requirements of the Companies Law and the CGRs.
 - c) Comply with the provisions of Articles 27 and 71 of the Companies Law and Chapter 6 of Part 3 of the CGRs.



The Company undertakes to submit the latest annual/interim financial statements (as applicable), to be attached within the draft prospectus prior to commencing the share offering process, or within the final prospectus, or to be announced prior to the listing of the Company's shares (as applicable), in a manner consistent with the periods stipulated in the relevant continuing obligations for listed companies.



Legal Information

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11. Legal Information

11.1 Declarations Related to Legal Information

The Directors declare that:

- The issuance does not constitute a breach of the relevant laws and regulations in the KSA.
- The issuance does not constitute a breach of any contract or agreement to which the Issuer is a party.
- All material legal information related to the Issuer has been disclosed in the Prospectus.
- Other than as disclosed in Section 11.12 (“**Claims and Litigation**”) of this Prospectus, the Issuer and its Subsidiaries are not subject to any claims or legal proceedings that could individually or collectively have a material effect on the business of the Issuer or its Subsidiaries or their financial position.
- The Directors are not subject to any claims or legal proceedings that could individually or collectively have a material effect on the business of the Issuer or its Subsidiaries or their financial position.

11.2 The Company

Almasar Alshamil Education Company is a single shareholder closed joint stock company, registered in the KSA under Commercial Register No. 1010831769, dated 10/03/1444H (corresponding to 06/10/2022G) and its registered address is 6897 King Fahd Road, Al Olaya 3388, Riyadh, Kingdom of Saudi Arabia.

The Company was initially established as a limited liability company with a share capital of ten thousand Saudi riyals (SAR 10,000), divided into one thousand (1,000) fully paid shares with an equal value of ten Saudi riyals (SAR 10) per share. As at the date of this Prospectus, the Company’s share capital is one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) shares. Please refer to Section 4.3.2 (“**History, Incorporation and Evolution of Share Capital**”) and Section 11.4 (“**Subsidiaries**”) of this Prospectus for further details on the Group’s structure and the incorporation dates of the Material Subsidiaries.

In June 2024G, Amanat Holdings underwent a restructuring process. This involved the transfer of ownership of certain Group Companies through the complete transfer of shares in both AHE Alpha Limited and AH Alpha Investments Holdings 3 LTD (as detailed in Section 11.4 (“**Subsidiaries**”) of this Prospectus) from Amanat Holdings (the ultimate shareholder of the Company) to the Company. As a result of this transfer, the Company now directly and indirectly owns all Group Subsidiaries, totaling 17 Subsidiaries (10 of which belong to the NEMA Group). The value of these Subsidiaries has been recorded in the Company’s financial statements as additional shareholder contributions based on the book value of such Subsidiaries. For further details on the restructuring process, please refer to Section 4.3.2 (“**History, Incorporation and Evolution of Share Capital**”) of this Prospectus.

Prior to the Company’s incorporation, the Group’s registered head office was located in the UAE under Amanat Holdings (a company listed on the Dubai Financial Market, the former parent company of the Subsidiaries and the ultimate shareholder of the Company). This was part of a broader group of companies operating in various sectors, including education and healthcare. On 07/11/1445H (corresponding to 15/05/2024G), the Board of Directors of Amanat Holdings resolved to separate the group of companies operating in the education sector and restructure them to be owned by the Company, in preparation for the Company’s initial public offering and listing on the Exchange. The Group began the process of relocating the Company’s headquarters to the KSA in 2024G. As a result of the Group’s relocation, ownership of all Group Companies related to the education sector was transferred from Amanat Holdings to the Company through the completion of a Group restructuring. For further details, please refer to Section 4.3.2 (“**History, Incorporation and Evolution of Share Capital**”) of this Prospectus. Following the Group’s restructuring, the Group’s head office was established in the KSA, but it continues to operate in both the KSA and the UAE.

The Group provides its services in the special needs education, care and rehabilitation sector through care centers, special schools and psychotherapy centers in the KSA. Additionally, it offers its services in the higher education sector through a number of private universities in the UAE.



11.3 Shareholding Structure

Amanat Special Education and Care Holdings Ltd has held the Company's entire share capital since its incorporation until the date of this Prospectus.

The following table illustrates the ownership structure of the Company's shareholders Pre-Offering and Post-Offering:

Table (11.1): Ownership Structure of the Company's Shareholders Pre-Offering and Post-Offering

Shareholder Name	Pre-Offering			Post-Offering		
	No. of Shares	Nominal Value Per Share (SAR)	Direct Ownership (%)	No. of Shares	Nominal Value Per Share (SAR)	Direct Ownership (%)
Amanat Special Education and Care Holdings Ltd	102,401,332	10	100%	71,680,932	10	70%
Public	-	-	0%	30,720,400	10	30%
Total	102,401,332	-	100%	102,401,332	-	100%

Source: The Company

11.4 Subsidiaries

The Company directly and indirectly owns 17 Subsidiaries, including 5 Material Subsidiaries and 12 non-Material Subsidiaries, operating in each of the KSA and the UAE.

A subsidiary is considered material if its assets, annual revenue or annual net income represent 5% or more of the Group's assets, revenue and net income as at 31/12/2024G, or if the Company deems it important to disclose such a subsidiary to investors as it may influence their investment decisions. The following companies are considered Material Subsidiaries:

1. HDC.
2. HRC.
3. MDX Associates.
4. NEMA Holding Company.
5. NEMA Education.

The following table presents all Subsidiaries of the Group, as well as other companies in which the Company holds shares, both directly and indirectly, as at the date of this Prospectus:

Table (11.2): Ownership Structure of Subsidiaries:

#	Subsidiary Name	Country of Incorporation	Year of Incorporation (G)	Company's Direct Ownership Therein (%)	Company's Indirect Ownership Therein (%)
1	HDC	KSA	2007G	60%	-
2	HRC	KSA	2011G	-	60%
3	HDC Investment LTD	UAE	2024G	-	60%
4	AHE Alpha Limited	UAE	2015G	100%	-
5	MDX Associates	UAE	2004G	-	100%
6	AH Alpha Investments Holdings 3 LTD	UAE	2018G	100%	-
7	AH Alpha Investments Holdings 1 LTD	UAE	2017G	-	100%
8	NEMA Holding Company	UAE	2008G	-	35%
9	NEMA Education	UAE	2013G	-	35%



#	Subsidiary Name	Country of Incorporation	Year of Incorporation (G)	Company's Direct Ownership Therein (%)	Company's Indirect Ownership Therein (%)
10	Arclight Services	UAE	2013G	-	35%
11	Arclight Development Services	UAE	2005G	-	35%
12	Khawarizmi Training Solutions	UAE	2011G	-	35%
13	Knowledge Group*	UAE	2006G	-	35%
14	Abu Dhabi University	UAE	2012G	-	35%
15	Liwa University	UAE	2009G	-	35%
16	Continuing Education Center at Emirates College of Technology	UAE	2016G	-	35%
17	EduZ Company	UAE	2022G	-	35%

* On 05/01/1447H (corresponding to 30 June 2025G), Knowledge Group LLC acquired 51% of the share capital of Biz Group LLC, a company established in 2021G that operates in the professional training and development sector, and conducts its business in the UAE, the KSA, and Qatar. Biz Group LLC is not considered a subsidiary of the Company as at the date of this Prospectus, as the Company does not have control over it. Knowledge Group LLC has committed to purchase the remaining share capital within 24 months. Biz Group also directly and indirectly owns the entire share capital of six other companies, all of which operate in the professional training and development sector.

Source: The Company

It should be noted that the Company's ownership in NEMA Group, which includes NEMA Holding Company and its 10 subsidiaries, is currently held through a trust structure. The Group owns 35% of NEMA Holding Company through this trust structure, which is summarized as follows:

All beneficial ownership, economic interest and control arising from the ownership interest in NEMA Group are vested in the Group pursuant to the trust deed dated March 2018G, entered into between AH Alpha Investments Holdings 2 LTD ("AH2") and AH Alpha Investments Holdings 3 LTD ("AH3"), and a number of trustees who are parties to the trust deed as holders of all shares of AH2, which owns 35% of the share capital of NEMA Holding Company.

Following are the key details of the trust deed:

1. AH2 owns 100% of the share capital of AH Alpha Investments Holdings 1 LTD ("AH1") (the "**Trust Shares**"), which in turn owns 35% of the share capital of NEMA Holding Company;
2. AH2 (the "**Trustee**") is the Trustee and holds the Trust Shares for the benefit of AH3, the sole beneficiary and effective owner of the Trust Shares (the "**Beneficiary**"), which is a wholly-owned subsidiary of the Group;
3. the trustee acknowledges in the Trust Deed that (a) it holds the Trust Shares in trust; (b) it shall hold and keep all Trust Shares and any distributions, payments or remittances from AH1, as well as any assets or property of any kind, which the Trustee receives for the benefit of the Beneficiary; and (c) it shall exercise its voting rights granted under the Trust Deed in accordance with the terms of the Trust Deed;
4. under the provisions of the Trust Deed, the Trustee is obligated to: (a) vote on any proposed resolution at shareholder meetings of AH1 solely in accordance with the Beneficiary's instructions; (b) receive cash distributions or revenue derived from the Trust Shares (or from any other investment under the Trust Fund) and promptly disburse such distributions or returns to the Beneficiary; and (c) nominate any member or manager to the management of AH1 solely in accordance with the Beneficiary's instructions; and
5. the Beneficiary shall have the right to appoint and remove any Trustee and to appoint any new trustees.

NEMA Holding Company has been classified as a subsidiary of the Company, in accordance with the CMA's definition of a subsidiary, given the Company's ownership of 35% of the voting rights in NEMA Holding Company. However, from an accounting perspective, NEMA Holding Company is classified as an investment in an associate. For further details, please refer to Section 6 ("**Management Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus.

For further details on the Subsidiaries and their ownership, please refer to Section 4.3 ("**Group Structure**") of this Prospectus.



11.5 Government Approvals, Licenses and Certificates

The Company and its Subsidiaries have obtained several regulatory and operational licenses and certificates from the competent authorities. Licenses and certificates that require renewal or updating are periodically renewed in a timely manner. The Directors declare that the Company and its Subsidiaries have obtained all necessary licenses and approvals to conduct their business. The Company currently operates as a holding company and does not conduct any business operations directly. Consequently, it does not hold any regulatory licenses or certifications, other than its commercial registration certificate and the investment registration certificate issued by MISA.

Details of the commercial registration certificates of the Company and its Material Subsidiaries along with a summary of the key licenses and approvals are provided below:

Table (11.3): Details of the Commercial Registration Certificates of the Company and its Material Subsidiaries

The Company	Type of Legal Entity	Location	License Number	Issuance Date	Expiration Date	Issuer
Almasar Alshamil Education Company	Single shareholder closed joint stock company	Riyadh, KSA	1010831769	10/03/1444H (corresponding to 06/10/2022G)	-	MOC, KSA
HDC	Limited liability company	Riyadh, KSA	1010236872	20/04/1436H (corresponding to 09/02/2015G)	21/05/1447H (corresponding to 12/11/2025G)	MOC, KSA
HRC	Limited liability company	Riyadh, KSA	1010307618	21/05/1432H (corresponding to 25/04/2011G)	21/05/1447H (corresponding to 12/11/2025G)	MOC, KSA
MDX Associates	Limited liability company	Dubai Knowledge Park, Dubai, UAE	18188	07/02/1447H (corresponding to 01/08/2025G)	17/02/1448H (corresponding to 31/07/2026G)	Dubai Development Authority
NEMA Holding Company	Limited liability company	Abu Dhabi, UAE	CN-1150181	14/12/1446H (corresponding to 10/06/2025G)	01/02/1448H (corresponding to 15/07/2026G)	Abu Dhabi Department of Economic Development
NEMA Education	Limited liability company	Abu Dhabi, UAE	CN-1703938	26/04/1446H (corresponding to 29/10/2024G)	22/05/1447H (corresponding to 13/11/2025G)	Abu Dhabi Department of Economic Development

Source: The Company

Table (11.4): Details of Key Licenses, Approvals and Commercial Registration Certificates of the Company and its Material Subsidiaries

Type of License	Purpose	License Number	Issuance Date	Expiration Date	Issuer
The Company					
Commercial register	Company's registration in the Commercial Register	1010831769	10/03/1444H (corresponding to 06/10/2022G)	-	MOC, KSA
Investment registration certificate	Mandatory license from MISA	102114402166741	04/02/1444H (corresponding to 01/09/2022G)	29/01/1448H (corresponding to 14/07/2026G)	MISA, KSA
Saudization certificate	Verification of the Company's compliance with Saudization requirements	101225-17928561	02/05/1446H (corresponding to 04/11/2024G)	27/03/1447H (corresponding to 19/09/2025G)	MHRSD
Social insurance certificate	Company's compliance with GOSI requirements	97528951	23/12/1446H (corresponding to 19/06/2025G)	23/01/1447H (corresponding to 18/07/2025G)	GOSI
VAT registration certificate	Company's compliance with VAT registration requirements	311445755700003	04/05/1444H (corresponding to 28/11/2022G)	N/A	ZATCA
Zakat certificate	Certificate of submission of the Company's declaration	1026274722	03/11/1446H (corresponding to 01/05/2025G)	13/11/1447H (corresponding to 30/04/2026G)	ZATCA



Type of License	Purpose	License Number	Issuance Date	Expiration Date	Issuer
HDC					
Commercial register	Company's registration in the Commercial Register	1010236872	29/07/1428H (corresponding to 12/08/2007G)	21/05/1447H (corresponding to 12/11/2025G)	MOC, KSA
Service investment license	Mandatory license from MISA	102174403172979	24/03/1444H (corresponding to 20/10/2022G)	20/03/1447H (corresponding to 12/09/2025G)	MISA, KSA
Saudization certificate	Verification of the company's compliance with Saudization requirements	176607-19117373	21/02/1445H (corresponding to 06/09/2023G)	10/02/1447H (corresponding to 04/08/2025G)	MHRSD
Social insurance certificate	Company's compliance with GOSI requirements	502048775	08/11/1446H (corresponding to 06/05/2025G)	08/12/1446H (corresponding to 04/06/2025G)	GOSI
VAT registration certificate	Company's compliance with VAT registration requirements	31013461700003	22/01/1446H (corresponding to 06/12/2017G)	N/A	ZATCA
Zakat certificate	Certificate of submission of the company's declaration	1026384295	18/01/1447H (corresponding to 13/07/2025G)	13/11/1447H (corresponding to 30/04/2026G)	ZATCA
Obour Daycare Center, Abha (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services only	1856	04/06/1444H (corresponding to 28/12/2022G)	03/06/1449H (corresponding to 02/11/2027G)	MHRSD
Obour Daycare Center, Jubail (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services only	2005	09/01/ 1445H (corresponding to 27/07/2023G)	08/01/1450H (corresponding to 01/06/2028G)	MHRSD
Obour Daycare Center, Al Jawf (a branch of HDC)					
License for a non-governmental disability rehabilitation center	Provision of daycare services	230101032721	01/01/1445H (corresponding to 19/07/2023G)	28/12/1449H (corresponding to 23/05/2028G)	MHRSD
Obour Daycare Center, Al Khobar (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	224	19/06/1445H (corresponding to 01/01/2024G)	19/04/1450H (corresponding to 09/09/2028G)	MHRSD
Obour Daycare Center, Dammam (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	266	09/02/1444H (corresponding to 05/09/2022G)	08/02/1449H (corresponding to 12/07/2027G)	MHRSD
Obour Daycare Center, Ar Rass (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	384	27/06/1442H (corresponding to 09/02/2021G)	26/06/1447H (corresponding to 17/12/2025G)	MHRSD
Human Development Center, Al-Rawdah (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	190101010149	26/10/1445H (corresponding to 05/05/2024G)	24/10/1450H (corresponding to 09/03/2029G)	MHRSD
Obour Daycare Center, Taif (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	276	29/01/1443H (corresponding to 06/09/2021G)	28/01/1448H (corresponding to 13/07/2026G)	MHRSD
Obour Daycare Center, Al Aziziah (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	190101010212	11/01/1446H (corresponding to 17/07/2024G)	08/01/1451H (corresponding to 21/05/2029G)	MHRSD



Type of License	Purpose	License Number	Issuance Date	Expiration Date	Issuer
Obour Daycare Center, Al Mujamma (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	310	28/05/1443H (corresponding to 01/01/2022G)	27/05/1448H (corresponding to 07/11/2026G)	MHRSD
Obour Daycare Center, Medina (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	230101012164	18/10/1444H (corresponding to 08/05/2023G)	16/10/1449H (corresponding to 12/03/2028G)	MHRSD
Obour Daycare Center, Al Maizalah (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	200101010378	08/07/1446H (corresponding to 08/01/2025G)	06/07/1451H (corresponding to 12/11/2029G)	MHRSD
Obour Daycare Center, Al Malqa (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	2857	22/12/1444H (corresponding to 10/07/2023G)	19/12/1449H (corresponding to 14/05/2028G)	MHRSD
Obour Daycare Center, Al-Na'ariyah (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	298	27/04/1443H (corresponding to 02/12/2021G)	26/04/1448H (corresponding to 07/10/2026G)	MHRSD
Obour Daycare Center, Bisha (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	170101010323	29/10/1443H (corresponding to 30/05/2022G)	28/10/1448H (corresponding to 05/04/2027G)	MHRSD
Obour Daycare Center, Al Narjis (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	240101014233	05/01/1446H (corresponding to 11/07/2024G)	02/01/1451H (corresponding to 15/05/2029G)	MHRSD
Obour Daycare Center, Jazan (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	200101010214	07/11/1445H (corresponding to 15/05/2024G)	05/11/1450H (corresponding to 20/03/2029G)	MHRSD
Obour Daycare Center, Hafar al-Batin (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	446	15/05/1443H (corresponding to 19/12/2021G)	14/05/1448H (corresponding to 25/10/2026G)	MHRSD
Obour Daycare Center, Al Rimal (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	240101015048	28/12/1445H (corresponding to 04/07/2024G)	14/05/1448H (corresponding to 25/10/2026G)	MHRSD
Obour Daycare Center, Al-Na'ariyah (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	422	14/01/1444H (corresponding to 12/08/2022G)	13/01/1449H (corresponding to 18/06/2027G)	MHRSD
Obour Daycare Center, Jazan (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	230101012833	04/12/1444H (corresponding to 22/06/2023G)	01/12/1449H (corresponding to 26/04/2028G)	MHRSD
Obour Daycare Center, Abha (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	220101011852	10/06/1444H (corresponding to 03/01/2023G)	09/06/1449H (corresponding to 08/11/2027G)	MHRSD
Obour Youth Daycare Center, Al-Ahsa (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	485	04/01/1444H (corresponding to 02/08/2022G)	03/01/1449H (corresponding to 08/06/2027G)	MHRSD



Type of License	Purpose	License Number	Issuance Date	Expiration Date	Issuer
Obour Youth Daycare Center, Al Mujamma (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	220101010491	08/02/1444H (corresponding to 04/09/2022G)	07/02/1449H (corresponding to 11/07/2027G)	MHRSD
Obour Daycare Center, Mahayel Aseer (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	230101012207	01/12/1444H (corresponding to 19/06/2023G)	28/11/1449H (corresponding to 23/04/2028G)	MHRSD
Obour Daycare Center, Al Narjis (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	461	29/11/1443H (corresponding to 28/06/2022G)	28/11/1448H (corresponding to 05/05/2027G)	MHRSD
Obour Daycare Center, Dhahrat Laban (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	371	13/05/1445H (corresponding to 27/11/2023G)	12/05/1450H (corresponding to 01/10/2028G)	MHRSD
Obour Daycare Center, Mahayel Aseer (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	311	28/05/1443H (corresponding to 01/01/2022G)	27/05/1448H (corresponding to 07/11/2026G)	MHRSD
Obour Daycare Center, Alawali (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	325	10/11/1445H (corresponding to 18/05/2024G)	09/11/1450H (corresponding to 24/03/2029G)	MHRSD
Obour Daycare Center, Wadi al-Dawasir (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	290	21/01/1443H (corresponding to 29/08/2021G)	20/01/1448H (corresponding to 05/07/2026G)	MHRSD
Obour Daycare Center, Al Uraiija (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	240101015314	15/02/1446H (corresponding to 19/08/2024G)	11/02/1451H (corresponding to 23/06/2029G)	MHRSD
HDC, Al Uraiija (a branch of HDC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	240101015498	06/06/1446H (corresponding to 07/12/2024G)	11/02/1451H (corresponding to 23/06/2029G)	MHRSD
HRC					
Commercial register	Company's registration in the Commercial Register	1010307618	21/05/1432H (corresponding to 25/04/2011G)	21/05/1447H (corresponding to 12/11/2025G)	MOC, KSA
Investment registration certificate	Mandatory license from MISA	24925223262	06/09/1446H (corresponding to 06/03/2025G)	17/09/1447H (corresponding to 06/06/2026G)	MISA, KSA
Saudization certificate	Verification of the company's compliance with Saudization requirements	198920-99756510	01/11/1445H (corresponding to 09/05/2024G)	10/02/1447H (corresponding to 04/08/2025G)	MHRSD
Social insurance certificate	Company's compliance with GOSI requirements	90962717	08/11/1446H (corresponding to 06/05/2025G)	08/12/1446H (corresponding to 04/06/2025G)	GOSI
VAT registration certificate	Company's compliance with VAT registration requirements	300733883900003	22/02/1439H (corresponding to 11/11/2017G)	N/A	ZATCA
Zakat certificate ⁽¹⁶⁶⁾	Certificate of submission of the company's declaration	1022347579	16/12/1445H (corresponding to 22/06/2024G)	02/11/1446H (corresponding to 30/04/2025G)	ZATCA

¹⁶⁶ **Note:** As at the date of this Prospectus, HRC is in the process of obtaining a Zakat certificate indicating that it has met the Zakat return requirements for the financial year ended 31/12/2024G.



Type of License	Purpose	License Number	Issuance Date	Expiration Date	Issuer
Human Development Daycare Center, Al-Ahsa (a branch of HRC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services only	190101010216	25/11/1445H (corresponding to 02/06/2024G)	23/11/1450H (corresponding to 07/04/2029G)	MHRSD
HRC Branch, Buraydah					
License for non-governmental disability rehabilitation centers	Provision of daycare services	200101010227	08/07/1446H (corresponding to 08/01/2025G)	06/07/1451H (corresponding to 12/11/2029G)	MHRSD
Human Development Daycare Center, Khamis Mushait (a branch of HRC)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	200101010221	26/07/1446H (corresponding to 26/01/2025G)	24/07/1451H (corresponding to 01/12/2029G)	MHRSD
Fursan Al-Tahadi Daycare Center, address unknown (License Holder: Akram Khalil Al-Ali)					
License for non-governmental disability rehabilitation centers	Provision of daycare services	190101010369	09/01/1446H (corresponding to 15/07/2024G)	26/01/1451H (corresponding to 08/06/2029G)	MHRSD
HRC Branch, Dammam					
License for non-governmental disability rehabilitation centers	Provision of daycare services	240101015230	22/01/1446H (corresponding to 28/07/2024G)	19/01/1451H (corresponding to 01/06/2029G)	MHRSD
Learning Tree International, Riyadh (a branch of HRC)					
Private school license	Obtaining the necessary approvals to engage in kindergarten education activities	52020250	03/01/1444H (corresponding to 01/08/2022G)	24/06/1447H (corresponding to 15/12/2025G)	MOE KSA
Ghadaq Tanmiya School, Qassim (a branch of HRC)					
License for a private special education school	Obtaining the necessary approvals to engage in kindergarten education activities	5213287	22/02/1441H (corresponding to 21/10/2019G)	24/06/1447H (corresponding to 15/12/2025G)	MOE KSA
Baraem Al-Tanmeyah Private School, Jazan (a branch of HRC)					
Private schools license	Obtaining the necessary approvals to engage in kindergarten and primary education activities	5203289	01/03/1441H (corresponding to 29/10/2019G)	24/06/1447H (corresponding to 15/12/2025G)	MOE KSA
MDX Associates⁽¹⁶⁷⁾					
Commercial license	Commercial license for providing educational support services and education management services	18188	07/02/1447H (corresponding to 01/08/2025G)	17/02/1448H (corresponding to 31/07/2026G)	Dubai Development Authority
NEMA Holding Company					
Commercial license	Preparation of educational services for investment, corporate, and administrative entities	CN-1150181	14/12/1446H (corresponding to 10/06/2025G)	01/02/1448H (corresponding to 15/07/2026G)	Department of Economic Development
NEMA Education					
Economic license	Investing in, establishing and managing educational services projects	CN-1703938	26/04/1446H (corresponding to 29/10/2024G)	22/05/1447H (corresponding to 13/11/2025G)	Department of Economic Development

Source: The Company

11.6 Material Agreements

¹⁶⁷ **Note:** It should be noted that Middlesex University Higher Education Corporation (a branch of MDX UK) holds Educational Services Permit No. 807754 for the purposes of the provision of educational services by MDX Dubai, which has been issued to it by KHDA in accordance with the relevant laws and regulations of the UAE, the current term of which expires on 11/10/1447H (corresponding to 30/03/2026G). It also holds an institutional license to operate in the field of higher education through MDX Dubai, which was issued to it by the Ministry of Higher Education and Scientific Research, the current term of which expires on 24/08/1450H (corresponding to 09/01/2029G).



In the ordinary course of its business, the Group enters into a number of contractual arrangements relating to its business, including contracts and agreements with partners in schools for shared services and universities in which it operates, as well as other parties.

This section summarizes the agreements that the Company considers material or significant or that may affect the decision to invest in the Offer Shares. There are no other material agreements in the course of the Group's business that have not been disclosed in Section 11.6 ("Material Agreements"), Section 11.7 ("Summary of Material Agreements with Related Parties") and Section 11.8 ("Credit Facilities and Loans") of this Prospectus. Furthermore, the Group's contracting companies have not breached any of the material terms and conditions stipulated in those agreements. All agreements included in this section are currently in effect unless expressly stated otherwise in the relevant summary. The summary of agreements and contracts referenced below does not include all terms and conditions thereof and should not be considered a substitute for the terms and conditions contained in those agreements. The summary includes only the material terms and conditions related to the Group's business or that could affect an investor's decision to subscribe to the Offer Shares.

11.6.1 Summary of Material Agreements Related to Partnership Agreements between Human Development Company (HDC) or Human Rehabilitation Company (HRC) and Several Schools Regarding the Provision of Educational Services

HDC and HRC have entered into a number of partnership agreements with various schools. These agreements are entered into to enable the Group to provide services related to the establishment and operation of separate classrooms for K-12 boys and girls with special needs who can be integrated into mainstream education at the contracting school. This includes, but is not limited to, students with attention deficit hyperactivity disorder (ADHD) and high-functioning autism.

Following is a summary of the material partnership agreements. The names of the contracting schools and the agreed-upon profit-sharing ratios have not been disclosed, as this information is considered confidential and commercially sensitive. Collectively, HDC and HRC generated total revenues of SAR 11,908,000 and SAR 15,276,000 from these material agreements during 2023G and 2024G, respectively. This represented 3.5% and 3.5% of the Group's total revenue in the KSA for the same periods. During the financial period ended 31 March 2024G, HDC and HRC generated a total revenue of SAR 3,822,000, which represented 2.5% of the Group's total revenue in the KSA for the same period.

Table (11.5): Partnership Agreement between HDC and School No. 1

Agreement Overview	On 20/06/1439H (corresponding to 08/03/2018G), HDC entered into an agreement with School No. 1. Under this agreement, HDC provides services related to the establishment and operation of separate classrooms for K-12 boys and girls with special needs who can be integrated into mainstream education at School No. 1. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: 10 years, commencing from the date of signing the agreement. If the agreement's termination date falls before the end of the academic year, it shall be automatically extended to the end of that academic year. Renewal: The agreement shall be automatically renewed for successive one-year terms commencing upon expiration of the initial ten-year term, unless either party notifies the other party in writing of its intention not to renew at least one month prior to the end of the academic year in which the relevant term is due to expire.
Key Obligations	HDC obligations: - to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and management of the project, including, but not limited to, marketing, organization, procurement, recruitment, and training; - to not exploit the partnership for personal benefit; and - to pay any financial penalties imposed on the partnership project due to HDC's violation of government laws and requirements. School No. 1 obligations: - to empower HDC to manage the project without any hindrance; - to enable HDC to expand the number of classrooms allocated to the project within the school in accordance with demand, subject to the availability of classrooms at School No. 1 and without affecting the existing classrooms therein, and without violating the regulations of MOE KSA; - to undertake all necessary requirements to register the supervision of HDC over the classrooms with MOE KSA; and - to perform all of the necessary procedures for the project before all government authorities, as well as student registration procedures and fee collection procedures.



Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement; – if either party takes any steps or proceedings in relation to the winding up of its business, or becomes insolvent and is subject to any administrative or judicial proceedings; and/or – if the project generates profits of less than SAR 1,000,000 for any single academic year after the second year from the commencement of the project, either party may request the termination of the agreement before the beginning of the following academic year. The party that terminates the agreement shall not be entitled to enroll the same students in the same program for two academic years thereafter.
Value of the Agreement	The payment model for services provided by HDC shall be based on profit and loss sharing between the parties.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.

Table (11.6): Partnership Agreement between HRC and School No. 2

Agreement Overview	On 08/11/1443H (corresponding to 07/06/2022G), HRC entered into an agreement with School No 2. Under this agreement, HRC provides special needs educational services, including consultations, training, assessments, educational services, in-class and out-of-class support, independent classes, evening programs and other services at School No 2. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: Five years, commencing from the date of the signing the agreement and ending at the end of the fifth academic year, which shall conclude on 26/01/1449H (corresponding to 01/07/2027G). Renewal: This agreement shall be automatically renewed for five academic years unless either party notifies the other party in writing of its intention not to renew at least six months prior to the end of the academic year.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and monitoring of the project management and the project supervisor; – to perform recruitment and employment activities; – to provide training for employees and incorporate them in Obour Academy programs; – to study cases, conduct medical, psychological and educational assessments, and make the necessary recommendations; and – to provide full- or part-time specialized staff, the cost of whom is included in the program, such as psychologists, physiotherapists, trainers, speech and occupational therapists, depending on the needs of the students. School No. 2 obligations: – to enable HRC to manage the project without any hindrances; – to provide appropriate classrooms and facilities for the project; – to perform all of the necessary administrative requirements in accordance with MOE KSA requirements; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to share the cost and income financial statements every month with the other party; and – to open a bank account for the project accounts to facilitate monitoring by both parties.
Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement; – if either party takes any steps or proceedings in relation to the winding up of its business, or becomes insolvent and is subject to any administrative or judicial proceedings; – if either party to this agreement fails to comply with the contractual obligations set forth therein, this agreement shall be deemed terminated; – if the ownership of School No. 2 or HRC is transferred to another party and the new party wishes to terminate the partnership, then all rights and obligations must be liquidated, or an alternative mechanism for doing so must be agreed upon; and/or – if the project proves to be economically unviable or the supporting entity delays the disbursement of dues for a period exceeding three months from the due date. The reasons for such shall be discussed by the parties.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.



Table (11.7): Partnership Agreement between HRC and School No. 3

Agreement Overview	On 25/12/1441H (corresponding to 15/08/2020G), HRC (through one of its branches, Human Rehabilitation Company in Riyadh, which holds Commercial Register No. 1010661259), entered into an agreement with School No. 3, whereby HRC provides special needs educational services. These services specifically include consultations, education, training, assessments, educational services, in-class and out-of-class support, independent classrooms, evening programs, and other services (subject to obtaining the necessary licenses).
Agreement Term and Renewal Mechanism	Term: Three years, commencing from the start date of the program and the signing of the agreement. Renewal: Renewal shall be automatic for a period to be determined by mutual agreement between the parties, unless either party notifies the other in writing of its intention not to renew at least two months (sixty days) before the end of the academic year.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project and follow up on all necessary procedures; – to periodically evaluate the program through the Company's technical supervision or by contacting parents/guardians; – to submit job applications as needed by the program to School No. 3; – to train employees according to program needs and the quality of its outputs; – to provide advanced educational technologies that contribute to serving the program and its educational and therapeutic use, the cost of which is calculated within the program; – to provide full- or part-time specialized staff, the cost of whom is included in the program, such as psychologists, physiotherapists, trainers, speech and occupational therapists, depending on the needs of the students; and – to exert the effort and care required to ensure the success of this partnership, achievement of the program's goals and its profitability for both parties. School No. 3 obligations: – to open a dedicated bank account for the program; – to enable HRC to manage the program in a manner that ensures its educational quality and achieves its investment objectives, in compliance with all regulations and laws agreed upon by the parties and those mandated by the relevant government authorities; – to provide appropriate classrooms and facilities for the program as needed and available on the ground without affecting the main investment in School No. 3; – to facilitate the recruitment process and include employees in its staff unless it conflicts with the regulations of government agencies; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to perform all necessary administrative requirements in accordance with MOE KSA requirements; and – to share financial statements every month with HRC.
Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement; – if either party takes any steps or proceedings in relation to the winding up of its business, or becomes insolvent and is subject to any administrative or judicial proceedings; – if HRC commits any violation of labor regulations in the KSA; – if HRC commits any violation of MOE KSA laws and regulations; – if the project generates profits of less than SAR 1,000,000 for two consecutive academic years, either party may request the termination of the agreement before the beginning of the following academic year; – if the project adversely impacts School No. 3, School No. 3 shall have the right to terminate the contract, provided it gives HRC a two-month notice prior to the end of the academic year; and – if the quality of education and performance does not reflect positively on both parties.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	The agreement shall be governed by the laws of the KSA. In the event of any dispute between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts or through arbitration.



Table (11.8): Partnership Agreement between HRC and School No. 4

Agreement Overview	On 21/11/1443H (corresponding to 20/06/2022G), HRC entered into an agreement with School No. 4, whereby HRC shall provide educational services for students with special needs, including counseling, training, assessment, educational services, in-class and out-of-class support, independent classes, evening programs, and other services at the school. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: Five years, starting from the date of the contract. Renewal: This agreement shall be automatically renewed for five (5) Gregorian years unless either party notifies the other party in writing of its intention not to renew at least six (6) months prior to the end of the academic year.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and monitoring of the project management and the project supervisor; – to perform recruitment and employment activities; – to provide training for employees and incorporate them in Obour Academy programs; – to study cases, conduct medical, psychological and educational assessments, and make the necessary recommendations; and – to provide full- or part-time specialized staff, the cost of whom is included in the program, such as psychologists, physiotherapists, trainers, speech or occupational therapists, depending on the needs of the students. School No. 4 obligations: – to enable HRC to manage the project without any hindrances; – to provide appropriate classrooms and facilities for the project; – to perform all of the necessary administrative requirements in accordance with MOE KSA requirements; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to share the cost and income financial statements every month with the other party; and – to open a bank account for the project accounts to facilitate monitoring by both parties.
Termination of the Agreement	The agreement shall terminate in the following cases: – if the parties agree to mutually terminate and rescind this partnership agreement, provided such agreement is in writing and signed by both parties; and/or – if either party takes any steps or proceedings in relation to the winding up of its business or becomes insolvent and is subject to any administrative or judicial proceedings.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.



Table (11.9): Partnership Agreement between HRC and School No. 5

Agreement Overview	On 22/07/1443H (corresponding to 23/02/2022G), HRC entered into an agreement with School No. 5, whereby HRC shall provide special needs educational services, including counseling, training, assessment, educational services, in-class and out-of-class support, independent classes, evening programs, and other services at the school. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: Five years, commencing from the date of the signing the agreement and ending at the end of the fifth academic year, which shall conclude on 26/01/1449H (corresponding to 01/07/2027G). Renewal: This agreement shall be automatically renewed for five academic years unless either party notifies the other party in writing of its intention not to renew at least six months prior to the end of the academic year.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and monitoring of the project management and the project supervisor; – to perform recruitment and employment activities; – to provide training for employees and incorporate them in Obour Academy programs; – to study cases, conduct medical, psychological and educational assessments, and make the necessary recommendations; and – to provide full- or part-time specialized staff, the cost of whom is included in the program, such as psychologists, physiotherapists, trainers, speech and occupational therapists, depending on the needs of the students. School No. 5 obligations: – to enable HRC to manage the project without any hindrances; – to provide appropriate classrooms and facilities for the project; – to perform all of the necessary administrative requirements in accordance with MOE KSA requirements; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to share the cost and income financial statements every month with the other party; and – to open a bank account for the project accounts to facilitate monitoring by both parties.
Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement, provided the agreement is in writing and signed by both parties; – if either party takes any steps or proceedings in relation to the winding up of its business, or becomes insolvent and is subject to any administrative or judicial proceedings; and/or – if either party breaches any of the contractual obligations agreed upon, as evidenced by a formal letter sent by the aggrieved party, and if the breach is not rectified within ninety (90) days from the date of the formal letter sent, the aggrieved party shall have the right to terminate the contract. The breaching party shall be liable for any losses incurred by the other party as a result of the breach and shall pay any damages suffered as a result of the breach. Both parties shall be bound by the consequences of terminating the contract as set forth therein.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.



Table (11.10): Partnership Agreement between HRC and School No. 6

Agreement Overview	On 11/01/1442H (corresponding to 30/08/2020G), HRC (through its branch, Human Rehabilitation Company in Riyadh, which holds Commercial Register No. 1010661259) entered into an agreement with School No. 6, whereby HRC shall provide special needs educational services, including counseling, training, assessment, educational services, in-class and out-of-class support, independent classes, evening programs, and other services at the school. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: One academic year, commencing on the date of execution of this agreement and ending at the end of the academic year, which shall be on 20/11/1442H (corresponding to 30/06/2021G). Renewal: This agreement shall be automatically renewed for additional terms, each of one academic year, unless either party notifies the other party in writing of its intention not to renew at least three (3) months prior to the end of the academic year.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and monitoring of the project management and the project supervisor; – to perform recruitment and placement, with the participation of School No. 6; – to provide training for employees and incorporate them in Obour Academy programs; – to study cases, conduct medical, psychological and educational assessments, and make the necessary recommendations; – to follow-up on the collection of tuition fees with parents/guardians and MOE KSA; – to provide full- or part-time specialized personnel - the costs of whom are included in the program - such as psychologists, physical therapists, trainers, speech therapists and occupational therapists, according to student needs; and – to exert all reasonable efforts to ensure the success of this partnership and its profitability for both parties. School No. 6 obligations: – to enable HRC to manage the project without any hindrances; – to provide appropriate classrooms and facilities for the project; – to perform all of the necessary administrative requirements in accordance with MOE KSA requirements; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to share the cost and income financial statements every month with the other party; and – to open a bank account for the project accounts to facilitate monitoring by both parties.
Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement, provided the agreement is in writing and signed by both parties; – if either party takes any steps or proceedings in relation to the winding up of its business, or becomes insolvent and is subject to any administrative or judicial proceedings; and/or – in the event of the school's sale, this agreement shall be terminated, School No. 6's responsibilities shall cease, and the continuation of HRC's services shall be subject to a separate agreement with the purchaser.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.



Table (11.11): Partnership Agreement between HRC and School No. 7

Agreement Overview	On 02/08/1445H (corresponding to 12/02/2024G), HRC, which holds Commercial Register No. 1010307618, entered into an agreement with School No. 7. Under this agreement, HRC provides a special needs education services program, including counseling, training, assessment, educational services, in-class and out-of-class support, independent classes, evening programs and other related services within the school. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: Five academic years, commencing from the date of this agreement and concluding at the end of the academic year ending on 19/02/1451H (corresponding to 01/07/2029G). Renewal: This agreement shall automatically renew for five academic years unless either party notifies the other in writing of its intention not to renew at least six (6) months prior to the end of the final academic year.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and monitoring of the project management and the project supervisor; – to perform recruitment and employment activities; – to provide training for employees and incorporate them in Obour Academy programs; – to study cases, conduct medical, psychological and educational assessments, and make the necessary recommendations; – to follow-up on the collection of tuition fees with parents/guardians and MOE KSA; – to provide full- or part-time specialized personnel - the costs of whom are included in the program - such as psychologists, physical therapists, trainers, speech therapists and occupational therapists, according to student needs; and – to exert all reasonable efforts to ensure the success of this partnership and its profitability for both parties. School No. 7 obligations: – to enable HRC to manage the project without any hindrances; – to provide appropriate classrooms and facilities for the project; – to perform all of the necessary administrative requirements in accordance with MOE KSA requirements; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to share the cost and income financial statements every month with the other party; and – to open a bank account for the project accounts to facilitate monitoring by both parties.
Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement, provided the agreement is in writing and signed by both parties; and/or – if either party takes any steps or proceedings in relation to the winding up of its business or becomes insolvent and is subject to any administrative or judicial proceedings. – School No. 7 shall have the right to terminate this agreement prior to its expiration by providing HRC with written notice of its intention to withdraw from the partnership at least six (6) months prior to the end of the academic year in which such notice is given.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.



Table (11.12): Partnership Agreement between HRC and School No. 8

Agreement Overview	On 18/03/1446H (corresponding to 21/09/2024G), HRC, which holds Commercial Register No. 1010307618, entered into an agreement with School No. 8. Under this agreement, HRC provides a special needs education services program, including counseling, training, assessment, educational services, in-class and out-of-class support, independent classes, evening programs, and other related services within the school. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: Two years, commencing from the date of this agreement and concluding at the end of the academic year ending on 16/01/1448H (corresponding to 01/07/2026G). Renewal: This agreement shall automatically renew for a period equal to the initial term unless either party notifies the other in writing of its intention not to renew at least three (3) months prior to the agreement's expiration.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and monitoring of the project management and the project supervisor; – to provide full technical supervision of all special education students, regardless of whether they are enrolled by the Company or by a third party; – to evaluate the program periodically and on a monthly basis through technical supervision at the school headquarters; – to recruit and enroll students with special needs in the schools; – to perform recruitment and employment activities; – to provide training for employees and incorporate them in Obour Academy programs; – to study cases, conduct medical, psychological and educational assessments, and make the necessary recommendations; – to implement the procedures for preparing students' education voucher files on the educational vouchers system, classify them according to the needs indicated in their psychological and medical reports, and complete the files in collaboration with the education voucher supervisor at MOE KSA, Tatweer, and in coordination with a representative from School No. 8; – to monitor the collection of tuition fees in coordination with Tatweer, MOE KSA, or any other relevant entity; – to provide full- or part-time specialized personnel - the costs of whom are included in the program - such as psychologists, physical therapists, trainers, speech therapists and occupational therapists, according to student needs; and – to exert all reasonable efforts to ensure the success of this partnership and its profitability for both parties. School No. 8 obligations: – to enable HRC to manage the project without any hindrances; – to provide appropriate classrooms and facilities for the project; – to perform all of the necessary administrative requirements in accordance with MOE KSA requirements; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to share the cost and income financial statements every month with the other party; and – to open a bank account for the project accounts to facilitate monitoring by both parties.
Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement, provided the agreement is in writing and signed by both parties; – if either party takes any steps or proceedings in relation to the winding up of its business, or becomes insolvent and is subject to any administrative or judicial proceedings; – if the two parties cannot agree on the annual operating budget; – if School No. 8 decides to terminate the special needs education program within the school for its own reasons; – if School No. 8 establishes that HRC or one of its staff members has transferred special education students enrolled in its special needs program to another facility without a valid reason; and/or – if either party breaches any of its obligations under this agreement that are essential to the success of the project and that would negatively impact the other party. – School No. 8 shall have the right to terminate this agreement if HRC fails to attract and enroll the targeted number of special education students as agreed upon.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably within 15 days from the date the dispute arose. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.



Table (11.13): Partnership Agreement between HRC and School No. 9

Agreement Overview	On 17/08/1444H (corresponding to 09/03/2023G), HRC, which holds Commercial Register No. 1010307618, entered into an agreement with School No. 9. Under this agreement, HRC provides special needs education services, including consultancy, training, assessment, educational services, in-class and out-of-class support, separate classrooms, evening programs, and other services within the school. This includes, but is not limited to, students with ADHD and high-functioning autism.
Agreement Term and Renewal Mechanism	Term: Four years, commencing from the date of signing this agreement and ending at the end of the academic year on 26/01/1449H (corresponding to 01/07/2027G). Renewal: This agreement shall be automatically renewed for a similar academic term unless either party notifies the other party in writing of its intention not to renew at least three (3) months prior to the end of the final academic year.
Key Obligations	HRC obligations: – to exert every effort to manage, operate and develop the project, and to follow all procedures necessary for the operation and monitoring of the project management and the project supervisor; – to perform recruitment and employment activities; – to provide training for employees and incorporate them in Obour Academy programs; – to study cases, conduct medical, psychological and educational assessments, and make the necessary recommendations; – to follow-up on the collection of tuition fees with parents/guardians and MOE KSA; – to provide full- or part-time specialized personnel - the costs of whom are included in the program - such as psychologists, physical therapists, trainers, speech therapists and occupational therapists, according to student needs; and – to exert all reasonable efforts to ensure the success of this partnership and its profitability for both parties. School No. 9 obligations: – to provide appropriate classrooms and facilities for the project; – to perform all of the necessary administrative requirements in accordance with MOE KSA requirements; – to register students according to the agreed-upon admission form, collect fees and follow up thereon; – to share the cost and income financial statements every month with the other party; and – to open a bank account for the project accounts to facilitate monitoring by both parties.
Termination of the Agreement	The agreement shall terminate in the following cases: – by mutual agreement to terminate the agreement, provided the agreement is in writing and signed by both parties; and/or – if either party takes any steps or proceedings in relation to the winding up of its business or becomes insolvent and is subject to any administrative or judicial proceedings.
Value of the Agreement	A profit sharing payment model will be used for the services provided by HRC.
Applicable Law and Dispute Resolution	This agreement shall be governed by the laws of the KSA. In the event that any dispute arises between the parties regarding the implementation or interpretation of this agreement, each party shall exert every effort to resolve the dispute amicably. If such efforts fail, the dispute shall be settled by the competent courts of Riyadh.



11.6.2 Summary of Material Agreements Related to Contracts between HRC through its Affiliated Schools and Tatweer Educational Technologies Company

HRC, through three branches and affiliated schools (namely, Learning Tree International School, Baraem Al-Tanmeyah Private School, and Ghadaq Tanmiya School), has entered into template agreements with Tatweer Educational Technologies Company, a company owned by Tatweer Education Holding Company, which in turn is a wholly-owned subsidiary of MOE KSA, aimed at expanding public-private partnerships, in order to participate in the education voucher service for special education students. The purpose of these agreements is to regulate the contractual relationship between each of the contracting schools and Tatweer Educational Technologies Company. The school is prohibited from collecting student registration fees directly. Instead, education vouchers must be accepted and submitted to Tatweer Educational Technologies Company, which, at the end of each academic term, will submit to MOE KSA the total fees due to the contracting school based on the number of vouchers submitted for approval before Tatweer Educational Technologies Company proceeds with the payment of the relevant fees.

As at the date of this Prospectus, a separate agreement has been entered into for each of HRC's aforementioned schools which provide special needs education services. This constitutes a legal requirement applicable to schools which must be met in order to conduct school activities within the KSA. These template agreements are governed by the general terms and conditions that schools contracting to participate in the Madares platform, owned by Tatweer Educational Technologies Company, agree to and adhere to, as available on the Madares platform website (<https://madares.sa/madaresLP/index-ar.html>). The value of these agreements is not disclosed separately as it is considered confidential and commercially sensitive information. HRC generated total revenues of SAR 11,908,000 and SAR 15,276,000 from these agreements in 2023G and 2024G (in addition to previous agreements concluded with Tatweer Education Holding Company for the same purpose, which have expired as of the date of this Prospectus), respectively, representing 7.2% and 7.1% of the Group's total revenue in the KSA for the same periods, respectively. During the financial period ended 31 March 2025G, HRC generated total revenues of SAR 3,822,000, representing 5.5% of the Group's total revenue in the KSA for the same period.

The table below sets out some of the key details of the subscriptions to the education voucher service for special education students undertaken by each of the contracting schools. The subscription period covers two academic years:

Table (11.14): Key Details of the Agreement between Tatweer Educational Technologies Company and Contracting Schools

Contracting School	Date of Subscription to the Madares Platform of Tatweer Educational Technologies Company ⁽¹⁶⁸⁾	Academic Years Covered by the Agreement
Learning Tree International School	01/07/1446H (corresponding to 01/01/2025G)	Academic years 1445H/1446H (corresponding to 2023G/2024G) and 1446H/1447H (corresponding to 2024G/2025G)
Baraem Al-Tanmeyah Private School	01/07/1446H (corresponding to 01/01/2025G)	Academic years 1445H/1446H (corresponding to 2023G/2024G) and 1446H/1447H (corresponding to 2024G/2025G)
Ghadaq Tanmiya Private School	12/05/1446H (corresponding to 14/11/2024G)	Academic years 1445H/1446H (corresponding to 2023G/2024G) and 1446H/1447H (corresponding to 2024G/2025G)

¹⁶⁸ **Note:** The contracting structure applied by Tatweer with schools was recently changed from paper contracts to subscriptions via an electronic system. Given that this change was implemented while the agreements signed in the previous year, covering the academic year (2023G-2024G), were in effect under the previous contracting structure, the previous academic year (2023G-2024G) was included in the term of the current agreement, replacing the previous agreement. As such, the agreements were signed on a date subsequent to their start date, as an exception for the previous academic year, while future agreements will be signed prior to the start of the academic years covered thereby. Accordingly, it is expected that the agreements covering the academic year 1447H/1448H (corresponding to 2025G-2026G) will be signed in Q3 of 2025G.



11.6.3 Summary of the Shareholder Agreement Between the Company, Eight Lines and HDC

Table (11.15): Shareholder Agreement between the Company, Eight Lines and HDC

Agreement Overview	On 02/04/1444H (corresponding to 27/10/2022G), the Company, Eight Lines (the “Shareholders”) and HDC entered into a shareholder agreement governing the rights and obligations of each party in their capacity as shareholders in HDC.
Agreement Term and Renewal Mechanism	Indefinite.
Key Obligations	– Each of the Shareholders shall promote and develop HDC’s business in accordance with the approved business plan. – The Shareholders pledge to provide funding to grow HDC’s business through new acquisitions and the opening of new locations, with the possibility of additional funding either through the issuance of new shares or loans from Shareholders. – Dividends shall be distributed according to the share of each of the Shareholders after payment of the taxes due to ZATCA. – The agreement includes clauses governing the transfer of shares between the Shareholders, including conditions and restrictions on sales and transfers of shares. – Eight Lines may not transfer any shares before 27/10/2025G. – If any of the Shareholders wish to sell their shares, they must make an offer to the other Shareholder to purchase the shares before selling them to a third party. – If a Shareholder wishes to sell its share to a third party, the other Shareholder shall have the right to require the selling Shareholder to obtain an offer from the third party to purchase the other Shareholder’s shares in addition to the shares of the selling Shareholder (tag-along right). – The Company has the right to require Eight Lines to sell its shares in HDC if a full sale of the Company’s shares in HDC is offered to a third party, subject to the terms and conditions set forth in the agreement (drag-along right).
Termination of the Agreement	The agreement shall terminate in the following cases: – If a Shareholder ceases to own any shares. – If only one Shareholder owns the shares. – If a decision is issued by the Shareholder or creditors or a court order is issued to liquidate the Company and distribute its assets.
Applicable Law and Dispute Resolution	– The agreement shall be governed and construed in accordance with the laws of the KSA. – In the event that any dispute arises between the Parties, the parties shall endeavor to resolve such dispute amicably. If no solution is reached within 60 days, either Party may refer the dispute to arbitration in accordance with the Rules of the Saudi Center for Commercial Arbitration. The seat of arbitration shall be Riyadh, KSA, and the language of arbitration shall be English.



11.6.4 Summary of the Partnership Agreement between MDX Associates and MDX UK

Table (11.16): Joint Venture Agreement between MDX UK (through its branch Middlesex University Higher Education Corporation) and MDX Associates

Agreement Overview	MDX UK (through its branch Middlesex University Higher Education Corporation (“MDX HEC”)) and MDX Associates entered into a joint venture agreement dated 08/08/1426H (corresponding to 12/09/2005G), as amended on 16/06/1427H (corresponding to 12/07/2006G) and 08/12/1433H (corresponding to 24/10/2012G), which sets out the framework for cooperation between MDX UK and MDX Associates in establishing and managing Middlesex University Dubai (“MDX Dubai”). The agreement sets out the responsibilities of each party regarding the academic and non-academic operations, financial contributions and management of the joint venture, focusing on providing high-quality higher education in Dubai to the same standard as MDX UK in the United Kingdom.
Agreement Term and Renewal Mechanism	Indefinite. The agreement does not provide for any renewal mechanism.
Key Obligations	MDX UK and Middlesex International FZ-LLC (“MI”) (an entity established by MDX UK in Dubai for the purposes of the agreement) will contribute academic courses, with academic staff (including, but not limited to, the university Pro-vice chancellor, librarians, laboratory assistants and those whose function is more closely related to the academic program than to finance and administration), for the purpose of providing a level of teaching to the same standards as at MDX UK in the United Kingdom. MDX Associates shall provide all non-academic staff. As at the date of this Prospectus, this remains an ongoing obligation of MDX Associates. MDX UK shall also provide certain services relating to MDX Dubai, including: a) providing advice on teaching particular courses for the staff in Dubai as each degree program progresses; b) assessing student work, including grading fairness; c) monitoring academic quality in Dubai, including interactions with the UK Quality Assurance Agency; d) reporting student results and production of degree certificates; e) maintaining information technology systems in London, which are used by the Dubai campus; and f) using the Middlesex Integrated Student Information System for the purpose of academic and other related records of the students studying at the Dubai campus. The academic staff of MDX Dubai are appointed by MDX UK and will be employed by MI. The non-academic staff of MDX Dubai are appointed and employed by MDX Associates.
Termination of the Agreement	The agreement may be terminated by mutual agreement at any time and for any reason. The agreement may also be terminated in the following circumstances: a) if a party is in breach of the agreement, the other party may terminate the agreement immediately (if such breach cannot be remedied) or within 30 days from the date the affected party gives notice of termination to the breaching party, if the breaching party does not remedy the breach within such period; b) by either party providing notice of termination to the other party, in accordance with the following (the termination will take effect no earlier than the end of the academic year following the academic year in which the notice is served): • in the case of MDX UK, if by reason of any change in the religious, political or security environment in Dubai not reasonably foreseeable or if it ceases to be reasonably possible to continue to provide the academic services contemplated by the agreement. Termination of the agreement shall not take effect at any time prior to the end of the academic year following the academic year in which such notice was given. It shall be a precondition of either party’s right to terminate under (b) above that such party must have made a bona fide attempt to secure the consensual agreement of the other party to the termination, including by at least one meeting of the Advisory Committee (as defined below) convened with the aim of reaching a consensus.
Value of the Agreement	MDX Associates shall receive, directly or indirectly, all revenues from the MDX Dubai campus and shall be responsible for the correct accounting and disposal of such revenues. In return for its support and services to MDX Dubai, MDX UK shall be remunerated by MDX Associates as per the agreement.⁽¹⁶⁹⁾
Liability and Indemnities	MDX Associates will bear financial liability for the normal day-to-day running of MI, MDX Associates and the MDX Dubai business generally. Each party shall itself bear the risk of any exceptional liabilities incurred by it (including legal liabilities to third parties).

¹⁶⁹ **Note:** Details of the financial remuneration received by MDX UK are not mentioned in the summary as this information is considered confidential and of a commercially sensitive nature.



Governance	The proper implementation of the business and joint venture in accordance with the agreement (and coordination between MI and MDX Associates generally) shall be overseen by a joint board of directors which shall consist of three directors appointed by MI and three directors appointed by MDX Associates (the “Joint Board”). The Joint Board shall elect a chairman from among MI’s appointees to chair meetings on academic business, and from among MDX Associates’ appointees to chair meetings on financial and administrative business. There shall be an advisory committee (the “Advisory Committee”) consisting of (a) the six members of the Joint Board, (b) three non-director members appointed by MI, and (c) three non-director members appointed by MDX Associates. Chairmanship of meetings shall rotate between MI’s appointees and MDX Associates’ appointees.
Applicable Law and Dispute Resolution	The agreement is governed by the laws in force in the Emirate of Dubai. The parties shall attempt in good faith to amicably resolve any dispute arising out of the agreement or the business of the joint venture generally. Failing resolution, the dispute shall be referred to arbitration under the applicable law in Dubai.

11.6.5 Summary of the Group’s Other Material Agreements

Following is a summary of the Group’s other material agreements.

Table (11.17): Trust Deed Entered into between AH Alpha Investments Holdings 2 LTD, AH Alpha Investments Holdings 3 LTD and Several Trustees

Agreement Overview	AH Alpha Investments Holdings 2 LTD (“AH2”), AH Alpha Investments Holdings 3 LTD (“AH3”), and several trustees entered into a trust deed dated 17/06/1439H (corresponding to 05/03/2018G) (the “Trust Deed”). AH2 has declared, and pursuant to the terms of the Trust Deed, that it owns all of the issued shares of AH Alpha Investments Holdings 1 LTD (“AH1”) (the “Trust Shares”), and any distribution (or any other payment or transfer) from AH1 or any subsidiary of AH2, together with any other property or assets of any kind acquired by AH2 in its capacity as trustee (the “Trustee”) (collectively, the “Trust Fund”) on trust for AH3 (the “Beneficiary”).
Agreement Term and Renewal Mechanism	The Trust Deed shall remain in full force and effect unless terminated by a party in accordance with the terms of the Trust Deed (see “Termination” below).
Key Obligations	– The Beneficiary may at any time remove the Trustee and must use their best efforts to appoint another person or persons to act as Trustee. – Unless otherwise instructed by the Beneficiary, the Trustee shall receive any cash dividends or returns in respect of the Trust Shares or from any other investment included in the Trust Fund and shall pay such dividends or returns to the Beneficiary (or to a bank account in the name of such Beneficiary) as promptly as possible and in any event within three business days following receipt of those dividends or returns by the Trustee.
Termination of the Agreement	– The Beneficiary may at any time terminate the Trust and direct the Trustee to deliver the Trust Fund to them (or their nominee). – Any other party to the Trust Deed may terminate the Trust Deed on not less than 30 days’ written notice under certain specified circumstances, including if the trust becomes unlawful pursuant to applicable law or if any party has had its business license cancelled by the competent authority.
Liability and Indemnities	The Beneficiary must indemnify the other parties to the Trust Deed from and against any liability or expense arising from inter alia carrying out the terms of the trust pursuant to the Trust Deed. Each party to the Trust Deed agrees to indemnify any other party from and against any direct or indirect (consequential) loss, damage, liability, claim, demand, cost and/or expense, which any such other party incurs or suffers due to any breach of the provisions of the Trust Deed by any such indemnifying party.
Governance	The Trustee shall not, unless directed in writing by the Beneficiary to do so, nominate any director or officer of, or seek to influence the management or affairs of any Subsidiary (as defined below). Upon receipt of a notice convening any meeting of the shareholders of AH1 (or any other entity where shares or securities of that entity comprise part of the assets comprised in the Trust Fund from time to time) (a “Subsidiary”), the Trustee shall as promptly as practicable, deliver a copy of the notice to the Beneficiary. The Trustee shall vote on any resolution proposed at a meeting of the shareholders of any Subsidiary solely at the direction of the Beneficiary provided that the Trustee has received a copy of a certificate or other written document signed by two of the Beneficiary’s directors or two authorized officers of the Beneficiary (the “Beneficiary Certificate”): (a) directing how the Trustee should vote on the Trust Shares; and (b) confirming that such direction has been approved by a Beneficiary directors’ resolution. However, the Trustee shall not be bound to comply with the Beneficiary Certificate if it has not received it from the Beneficiary at least one business day prior to the time specified in the bylaws of the relevant Subsidiary for the deposit of instrument of proxy.
Value of the Agreement	Not applicable.
Applicable Law and Dispute Resolution	This Trust Deed is governed by and construed in accordance with ADGM law.



11.7 Summary of Material Agreements with Related Parties

As at the date of this Prospectus, the Group has not entered into any agreements with Related Parties.

11.8 Credit Facilities and Loans

11.8.1 Summary of Material Facility and Loan Agreements Entered into by HDC

Table (11.18): Banking Facility Agreement between Al Rajhi Banking and Investment Corporation and HDC

Date of Agreement	04/08/1446H (corresponding to 03/02/2025G).
Borrower	HDC.
Type of Facility/ Purpose/ Amount	– Deferred Payment Facility 1: • Purpose: Financing of 85% of total employee salaries and social insurance contributions. • Amount: SAR 15,000,000. • Term: 6 months. • Applicable rate: 6-month SAIBOR. • Margin: 2.25% per annum. – Deferred Payment Facility 2: • Purpose: The facility shall be used to finance 85% of total government expenses and invoices, with direct payments to suppliers. • Amount: SAR 4,000,000. • Term: 6 months. • Applicable rate: 6-month SAIBOR. • Margin: 2.25% per annum. – Deferred Payment Facility 3: • Purpose: Financing the acquisition and development of a new branch, with 80% of the financing provided by the bank and 20% by the client. • Amount: SAR 50,000,000. • Term: 72 months (including a grace period of 12 months). • Applicable rate: 6-month SAIBOR. • Margin: 2.72% per annum.
Expiration Date	The agreement does not specify a specific termination date; however, it does stipulate an annual review date, which is set for 12/08/1447H (corresponding to 31/01/2026G).
Facility Value	SAR 69,000,000.
Borrowed Amount	As at 25/09/1446H (corresponding to 25/03/2025G), the disclosed outstanding balance amounts were: – Deferred Payment Facility 1: SAR 15,605,635. – Deferred Payment Facility 2: Nil. – Deferred Payment Facility 3: Nil.
Payment Date	The repayment date is specified in the relevant facility request. The term of Deferred Payment Facilities 1 and 2 is six (6) months, while the term of Deferred Payment Facility 3 is 72 months (with a grace period of 12 months), as stated above.
Profit Margin/ Commission	– Deferred Payment Facility 1: 2.25% per annum. – Deferred Payment Facility 2: 2.25% per annum. – Deferred Payment Facility 3: 2.25% per annum.
Additional Documents	– Key Terms and Conditions of Banking Facilities dated 04/08/1446H (corresponding to 03/02/2025G). – Deferred Sale Agreement dated 04/08/1446H (corresponding to 03/02/2025G).



Guarantee Documents	- A corporate guarantee issued by the Company to Al Rajhi Banking and Investment Corporation dated 04/08/1446H (corresponding to 03/02/2025G); - A (corporate) guarantee issued by Eight Lines Holding Investments to Al Rajhi Banking and Investment Corporation dated 04/08/1446H (corresponding to 03/02/2025G); - A personal guarantee of indemnity, performance and obligation issued by Omar Ibrahim Abdullah Al-Mudaifer to Al Rajhi Banking and Investment Corporation dated 04/08/1446H (corresponding to 03/02/2025G); - A personal guarantee of indemnity, performance and obligation issued by Abdullah Omar Ibrahim Al-Mudaifer to Al Rajhi Banking and Investment Corporation dated 04/08/1446H (corresponding to 03/02/2025G); - A promissory note for a sum of SAR 46,848,771, dated 03/02/2025G, issued by HDC to Al Rajhi Banking and Investment Corporation, and guaranteed by the Company; - A promissory note for a sum of SAR 78,081,286, dated 03/02/2025G, issued by HDC to Al Rajhi Banking and Investment Corporation; and - A promissory note in the amount of SAR 31,232,514, dated 03/02/2025G, issued by HDC in favor of Al Rajhi Banking and Investment Corporation and guaranteed by Eight Lines Holding Investments, Abdullah Omar Ibrahim Al-Mudaifer and Omar Ibrahim Abdullah Al-Mudaifer.
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Table (11.19): Sharia-Compliant Credit Facility Agreement between the Arab National Bank and HDC

Date of Agreement	28/01/1445H (corresponding to 15/08/2023G) to 10/01/1446H (corresponding to 16/07/2024G).
Borrower	HDC.
Type of Facility/ Purpose/ Amount	- Islamic Overdraft Facility: • Purpose: Working capital financing. • Facility Limit: SAR 2,000,000. • Profit Margin: The difference between the profit margin of a Tawarruq (securitization) transaction and the profit margin on the client's investment, which is calculated as a percentage of the average monthly value of the client's invested assets under agency. • Tawarruq Profit Margin: Base rate. • Term: One year. - Invoice Discounting Facilities/Short-Term Tawarruq Financing: • Purpose: Invoice financing up to 70% of the value of approved invoices or project claims. • Facility Limit: SAR 40,000,000. • Term: 180 days or receipt of invoices, whichever is earlier. • Tawarruq Profit Margin: SAIBOR + 2%. • Islamic Guarantee Letters (Primary/Final/Payment Guarantees): • Purpose: Issuance of certain guarantee letters to beneficiaries approved by the bank for government projects. • Guarantee Fee: Saudi Central Bank (SAMA) Fee + 1% per annum. • Facility Limit: SAR 9,000,000. • Term: 36 months for the primary and final guarantees, and 60 months for the payment guarantees. - Fixed-Term Tawarruq Financing (one-time) 1: • Purpose: To finance 80% of the cost of purchasing an 855 square meter building in Al Narjis to be prepared as a rehabilitation center for people with special needs (with a total cost of SAR 10,000,000). • Facility Limit: SAR 8,000,000. • Profit Margin: SAIBOR + 2.25%. • Term: 4 years (including a grace period of 12 months). - Fixed-Term Tawarruq Financing (one-time) 2: • Purpose: To finance 80% of the cost of purchasing an 8,000 square meter plot of land in Al Khaleej and to finance the construction and development costs of a special needs care and rehabilitation center (with a construction cost of SAR 11,000,000 and a development cost of SAR 12,000,000). • Facility Limit: SAR 20,800,000. • Term: Five years (including a grace period of 24 months). • Profit Margin: SAIBOR + 2.25%.
Facility Value	SAR 79,800,000.



Borrowed Amount	As at 02/10/1446H (corresponding to 31/03/2025G), the disclosed outstanding balance amounts were: – Islamic Overdraft Facility: Nil. – Invoice Discounting Facilities/Short-Term Tawarruq Financing: SAR 32,063,568. – Islamic Guarantee Letters (Primary/Final/Payment Guarantees): Nil. – Fixed-Term Tawarruq Financing (one-time) 1 and Fixed-Term Tawarruq Financing (one-time) 2: SAR 15,467,000.
Facility Term	The term of each financing/credit facility shall be as specified in the terms and conditions of such financing/credit facility as set forth above.
Additional Documents	– Purchase and Sale Agreement for Tawarruq dated 14/11/1446H (corresponding to 12/05/2025G). – General Guarantee Letter Conditions dated 14/11/1446H (corresponding to 12/05/2025G). – Sharia-Compliant Overdraft Facility Agreement dated 14/11/1446H (corresponding to 12/05/2025G).
Guarantee Documents	– Joint guarantee of indemnity and performance issued by Omar Ibrahim Al-Mudaifer, Abdullah Omar Ibrahim Al-Mudaifer and the Company to Arab National Bank dated 14/11/1446H (corresponding to 12/05/2025G); – Registered Mortgage Deed (in-kind guarantee) dated 14/11/1446H (corresponding to 12/05/2025G). – A promissory note in the amount of SAR 79,800,000 issued by HDC and guaranteed by Omar Ibrahim Al-Mudaifer, Abdullah Omar Ibrahim Al-Mudaifer and the Company.

Table (11.20): Islamic Financing Agreement between Riyadh Bank and HDC

Date of Agreement	02/09/1446H (corresponding to 02/03/2025G).
Borrower	HDC.
Type of Facility/ Purpose/ Amount	– Tawarruq: • Amount: SAR 10,000,000. • Purpose: Covering operating expenses. • Profit Margin: SAIBOR + 4%. • Payment Date: Each tranche is paid in a single payment 6 months after the grant date. – Letters of Guarantee: • Amount: SAR 3,000,000. • Cash cover: 5%. • Commission: Tariff plus an additional commission of 1.5%.
Term of the Agreement	This agreement shall expire on 06/10/1449H (corresponding to 02/03/2028G).
Facility Value	SAR 13,000,000.
Borrowed Amount	As at 02/10/1446H (corresponding to 31/03/2025G), the disclosed outstanding balance amounts were: – Tawarruq: Nil. – Letters of Guarantee: Nil.
Additional Documents	– General Terms and Conditions Agreement for opening letters of credit and issuing guarantees and bonds dated 02/03/2025G. – Letter of Notification of the limits and conditions of the facilities dated 02/03/2025G.
Guarantee Documents	– Joint guarantee of indemnity and performance issued by Abdullah Omar Ibrahim Al-Mudaifer, Omar Ibrahim Al-Mudaifer, Eight Lines Holding Investments and the Company to Riyadh Bank, dated 02/03/2025G. – A promissory note in the amount of SAR 13,900,000, dated 02/03/2025G, issued by HDC and guaranteed by Abdullah Omar Ibrahim Al-Mudaifer, Omar Ibrahim Al-Mudaifer, Eight Lines Holding Investments and the Company.



11.8.2 Summary of Material Facility and Loan Agreements Entered into by NEMA Holding Company and its Subsidiaries

Table (11.21): Ijara Facility Agreement between Abu Dhabi Islamic Bank PJSC, as lender, and NEMA Holding Company (formerly known as Abu Dhabi University Holding LLC), as borrower

Date of Agreement	11/08/1443H (corresponding to 14/03/2022G).
Borrower	NEMA Holding Company LLC (formerly known as Abu Dhabi University Holding LLC).
Type of Facility/ Purpose/ Amount	The six facilities provided are: – Ijara facility to fund the building of the main campus and complete the construction of 15 L shaped villas (“Ijara I”); – Ijara facility to fund the construction of Al Ain campus Phase 1, a student center and external facilities (“Ijara II”); – Ijara revolving facility for working capital needs (“Ijara III”); – Ijara facility to finance construction of an extension/expansion (auditorium and gym) within the Abu Dhabi campus (“Ijara IV”); – Ijara facility to finance construction of new staff accommodation within Al Ain campus (“Ijara V”); and – Ijara facility to finance the acquisition of an existing educational institution in the UAE (“Ijara VI”).
Term	– Ijara I: seven years. – Ijara II: seven years. – Ijara III: one year (revolving facility, i.e., NEMA Holding Company can withdraw, repay and redraw funds repeatedly during the one-year period of the facility, up to the agreed limit). – Ijara IV: seven years. – Ijara V: seven years. – Ijara VI: eight years.
Facility Value	– Ijara I: USD 17,895,548, equivalent to SAR 67,108,305. – Ijara II: USD 21,784,181, equivalent to SAR 81,690,679. – Ijara III: AED 50,000,000, equivalent to SAR 50,556,117. – Ijara IV: USD 7,700,000, equivalent to SAR 28,875,000. – Ijara V: USD 7,300,000, equivalent to SAR 27,375,000. – Ijara VI: USD 45,000,000, equivalent to SAR 168,750,000.
Borrowed Amount	As at 02/10/1446 (corresponding to 31/03/2025G), the disclosed outstanding balance amounts are: – Ijara I and Ijara II: AED 72,775,466, equivalent to SAR 74,230,975.3. – Ijara III: Nil. – Ijara IV: Nil. – Ijara V: Nil. – Ijara VI: AED 84,278,572, equivalent to SAR 85,964,143.4.
Payment Date	– Ijara I: Principal repayable in equal semi-annual installments with a 25% balloon payment. – Ijara II: Principal repayable in equal semi-annual installments with a 25% balloon payment. – Ijara III: Principal repayable on maturity. – Ijara IV: Principal repayable in equal semi-annual installments commencing from November 2023G with a 25% balloon payment. – Ijara V: Principal repayable in equal semi-annual installments commencing from November 2023G with a 25% balloon payment. – Ijara VI: Principal repayable in equal semi-annual installments commencing from November 2023G with a 25% balloon payment.
Profit Margin/ Commission	– Ijara I: 3-month LIBOR plus a margin of 1.75% per annum. – Ijara II: 3-month LIBOR plus a margin of 1.75% per annum. – Ijara III: 3-month LIBOR plus a margin of 1.75% per annum. – Ijara IV: 3-month LIBOR plus a margin of 1.75% per annum. – Ijara V: 3-month LIBOR plus a margin of 1.75% per annum. – Ijara VI: 3-month LIBOR plus a margin of 1.75% per annum.



Guarantee Documents	– Promissory note covering total amount of the facilities. – First decree mortgage over Abu Dhabi University Campus (Plot 5C). – Corporate guarantees from the following: • Knowledge Group LLC (Abu Dhabi). • Abu Dubai University LLC. • Fortune Properties. • Knowledge Group LLC (Dubai). • Summit LLC. – Assignment of all risks insurance policy. – Assignment of contractors' guarantees (if any). – Assignment of lease agreement of the English School and NEMA Holding Company. – Assignment of lease agreement of Abu Dhabi University and NEMA Holding Company. – Fire insurance policy for Abu Dhabi University campus (Plot 5C). – Assignment of cash flows from NEMA Holding Company and its subsidiaries. – The following conditions (relating to Facility No. 6, which includes the acquisition of an existing educational institution in the UAE) shall be incorporated within 60 days of disbursement: • Corporate guarantee from the new entity. • Assignment of proceeds from the new entity. • Assignment of insurance policy of the new entity.
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Table (11.22): Ijara Facility between Emirates Islamic Bank PJSC, as lender, and NEMA Holding Company LLC, as borrower

Date of Agreement	23/06/1443H (corresponding to 26/01/2022G), as amended pursuant to the letter dated 15/02/1446H (corresponding to 19/08/2024G), due to the addition of Murabaha/Ijara Facility 4, and as further amended pursuant to the letter dated 08/04/1446H (corresponding to 11/10/2024G), due to the addition of Murabaha/Ijara Facility 5.
Borrower	NEMA Holding Company LLC (formerly known as Abu Dhabi University Holding LLC).
Type of Facility/ Purpose/ Amount	– AED 246,000,000 (equivalent to SAR 248,736,097) liquidity Murabaha/Ijara facility for acquisition of entities approved by EIB (“Murabaha/Ijara I”). – AED 90,000,000 (equivalent to SAR 91,001,011) liquidity Murabaha/Ijara facility for the repayment of existing AED 90,000,000 (equivalent to SAR 91,800,000) term facility made available by First Abu Dhabi Bank and Dubai Islamic Bank (“Murabaha/Ijara II”). – AED 34,000,000 (equivalent to SAR 34,378,160) liquidity Murabaha/Ijara facility for acquisition of Khwarizmi Holding Company LLC (“Murabaha/Ijara III”). – AED 25,000,000 (equivalent to SAR 25,278,059) uncommitted Islamic covered drawing facility for working capital requirements and repayment of an overdraft facility with Dubai Islamic Bank (“Covered Drawing Facility”). – AED 25,000,000 (equivalent to SAR 25,278,059) uncommitted documentary credited facility for core business operations (“Documented Credited Facility”). – AED 35,000,000 (equivalent to SAR 35,700,000) liquidity Murabaha/Ijara facility for the construction of Liwa University buildings (“Murabaha/Ijara IV”). – AED 20,000,000 (equivalent to SAR 20,400,000) liquidity Murabaha/Ijara facility for the construction of additional buildings for the British International School (“Murabaha/Ijara V”).
Term	– Murabaha/Ijara I: eight years. – Murabaha/Ijara II: eight years. – Murabaha/Ijara III: eight years. – Covered Drawing Facility: one year (revolving). – Documented Credited Facility: as approved by EIB. – Murabaha/Ijara IV: eight years. – Murabaha/Ijara V: seven years and eight months.



Facility Value	– Murabaha/Ijara I: AED 246,000,000, equivalent to SAR 248,736,097. – Murabaha/Ijara II: AED 90,000,000, equivalent to SAR 91,001,011. – Murabaha/Ijara III: AED 34,000,000, equivalent to SAR 34,378,160. – Covered Drawing Facility: AED 25,000,000, equivalent to SAR 25,278,059. – Documented Credited Facility: AED 25,000,000, equivalent to SAR 25,500,000. – Murabaha/Ijara IV: AED 35,000,000, equivalent to SAR 35,700,000. – Murabaha/Ijara V: AED 20,000,000, equivalent to SAR 20,400,000.
Borrowed Amount	As at 02/10/1446H (corresponding to 31/03/2025G), disclosed outstanding balance amounts are: – Murabaha/Ijara I: Nil. – Murabaha/Ijara II: AED 48,704,608, equivalent to SAR 49,678,700.2. – Murabaha/Ijara III: AED 20,237,540, equivalent to SAR 20,642,290.8. – Covered Drawing Facility: Nil. – Documented Credited Facility: Nil. – Murabaha/Ijara IV: AED 13,189,826, equivalent to SAR 13,453,622.5. – Murabaha/Ijara V: AED 10,277,812, equivalent to SAR 10,483,368.2.
Payment Date	– Murabaha/Ijara I: principal repayable in 32 quarterly installments (70% of the principal amount to be repaid in 31 equal quarterly installments, with a 30% balloon payment on maturity). Profit/variable rent payable quarterly. – Murabaha/Ijara II: principal repayable in 32 quarterly installments (70% of the principal amount to be repaid in 31 equal quarterly installments, with a 30% balloon payment on maturity). Profit/variable rent payable quarterly. – Murabaha/Ijara III: principal repayable in 32 quarterly installments (70% of the principal amount to be repaid in 31 equal quarterly installments, with a 30% balloon payment on maturity). Profit/variable rent payable quarterly. – Covered Drawing Facility: principal repayable on maturity. Profit payable monthly. – Documented Credited Facility: commission payable quarterly in advance. – Murabaha/Ijara IV: principal repayable in 26 quarterly installments (70% of the principal amount to be repaid in 25 equal quarterly installments, with a 30% balloon payment on maturity). Profit/variable rent payable quarterly. – Murabaha/Ijara V: principal repayable in 28 quarterly installments (70% of the principal amount to be repaid in 27 equal quarterly installments, with a 30% balloon payment on maturity). Profit/variable rent payable quarterly.
Profit Margin/Commission	– Murabaha/Ijara I: profit/variable rent rate of 3-month EIBOR plus margin of 1.8% per annum. – Murabaha/Ijara II: profit/variable rent rate of 3-month EIBOR plus margin of 1.8% per annum. – Murabaha/Ijara III: profit/variable rent rate of 3-month EIBOR plus margin of 1.8% per annum. – Covered Drawing Facility: profit/variable rent rate of 1-month EIBOR plus margin of 1.8% per annum. – Documented Credited Facility: commission of 0.5% per annum. – Murabaha/Ijara IV: profit/variable rent rate of 3-month EIBOR plus margin of 1.8% per annum. – Murabaha/Ijara V: profit/variable rent rate of 3-month EIBOR plus margin of 1.8% per annum.
Guarantee Documents	– An assignment of receivables entered into between NEMA Holding Company as customer/assignor and EIB as the bank. – An assignment of receivables entered into between Liwa University as assignor and EIB as the bank. – An assignment of receivables entered into between Al Khawarizmi Training Solutions as assignor and EIB as the bank. – A guarantee entered into between Abu Dhabi University Sole Proprietorship LLC as guarantor and EIB as the bank. – A guarantee entered into between Al Khawarizmi Training Solutions, Liwa University LLC - SPC and Knowledge Group Sole Proprietorship LLC as guarantors and EIB as the bank. – An account pledge agreement executed by NEMA Holding Company in favor of EIB. – An account pledge agreement executed by Liwa University in favor of EIB. – An account pledge agreement executed by Khawarizmi Training Solutions in favor of EIB. – A mortgage amendment dated 30/04/1445H (corresponding to 14/11/2023G) between NEMA Holding Company as mortgagor and EIB as mortgagee.

Except as stated above, no company within the Group has entered into any other material facility or loan agreements as at the date of this Prospectus.



11.9 Real Estate

11.9.1 Real Estate Owned by the Company and its Material Subsidiaries

As at the date of this Prospectus, the Company does not own any real estate. However, HRC owns four properties, and NEMA Holding Company owns nine properties.

The following table provides details of these properties.

Table (11.23): Summary of Real Estate Owned by the Material Subsidiaries

#	Registered Owner	Title Deed No.	Mortgage	Title Deed Date	Location	Purpose	Area (in sqm)	Book Value (SAR)
1	HRC	1882718412000000	Mortgaged	04/05/1446H (corresponding to 06/11/2024G)	Plot A/5576, Riyadh 2737, Al Narjis	Daycare center/facility for the provision of SEC services	855	SAR 9,500,000
2	HRC	360001533126	Mortgaged	05/05/1446H (corresponding to 07/11/2024G)	Plot 315, Plan 3007, Al Khaleej, Riyadh	Facility for the provision of SEC services	8,790	SAR 10,108,512
3	HRC	393314001426	N/A	12/09/1446H (corresponding to 12/03/2025G)	Plan 369/Q, Wadi Al Rummah District, Ar Rass	Facility for the provision of SEC services	4,550	SAR 1,945,978
4	HRC	393314001427	N/A	12/09/1446H (corresponding to 12/03/2025G)	Plan 352/S/B, Al Rawabi District, Buraidah	Facility for the provision of SEC services	3,150	SAR 2,392,599
5	NEMA Holding Company	2024/391413	N/A	01/02/1446H (corresponding to 07/08/2024G)	Plot 30-02-013-3, Land Number 3, 13th Street, Al Sallan, Al Agabiyaa, Al Ain	University facility (including male sports fields)	9,722.1	AED 2,301,282, equivalent to SAR 2,347,307.64
6	NEMA Holding Company	2024/391414	N/A	01/02/1446H (corresponding to 07/08/2024G)	Plot 30-02-013-7, Land Number 7, 13th Street, Al Sallan, Al Agabiyaa, Al Ain	University facility (including an undeveloped plot)	12,406.4	
7	NEMA Holding Company	2024/391416	N/A	01/02/1446H (corresponding to 07/08/2024G)	Plot 30-02-013-9, Land Number 9, 13th Street, Al Sallan, Al Agabiyaa, Al Ain	University facility (including female sports fields)	5,119.9	
8	NEMA Holding Company	2024/391412	N/A	01/02/1446H (corresponding to 07/08/2024G)	Plot 30-02-001-48, Land Number 48, 1st Street, Al Sallan, Al Agabiyaa, Al Ain	University facility (including the main educational facility, student center and other facilities such as parking areas)	26,824.2	



#	Registered Owner	Title Deed No.	Mortgage	Title Deed Date	Location	Purpose	Area (in sqm)	Book Value (SAR)
9	NEMA Holding Company	2024/391406	N/A	01/02/1446H (corresponding to 07/08/2024G)	Plot 444-012-000-5a, Land Number 5a, Zayed City 39, Zayed City, Abu Dhabi	University facility (including sports fields and an undeveloped plot)	43,550.61	AED 297,086,152, equivalent to SAR 303,027,875.04
10	NEMA Holding Company	2024/391407	Mortgaged	01/02/1446H (corresponding to 07/08/2024G)	Plot 444-012-000-5b, Land Number 5b, Zayed City 39, Zayed City, Abu Dhabi	University facility (including accommodation facilities for staff and female students, school facilities and other facilities such as theaters, sports fields and parking areas)	107,896.05	
11	NEMA Holding Company	2024/391422	Mortgaged	01/02/1446H (corresponding to 07/08/2024G)	Plot 444-012-000-5c, Land Number 5c, Zayed City 39, Zayed City, Abu Dhabi	University facility (including the main educational facility, accommodation for male students, school facilities, and other facilities such as sports fields and parking areas)	106,208.86	
12	NEMA Holding Company	2024/391410	N/A	01/02/1446H (corresponding to 07/08/2024G)	Plot 444-012-000-5d, Land Number 5d, Zayed City 39, Zayed City, Abu Dhabi	University facility (including accommodation facilities for the administration team and other facilities such as storage, sports fields and parking areas)	110,153.15	
13	NEMA Holding Company	2024/391405	N/A	01/02/1446H (corresponding to 07/08/2024G)	Plot 0-125-000-C57, Land Number C57, East Basin 1_19, Al Nahyan District, Abu Dhabi	Office/commercial use	297.29	
								AED 9,220,939, equivalent to SAR 9,405,357.78



11.9.2 Material Lease Agreements

The Group enters into numerous lease agreements in the ordinary course of its business for the purpose of leasing its offices, centers and the facilities used for the operation of the schools it owns, as well as the university buildings it operates. The Group has other leases related to the educational services it provides. The material lease agreements vary in terms of size, location, purpose, and annual value. The following table summarizes the terms of the material lease agreements in effect as at the date of this Prospectus, which constitute all of the material lease agreements entered into by the Group in both the KSA and the UAE.

Table (11.24): Summary of the Group's Material Leases

#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
1	The Company	Cooperative Real Estate Investment Company	KSA, King Fahd Road, 12211, 3388, 6897 (7th Floor, Northern Tower)	Office use	The lease term is 09/04/1447H (corresponding to 01/10/2025G) to 02/06/1452H (corresponding to 30/09/2030G). Renewal by way of entry into a new written agreement to be mutually agreed upon by the Company and the landlord.	SAR 776,250, inclusive of VAT.	The tenant may sublet part of the leased space to third parties with the prior approval of the landlord.	The aggrieved party has the right to terminate if the other party breaches any of its obligations after being notified thereof and fails to remedy such breach or remove the damage within fifteen (15) days. The contract may also be terminated in the event of the tenant's insolvency, if an individual, or bankruptcy or liquidation, if a commercial entity, from the date the landlord becomes aware of such event or the expiration of the contract term, whichever is earlier, with the landlord retaining its right to collect any amounts due for the period prior to termination. The contract shall expire in the following cases: - expiration of the contract term; - if it is established, through a certified report from the Civil Defense or an authorized government entity, that the property is in a state of disrepair; - if government regulations require amendments to building codes, resulting in the leased units becoming unusable; - if the government acquires the property or a portion thereof, rendering the leased units unusable; or - if a force majeure event occurs. This expiration results in the following: - the tenant shall vacate the leased units within thirty (30) days of the occurrence of any termination event; and - the landlord shall refund the remaining portion of the lease amount paid for the remaining term upon the tenant's vacation of the leased premises.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
2	The Company	Cooperative Real Estate Investment Company	KSA, King Fahd Road, 12211, 3388, 6897 (17th Floor, Northern Tower)	Office use	The lease term is 28/03/1446H (corresponding to 01/10/2024G) to 08/04/1447H (corresponding to 30/09/2025G). Renewal by way of entry into a new written agreement to be mutually agreed upon by the Company and the landlord.	SAR (675,000), inclusive of VAT.	Not permitted.	The aggrieved party has the right to terminate if the other party breaches any of its obligations after being notified thereof and fails to remedy such breach or remove the damage within fifteen (15) days. The contract may also be terminated in the event of the tenant's insolvency, if an individual, or bankruptcy or liquidation, if a commercial entity, from the date the landlord becomes aware of such event or the expiration of the contract term, whichever is earlier, with the landlord retaining its right to collect any amounts due for the period prior to termination. The contract shall expire in the following cases: expiration of the contract term; - if it is established, through a certified report from the Civil Defense or an authorized government entity, that the property is in a state of disrepair; - if government regulations require amendments to building codes, resulting in the leased units becoming unusable; - if the government acquires the property or a portion thereof, rendering the leased units unusable; or - if a force majeure event occurs. This expiration results in the following: - the tenant shall vacate the leased units within thirty (30) days of the occurrence of any termination event; and - the landlord shall refund the remaining portion of the lease amount paid for the remaining term upon the tenant's vacation of the leased premises.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
3	Human Development Company (a branch of HDC)	Al-Rahi Trading Establishment, owned by Ibrahim Abdullah Ibrahim Al-Rahimi	KSA. The building is located on Eastern Ring Road.	Daycare center	The lease term is 13/04/1446H (corresponding to 16/10/2024G) to 25/02/1460H (corresponding to 31/03/2038G). The lease may be renewed by agreement of both parties.	SAR 469,444, inclusive of VAT.	Not permitted	The aggrieved party has the right to terminate the contract if the other party breaches any of its obligations after being notified thereof and fails to remedy such breach or remove the damage within fifteen (15) days. In addition, the contract may also be terminated in the event of the tenant's insolvency, if an individual, or bankruptcy or liquidation, if a commercial entity, from the date the landlord becomes aware of such event or the expiration of the contract term, whichever is earlier, with the landlord retaining its right to collect any amounts due for the period prior to termination. The contract shall expire in the following cases: - expiration of the contract term; - if it is established, through a certified report from an authorized government entity, that the property is in a state of disrepair; - if government regulations require amendments to building codes, resulting in the leased units becoming unusable; - if the government acquires the property or a portion thereof, rendering the leased units unusable; or - if a force majeure event occurs. This expiration results in the following: - the tenant shall vacate the leased units within thirty (30) days of the occurrence of any termination event; and - the landlord shall refund the remaining portion of the rent paid for the remaining term upon the tenant's vacation of the leased premises.
4	Obour Daycare Center (a branch of HDC)	RAL Investment Corporation, a closed joint-stock company	KSA. The building is located on the Nasr Road	Daycare center	The lease term is 11/01/1444H (corresponding to 09/08/2022G) to 16/02/1448H (corresponding to 30/07/2026G). The lease may be renewed by agreement of both parties.	SAR 280,000, exclusive of VAT.	Not permitted	This expiration results in the following: - the tenant shall vacate the leased units within thirty (30) days of the occurrence of any termination event; and - the landlord shall refund the remaining portion of the rent paid for the remaining term upon the tenant's vacation of the leased premises.
5	Obour Daycare Center (a branch of HDC)	Abdulaziz Abdullah Abdulaziz Alfozan	KSA, Najmuddin Road, Al Awali District, 14965, Riyadh, 3921	Daycare center	The lease term is 05/03/1443H (corresponding to 11/10/2021G) to 29/04/1448H (corresponding to 10/10/2026G). The lease may be renewed by agreement of both parties.	SAR 220,000, exclusive of VAT.	Not permitted	This expiration results in the following: - the tenant shall vacate the leased units within thirty (30) days of the occurrence of any termination event; and - the landlord shall refund the remaining portion of the rent paid for the remaining term upon the tenant's vacation of the leased premises.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
6	Human Development Daycare (a branch of HRC)	A charity in Khamis Mushait	KSA, Salah Al Din Road, Khamis Mushait, Al Sadd, 62431	Daycare center	The lease term is 05/11/1442H (corresponding to 15/06/2021G) to 28/12/1447H (corresponding to 14/06/2026G). The lease will automatically renew for a similar term unless either party notifies the other of their intention to terminate the contract at least 60 days before the lease expiration date.	SAR 350,000, inclusive of VAT.	Not permitted	
7	Obour Daycare Center (a branch of HDC)	Mubarak Zaid Mohammed Al Zuweid	KSA. The building is located in Al-Ahsa, Eastern Province, and its coordinates are as follows: 8120,2426,36341	Daycare center	The lease term is 02/11/1443H (corresponding to 01/06/2022G) to 25/06/1454H (corresponding to 30/09/2032G). The lease may be renewed by agreement of both parties.	SAR 677,419,36, inclusive of VAT.	Not permitted	
8	Obour Daycare Center (a branch of HDC)	Rassanah Real Estate	KSA. The building is located on Imam Muhammad ibn Saud Road, 63751	Daycare center	The lease term is 13/12/1444H (corresponding to 01/07/2023G) to 15/01/1448H (corresponding to 30/06/2026G). The lease may be renewed by agreement of both parties.	SAR 430,533, inclusive of VAT.	Not permitted	
9	Abdulaziz Ibrahim Al-Mudaifer Company (Human Development Center for Special Care) (a branch of HDC)	Jazan Regional Secretariat	KSA. The project is located in Jazan City, King Faisal Road	Investment project (Health Services Center for the provision of special needs education and care services)	The lease term is 25 years, commencing on 13/10/1432H (corresponding to 11/09/2011G). The agreement does not contain any provisions regarding the automatic renewal of the lease.	SAR 105,000. The contract does not stipulate whether the annual rental value is inclusive of VAT.	Not permitted	- If the tenant fails to commence construction and fit-out within the specified timeframe. - If the tenant breaches any of the provisions of the contract or the terms and specifications and fails to rectify the situation with the Secretariat within fifteen days from the date of the notice. - If the tenant fails to pay the rent at the beginning of the contractual year.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
10	HRC	Orphans Care Association in Buraydah ¹⁷⁰	KSA. The building is located in Al-Nahda Plot number 299/2/Q, on Abu Bakr Al-Siddiq Road in Buraydah	The purpose is to provide special needs healthcare and education services	The lease term is ten years, commencing on 21/12/1439H (corresponding to 01/09/2018G). Renewal shall be by mutual agreement of both parties.	First year: SAR 400,000. Second, third, and fourth years: SAR 500,000 per annum. Fifth and sixth years: SAR 600,000 per annum. Seventh, eighth, ninth, and tenth years: SAR 700,000 per annum. The contract does not stipulate whether the annual rental value is inclusive of VAT.	Only with the written consent of the landlord.	The tenant has the sole right to terminate the lease at the end of each annual lease term by submitting a formal written notice to the landlord at least three months prior to the end of the current year.
11	MDX Associates	TECOM Investments FZ-LLC	UAE. Office building constructed on plot number A-004-019, Dubai Internet City, Dubai.	Office use	The lease is from 03/01/1444H (corresponding to 01/08/2022G) to 17/02/1448H (corresponding to 31/07/2026G). Renewable by way of entry into a new written agreement prior to lapse of lease term.	Registration fee of AED 200, equivalent to SAR 204. From 03/01/1444H (corresponding to 01/08/2022G) to 13/01/1445H (corresponding to 31/07/2023G): AED 5,982,036.65, equivalent to SAR 6,101,677.38. From 21/12/1439H (corresponding to 01/08/2023G) to 25/01/1446H (corresponding to 31/07/2024G): AED 7,594,323.64, equivalent to SAR 7,746,210.11. From 26/01/1446H (corresponding to 01/08/2024G) to 06/02/1447H (corresponding to 31/07/2025G): AED 7,714,868.44, equivalent to SAR 7,869,165.81. From 07/02/1447H (corresponding to 01/08/2025G) to 17/02/1448H (corresponding to 31/07/2026G): AED 7,835,413.32, equivalent to SAR 7,992,121.59. Rental values are exclusive of VAT.	Tenant assignment and subletting is subject to Landlord's written consent. The tenant shall not be relieved of the primary liability to pay rent and perform all other obligations. Landlord may assign with the tenant's consent, which has been preemptively granted.	Landlord may terminate the lease for: - non-payment; - bankruptcy, liquidation or similar financial distress of the tenant; - assignment by the tenant without the landlord's prior written consent; and/or - abandonment by the tenant.
12	MDX Associates	TECOM Investments FZ-LLC	UAE, office units 101-111, 301-311, C, FL1C, FL3C, G01-G10 in Building B16 in Dubai Knowledge Park	Office use	The lease is from 03/01/1444H (corresponding to 01/08/2022G) to 17/02/1448H (corresponding to 31/07/2026G). Renewal subject to tenant notice at least three months before expiration and subject to landlord's discretion.	Registration fee of AED 200, equivalent to SAR 204. Year 2022G: AED 4,451,600, equivalent to SAR 4,540,632. Year 2023G: AED 4,523,400, equivalent to SAR 4,613,868. Year 2024G: AED 4,595,200, equivalent to SAR 4,687,104. Year 2025G: AED 4,667,000, equivalent to SAR 4,760,340. Rental values are exclusive of VAT.	Subject to landlord's prior written consent. Landlord may assign to any affiliate.	- The lease may be terminated by mutual agreement of the landlord and tenant. - Landlord may terminate for: - tenant assignment without landlord consent; - use of the premises other than for office use; - use of the premises by the tenant for illegal or immoral purposes, or where the tenant causes damage or endangers the safety of the premises; - non-payment; - breach by the tenant of any other term of the lease; - abandonment of the premises by the tenant, or failure by the tenant to open for business; and - bankruptcy, liquidation, or similar financial distress of the tenant.

¹⁷⁰ **Note:** The contract referred to in this row has not been registered on the Ejari platform. The lessee has contacted the lessor in order to register the contract, however the procedures have not been completed as of the date of this Prospectus. The risks related to failure to register the contract on the Ejari platform are disclosed in Section 2.1.23 ("Risks Related to the Group's Reliance on Leased Sites").



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
13	MDX Associates	TECOM Investments FZ-LLC	UAE, Units C, G01 – G09, in Building B17, Dubai Knowledge Park	Office use	The lease is from 03/01/1444H (corresponding to 01/08/2022G) to 17/02/1448H (corresponding to 31/07/2026G). Renewal subject to tenant notice at least three months before expiration and subject to landlord's discretion.	Registration fee of AED 200, equivalent to SAR 204. Year 2022G: AED 1,303,612, equivalent to SAR 1,329,684.24. Year 2023G: AED 1,324,638, equivalent to SAR 1,351,130.76. Year 2024G: AED 1,345,664, equivalent to SAR 1,372,577.28. Year 2025G: AED 1,366,690, equivalent to SAR 1,394,023.80. Rental values are exclusive of VAT.	Subject to landlord's prior written consent. Landlord may assign to any affiliate.	- The lease may be terminated by mutual agreement of the landlord and tenant. - Landlord may terminate for: • tenant assignment without landlord consent; • the use of the premises other than for office use; • use of the premises by the tenant for illegal or immoral purposes, or where the tenant causes damage or endangers the safety of the premises; • non-payment; • breach by the tenant of any other term of the lease; • abandonment of the premises by the tenant, or failure by the tenant to open for business; and • bankruptcy, liquidation, or similar financial distress of the tenant.
14	MDX Associates	TECOM Investments FZ-LLC	UAE, Units 02A, G01, G02B, G03 – G07 of Building B19 in Dubai Knowledge Park.	Office use	The lease is from 16/12/1445H (corresponding to 22/06/2024G) to 17/02/1448H (corresponding to 31/07/2026G). Renewal subject to tenant notice at least three months before expiration and subject to landlord discretion.	Registration fee of AED 200, equivalent to SAR 204. Year 2024G: AED 1,654,149.40, equivalent to SAR 1,687,232.39. Year 2025G: AED 1,764,402.80, equivalent to SAR 1,799,690.86. Year 2026G (one (1) month and ten (10) day period): AED 194,442.79, equivalent to SAR 198,331.65. Rental values are exclusive of VAT.	Subject to landlord's prior written consent. Tenant may assign to any affiliate.	- The lease may be terminated by mutual agreement of the landlord and tenant. - Landlord may terminate for: • tenant assignment without landlord consent; • use of the premises other than for office use; • use of the premises by the tenant for illegal or immoral purposes, or where the tenant causes damage or endangers the safety of the premises; • non-payment; • breach by the tenant of any other term of the lease; • abandonment of the premises by the tenant, or failure by the tenant to open for business; and • bankruptcy, liquidation, or similar financial distress of the tenant.
15	MDX Associates	TECOM Investments FZ-LLC	UAE, Units 207-212 of Building B17 in Dubai Knowledge Park.	Office use	The lease is from 25/12/1445H (corresponding to 01/07/2024G) to 17/02/1448H (corresponding to 31/07/2026G). Renewal subject to tenant notice at least three months before expiration and subject to landlord's discretion.	Registration fee of AED 200, equivalent to SAR 204. Year 2024G: AED 800,683.56, equivalent to SAR 816,697.23. Year 2025G: AED 854,062.48, equivalent to SAR 871,143.73. Year 2026G (one (1) month period): is AED 71,171.89, equivalent to SAR 72,595.33. Rental values are exclusive of VAT.	Subject to landlord's prior written consent. Tenant may assign to any affiliate.	- The lease may be terminated by mutual agreement of the landlord and tenant. - Landlord may terminate for: • tenant assignment without landlord consent; • use of the premises other than for office use; • use of the premises by the tenant for illegal or immoral purposes, or where the tenant causes damage or endangers the safety of the premises; • non-payment; • breach by the tenant of any other term of the lease; • abandonment of the premises by the tenant, or failure by the tenant to open for business; and • bankruptcy, liquidation, or similar financial distress of the tenant.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
16	MDX Associates	TECOM Investments FZ-LLC	UAE, Units 107-108, 108A, 109-111, 201-206, 213 and FL2-C1 of Building B17 in Dubai Knowledge Park	Office use	The lease is from 08/01/1446H (corresponding to 14/07/2024G) to 24/01/1448H (corresponding to 09/07/2026G). Renewal subject to tenant notice at least three months before expiration and subject to landlord's discretion.	Registration fee of AED 200, equivalent to SAR 204. Year 2024G: AED 1,743,028.92, equivalent to SAR 1,777,889.50. Year 2025G: AED 2,324,038.40, equivalent to SAR 2,370,519.17. Year 2026G (17-day period): AED 106,206.06, equivalent to SAR 108,330.18. Rental values are exclusive of VAT.	Subject to landlord's prior written consent. Tenant may assign to any affiliate.	– The lease may be terminated by mutual agreement of the landlord and tenant. – Landlord may terminate for: - tenant assignment without landlord consent; - use of the premises other than for office use; - use of the premises by the tenant for illegal or immoral purposes, or where the tenant causes damage or endangers the safety of the premises; - non-payment; - breach by the tenant of any other term of the lease; - abandonment of the premises by the tenant, or failure by the tenant to open the for business; and - bankruptcy, liquidation, or similar financial distress of the tenant.
17	MDX Associates	TECOM Investments FZ-LLC	UAE, Unit 501 of Building B10 in Dubai Knowledge Park	Office use	The lease is from 28/03/1446H (corresponding to 01/10/2024G) to 17/02/1448H (corresponding to 31/07/2026G). Renewal subject to tenant notice at least three months before expiration and subject to landlord's discretion.	Registration fee of AED 200, equivalent to SAR 204. Year 2024G: AED 1,218,183.84, equivalent to SAR 1,242,547.52. Year 2025G (10-month period): AED 1,015,153.20, equivalent to SAR 1,035,456.26. Rental values are exclusive of VAT.	Subject to landlord's prior written consent. Tenant may assign to any affiliate.	– Landlord may terminate for: - tenant assignment without landlord consent; - use of the premises other than for office use; - use of the premises by the tenant for illegal or immoral purposes, or where the tenant causes damage or endangers the safety of the premises; - non-payment; - breach by the tenant of any other term of the lease; - abandonment of the premises by the tenant, or failure by the tenant to open for business; and - bankruptcy, liquidation, or similar financial distress of the tenant. - The tenant may terminate by providing a three-month notice after the first year elapses, provided that the tenant has (a) paid all sums due and payable and (b) performed all of its obligations under this agreement up to the date of vacating possession and handover of the premises.
18	MDX Associates (the "Tenant") Middlesex International FZ-LLC (the "Sublessee")	TECOM Investments FZ-LLC	UAE, Office units 101-111, 301-311, C, FL1C, FL3C, G01-G10 in Building B16 in Dubai Knowledge Park Sublease of Office 301 in Building B16	Office use and as set out in the tenant's trade license.	The lease is from 03/01/1444H (corresponding to 01/08/2022G) to 17/02/1448H (corresponding to 31/07/2026G).	Year 2022G to 2025G: AED 30,100, equivalent to SAR 30,702, exclusive of VAT.	None, but the Sublessee must observe and perform all the Tenant's covenants and conditions in the Head Lease. (The Head Lease review is in row 11 of this Table).	If the head landlord or tenant gives notice to terminate the head lease, the tenant may send written notice to the sublessee to terminate the sublease.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
19	MDX Associates (the "Tenant") MCX UK (through its branch MDX HEC) in its capacity as Middlesex (the "Sublessee")	TECOM Investments FZ-LLC	UAE, Office units 101-111, 301-311, C, FL1C, FL3C, G01-G10 in Building B16 in Dubai Knowledge Park Subletting of Office 302 in Building B16	Office use	The lease is from 03/01/1444H (corresponding to 01/08/2022G) to 17/02/1448H (corresponding to 31/07/2026G).	Year 2022G to 2025G: AED 23,850, equivalent to SAR 24,327, exclusive of VAT.	None, but the Sublessee must observe and perform all the Tenant's covenants and conditions in the Head Lease. (The Head Lease review is in row 11 of this table).	If the head landlord or tenant gives notice to terminate the head lease, the tenant may give written notice to the sublessee to terminate the sublease.
20	MDX Associates (the "Tenant")	TECOM Investments FZ-LLC	UAE, Office units 103-101 in Building B17 in Dubai Knowledge Park	Office use	The lease is from 04/06/1446H (corresponding to 05/12/2024G) to 17/02/1448H (corresponding to 31/07/2026G). Renewable subject to notice from the tenant at least three months prior to expiration of the lease, at the landlord's discretion.	Registration fee of AED 200, equivalent to SAR 204. The lease amount for 2024G is AED 24,668.66, equivalent to SAR 24,765.57 (the lessor agreed to grant a 31-day rent exemption period). The lease amount for the 2025G (a period of approximately 8 months) is valued at AED 18,492.06, which is equivalent to SAR 18,861.90. Rental values are exclusive of VAT.	Subject to landlord's prior written consent. The landlord may assign the lease to any subsidiary.	– The lease may be terminated by mutual agreement of the landlord and tenant. – Landlord may terminate for: • assignment by the tenant without the lessor's consent; • the tenant's use of the leased property for any purpose other than office use; • use of the leased premises by the lessee for illegal or immoral purposes, or if the tenant causes damage to or endangers the safety of the premises; • non-payment; • breach by the tenant of any other term of the lease; • abandonment of the leased premises by the tenant, or failure by the tenant to open the leased premises for business; and • bankruptcy, liquidation, or similar financial distress of the tenant.
21	Abu Dhabi University Sole Proprietorship LLC	TECOM Investments FZ-LLC on behalf of the building owner, Zayed University - Abu Dhabi	UAE, Plot number A-004-040 located in Dubai Knowledge Park	Educational and training services	The lease is from 15/09/1446H (corresponding to 15/03/2025G) to 25/09/1447H (corresponding to 14/03/2026G).	Registration fee of AED 200, equivalent to SAR 204, exclusive of VAT. AED 3,521,700, equivalent to SAR 3,592,134, exclusive of VAT.	Tenant may assign subject to landlord's prior written consent.	Landlord can terminate for: • non-payment; • abandonment of the premises by the tenant; • assignment by the tenant without the landlord's prior written consent; and • bankruptcy, liquidation, or similar financial distress of the tenant.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
22	British International School LLC	NEMA Holding Company, represented by its legal representative, Fortune Properties LLC	UAE, school building: Located within the grounds of Abu Dhabi University in Khalifa City. Sports ground: an adjacent plot to the school building, with a total area of 9,750 square meters and containing a sport center facility (2,510 square meters). Additional property: Additional sports ground (6,000 square meters). Auditorium (2,373 square meters).	School building: An international educational establishment. Sports ground and sport center facility: as a sports and recreational area. Auditorium block: for use in conjunction with the school building and for lease or license by third-party providers of after-school activities or events. Additional sports ground: Football field.	The lease is from 10/08/1430H (corresponding to 01/08/2009G) to 29/06/1460H (corresponding to 31/07/2038G).	Effective as at 11/10/1444H (corresponding to 01/05/2023G): Annual rent for the school building, sports ground, and the sports center facility is AED 14,140,000, equivalent to SAR 14,698,200, increased by 3% on 14/01/1445H (corresponding to 01/08/2023G) and 26/01/1446H (corresponding to 01/08/2024G), and thereafter increased annually by 2.5%. Plus another rent amount for: the auditorium block at AED 1,500,000, equivalent to SAR 1,530,000 that commences after its rent-free period expires following handover; and the additional sports ground at of AED 600,000, equivalent to SAR 612,000, increased annually by 2.5% from 1 August 2026G. Rental values are exclusive of VAT.	Subject to landlord's prior written consent.	The landlord has the right to terminate for: - non-payment; - material breach by the tenant of any condition or covenant; and - voluntary arrangement, application for administration or similar financial distress of the tenant.
23	Liwa University LLC - SPC	Aldar Trading LLC - SPC	UAE, number of units in Baniyas Tower B, Abu Dhabi	Campus A of Liwa University	The lease is from 21/12/1439H (corresponding to 01/09/2018G) until 09/12/1455H (corresponding to 28/02/2034G).	The rental value from 21/12/1439H (corresponding to 01/09/2018G) to 15/02/1445H (corresponding to 31/08/2023G) shall be AED 8,718,450, equivalent to SAR 8,892,819 for each period equivalent to one year falling within these dates. The rental value from 16/02/1445H (corresponding to 01/09/2023G) to 27/02/1446H (corresponding to 31/08/2024G) shall be AED 8,739,331.67, equivalent to SAR 8,914,118.30. The rental value from 28/02/1446H (corresponding to 01/09/2024G) to 10/04/1450H (corresponding to 31/08/2028G) shall be AED 8,768,566, equivalent to SAR 8,943,937.32 for each period equivalent to one year falling within these dates. The rental value from 11/04/1450H (corresponding to 01/09/2028G) to 05/06/1455H (corresponding to 31/08/2033G) shall be AED 9,575,898.42, equivalent to SAR 9,767,416.39 for each period equivalent to one year falling within these dates. The rental value from 06/06/1455H (corresponding to 01/09/2033G) to 09/12/1455H (corresponding to 28/02/2034G) (6-month period) shall be AED 4,787,949.21, equivalent to SAR 4,883,708.19. The above amounts include the following amounts which the tenant shall pay annually: annual cold water bills of AED 150,000, equivalent to SAR 152,971.05. The rental values are exclusive of VAT.	The tenant shall have the right to assign, subject to the landlord's prior consent. The landlord shall have the right to assign in its sole discretion, provided that such assignment shall not have an adverse effect on the tenant's rights under the lease agreement.	Landlord may terminate the lease in the following situations: - any amount due from the tenant to the landlord or any part thereof has not been paid after it has become due; or - the tenant's breach of any obligation in the lease contract. The landlord shall have the right to terminate this lease, at its sole discretion, with immediate effect upon notice to the tenant in the following cases: - if the tenant becomes insolvent; - if the tenant commits any fraud or any other unlawful or criminal acts; or - on any basis permitted by law. The lease may be terminated at any time by mutual written agreement between the tenant and the landlord.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
24	Khawarizmi International College Company LLC - Branch ⁽¹⁷¹⁾	Masaken Real Estate	UAE, units UNT239007 and UNT239021, comprising stores No. 1-3 and 7-18, located on Plot 5, Property No. PRP53014, on Roads 6 and 11, Al Miryal St, Al Khibeesi, Al Ain 33378.	Training center	The lease is from 05/03/1444H (corresponding to 01/10/2022G) to 08/04/1447H (corresponding to 30/09/2025G).	AED 3,000,000 (equivalent to SAR 3,060,000.00), exclusive of VAT.	Unspecified	Unspecified
25	Abu Dubai University LLC	Government of Abu Dhabi	UAE, Plot No. 417, Plot Reference No. 00-000-000-417, Jarn Yafour Complex, Industrial Sector Annex, Abu Dhabi, United Arab Emirates.	Store	The lease is from 02/04/1446H (corresponding to 05/10/2024G) to 12/14/1447H (corresponding to 04/10/2025G). On the condition that if licensing and approvals for the commencement of construction are obtained then a further lease for a term of 29 years will be granted.	AED 38,999.86 equivalent to SAR 39,779.86, exclusive of VAT.	Any assignment is prohibited.	The landlord has the right to terminate for: - public interest considerations; - breach by the tenant of any condition or covenant; or - bankruptcy, liquidation, or similar financial distress of the tenant.
26	Abu Dhabi University	Government of Abu Dhabi	UAE, Plot 139, voucher number 139-000-361-007, 36 M Sector, Musaffah, Abu Dhabi	Store	The lease is from 06/05/1432H (corresponding to 10/04/2011G) to 23/02/1459H (corresponding to 09/04/2037G).	AED 1,890, equivalent to SAR 1,927.8, exclusive of VAT. ⁽¹⁷²⁾	Any assignment is prohibited.	Landlord has the right to terminate for: - public interest considerations; - breach by the tenant of any condition or covenant; or - bankruptcy, liquidation, or similar financial circumstances.
27	NEMA Education Company - a sole proprietorship LLC ⁽¹⁷³⁾	-	Plot in Abu Dhabi	Land construction and development (Musataha agreement)	This contract is valid for 29 years.	-	The tenant may assign the leased property, subject to obtaining the landlord's prior consent. The landlord may assign at its sole discretion in accordance with a written notice sent to the tenant, provided that this does not impose any new obligations on the tenant.	Landlord has the right to terminate the lease if the tenant commits a material breach of its provisions, including but not limited to: - failure to substantially complete the project within 12 months after the date of the works period (as may be extended); - failure of the tenant to pay Musataha fees within the period specified in the agreement; or - if the tenant vacates the plot and ceases its activity.

¹⁷¹ **Note:** The information in this summary is based on the lease registration certificate, which does not contain assignment or termination rights. The tenant has confirmed that the registration certificate is the main document governing the lease and that there is no other document governing this lease relationship.

¹⁷² **Note:** The "Lease Amount" in this row refers to the total amount owed, not the annual value.

¹⁷³ **Note:** The name of the contracting party (landlord), details of the address of the subject property, details of the purpose of the contract, start and end dates of the contract term, and the contract value are not mentioned in this agreement as they are considered confidential information of a commercially sensitive nature.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
28	Liwa University LLC - SPC (through its branch) ⁽¹⁷⁴⁾	-	Plot in Abu Dhabi	Land development (Musataha agreement)	This contract is valid for 30 years.	-	The tenant may assign the leased property, subject to obtaining the landlord's prior consent. The landlord may assign at its sole discretion in accordance with a written notice sent to the tenant, provided that this does not impose any new obligations on the tenant.	Landlord has the right to terminate the lease if the tenant commits a material breach of its provisions, including but not limited to: - failure of the tenant to pay Musataha fees within the period specified in the agreement; or - if the tenant vacates the plot and ceases its activity.
29	EDGE Group PJSC ⁽¹⁷⁵⁾	Liwa University LLC - SPC (through its branch) as a sub-landlord of the property leased thereto under the Musataha agreement.	Plot in Abu Dhabi	Commercial and office use, in addition to use as a training, research and development center ⁽¹⁷⁶⁾	The lease is from 13/04/1446H (corresponding to 16/10/2024G) to 05/01/1457H (corresponding to 15/03/2035G).	The rental amounts are due from 16/09/1446H (corresponding to 16/03/2025G), as the sub-landlord granted the tenant a grace period from 13/04/1446H (corresponding to 16/10/2024G) to 15/09/1446H (corresponding to 15/03/2025G). The rental value from 16/09/1446H (corresponding to 16/03/2025G) to 26/09/1447H (corresponding to 15/03/2026G) shall be AED 9,000,000, equivalent to SAR 9,180,000. The rental value from 27/09/1447H (corresponding to 16/03/2026G) to 07/10/1448H (corresponding to 15/03/2027G) shall be AED 9,000,000, equivalent to SAR 9,180,000. The rental value from 08/10/1448H (corresponding to 16/03/2027G) to 19/10/1449H (corresponding to 15/03/2028G) shall be AED 9,450,000, equivalent to SAR 9,639,000. The rental value from 20/10/1449H (corresponding to 16/03/2028G) to 30/10/1450H (corresponding to 15/03/2029G) shall be AED 9,922,500, equivalent to SAR 10,120,950.	The tenant shall have the right to assign, subject to the sub-landlord's prior written consent. However, the tenant shall have the right to assign to any of their affiliates without obtaining the sub-landlord's consent. The sub-landlord shall have the right to assign without obtaining the tenant's consent.	Landlord can terminate for: - non-payment of rental amounts; - assignment by the tenant without the sub-landlord's prior written consent; and - bankruptcy, liquidation or similar financial distress of the tenant.

¹⁷⁴ **Note:** The name of the contracting party (landlord), details of the address of the subject property, details of the purpose of the contract, start and end dates of the contract term, and the contract value are not mentioned in this agreement as they are considered confidential information of a commercially sensitive nature.

¹⁷⁵ **Note:** The address details of the property subject of the contract have not been included, as it is considered confidential information of a commercially sensitive nature. This is the same property that Liwa University LLC - SPC (through its branch) has leased under the Musataha agreement disclosed herein.

¹⁷⁶ **Note:** EDGE Group PJSC has entered into a contract with Arclight Services, a sole proprietorship limited liability company and a subsidiary of the Company, to provide it with several services related to the fit-out of the leased property. Arclight Services, in turn, has subcontracted ATQ Interiors LLC to provide it with the services, which in turn Arclight Services will provide to EDGE Group PJSC. None of these agreements are considered material.



#	Tenant	Landlord	Location	Purpose of Lease	Term and Renewal	Annual Rent	Assignment / Subleasing	Termination Events
						The rental value from 01/11/1450H (corresponding to 16/03/2029G) to 10/11/1451H (corresponding to 15/03/2030G) shall be AED 10,418,625, equivalent to SAR 10,626,997.5. The rental value from 11/11/1451H (corresponding to 16/03/2030G) to 21/11/1452H (corresponding to 15/03/2031G) shall be AED 10,939,556, equivalent to SAR 11,158,347.1. The rental value from 22/11/1452H (corresponding to 16/03/2031G) to 03/12/1453H (corresponding to 15/03/2032G) shall be AED 11,486,534, equivalent to SAR 11,716,264.7. The rental value from 04/12/1453H (corresponding to 16/03/2032G) to 13/12/1454H (corresponding to 15/03/2033G) shall be AED 12,060,861, equivalent to SAR 12,302,078.2. The rental value from 14/12/1454H (corresponding to 16/03/2033G) to 24/12/1455H (corresponding to 15/03/2034G) shall be AED 12,663,904, equivalent to SAR 12,917,182.1. The rental value from 25/12/1455H (corresponding to 16/03/2034G) to 05/01/1457H (corresponding to 15/03/2035G) shall be AED 13,297,099, equivalent to SAR 13,563.041. The rental values are exclusive of VAT.		

Source: The Company



11.10 Insurance

The Group maintains insurance policies covering various risks to which it may be exposed under the insurance policies of its Material Subsidiaries, in addition to an insurance policy maintained by Amanat Holdings from which the Company benefits as a company owned by Amanat Holdings. It should be noted that as at the date of this Prospectus, the Company does not hold any insurance policies (except for medical insurance for its employees) as it does not directly conduct operations. However, the Company is in the process of obtaining the necessary insurance policies to cover the risks associated with its business as a holding company within the Group. The following table sets out the key details of the material insurance policies held by the Company and its Material Subsidiaries:

Table (11.25): Summary of Material Insurance Policies of the Company⁽¹⁷⁷⁾ and its Material Subsidiaries

Policy No.	Type of Coverage	Insurer	Maximum Insurance Coverage	Coverage Validity Period and Expiration Date
Insurance Policy issued in the name of the Company, which benefits HDC, HRC and MDX Associates				
627656	D&O liability insurance	Tawuniya	SAR 30,000,000 applied as the maximum amount of compensation for any one claim and in aggregate for all claims	03/12/1446H (corresponding to 30/05/2025G) to 12/12/1447H (corresponding to 29/05/2026G)
The Company				
40686750	Health insurance for all Company employees (Saudi and non-Saudi)	Tawuniya	SAR 500,000 per person per annum	16/03/1446H (corresponding to 19/09/2024G) to 08/04/1447H (corresponding to 30/09/2025G)
HDC				
A-RAJH-2-B-10-040	Health insurance for all Company employees (Saudi and non-Saudi)	Al Rajhi Takaful	SAR 1,000,000 per person per annum	24/09/1446H (corresponding to 24/03/2025G) to 04/10/1447H (corresponding to 23/03/2026G)
P0824-MTI-TELE-05261861	Third-party liability motor vehicle insurance for a fleet of 10 vehicles used to serve the Company's branches and centers in various regions	Al Rajhi Takaful	SAR 10,000,000 for third party liability	16/03/1446H (corresponding to 19/09/2024G) to 26/03/1447H (corresponding to 18/09/2025G)
P0824-MTI-TELE-04856039	Third-party liability motor vehicle insurance for a fleet of 24 vehicles used to serve the Company's branches and centers in various regions	Al Rajhi Takaful	SAR 10,000,000 for third party liability	04/02/1446H (corresponding to 08/08/2024G) to 13/02/1447H (corresponding to 07/08/2025G)
P1124-MTI-TELE-07846276	Third-party liability motor vehicle insurance for a fleet of 18 vehicles used to serve the Company's branches and centers in various regions	Al Rajhi Takaful	SAR 10,000,000 for third party liability	05/05/1446H (corresponding to 07/11/2024G) to 15/05/1447H (corresponding to 06/11/2025G)

¹⁷⁷ **Note:** The Company is currently in the process of obtaining an insurance policy to cover liabilities related to its initial public Offering (IPO) for its Board of Directors. It is expected that this policy will be issued prior to the listing of the Company's shares.



Policy No.	Type of Coverage	Insurer	Maximum Insurance Coverage	Coverage Validity Period and Expiration Date
P0225-MTI-TELE-00587654	Third-party liability motor vehicle insurance for 1 vehicle used to serve the Company's branches and centers in various regions	Al Rajhi Takaful	SAR 10,000,000 for third party liability	14/08/1446H (corresponding to 13/02/2025G) to 24/08/1447H (corresponding to 12/02/2026G)
HRC				
A-RAJH-2-B-10-040	Health insurance for all Company employees (Saudi and non-Saudi)	Al Rajhi Takaful	SAR 1,000,000 per person per annum	24/09/1446H (corresponding to 24/03/2025G) to 04/10/1447H (corresponding to 23/03/2026G)
MDX Associates				
P2420002597	Group medical insurance – worldwide excluding the U.S. and Canada subject to reasonable and customary charges of applicable network in the UAE	Qatar Insurance Company – Category A	AED 500,000 (equivalent to SAR 510,000) per person per annum	28/03/1446H (corresponding to 01/10/2024G) to 08/04/1447H (corresponding to 30/09/2025G)
P2420002597-1	Group medical insurance – the UAE, Arab Countries, and Indian Subcontinent, subject to reasonable and customary charges of applicable network in the UAE	Qatar Insurance Company – Category B	AED 200,000 (equivalent to SAR 204,000) per person per annum	28/03/1446H (corresponding to 01/10/2024G) to 08/04/1447H (corresponding to 30/09/2025G)
P222200404000729	Combined material damage – property all risks and business interruption	Qatar Insurance Company	AED 90,535,515, equivalent to SAR 92,346,225.30.	20/03/1446H (corresponding to 23/09/2024G) to 30/03/1447H (corresponding to 22/09/2025G)
P222200704000858	Public, Product and Pollution Liability	Qatar Insurance Company	Section A – public liability – AED 10,000,000 (equivalent to SAR 10,200,000) – for any one accident, unlimited in the annual aggregate Section B – pollution liability – sudden and unforeseen pollution – AED 10,000,000 (equivalent to SAR 10,200,000) for any one accident and in the annual aggregate Section C – products liability – AED 2,000,000 (equivalent to SAR 2,040,000) – for any one accident in the annual aggregate	20/03/1446H (corresponding to 23/09/2024G) to 30/03/1447H (corresponding to 22/09/2025G)



Policy No.	Type of Coverage	Insurer	Maximum Insurance Coverage	Coverage Validity Period and Expiration Date
P222200803000379	Fidelity guarantee	Qatar Insurance Company	A limit of AED 250,000 (equivalent to SAR 255,000) applies in respect of any one employee and AED 1,000,000 (equivalent to SAR 1,020,000) in the aggregate in any one insurance period	20/03/1446H (corresponding to 23/09/2024G) to 30/03/1447H (corresponding to 22/09/2025G)
P222200806000378	Loss of money insurance	Qatar Insurance Company	- At the location during business hours: AED 100,000 equivalent to SAR 102,000. - At the location outside business hours: AED 100,000 equivalent to SAR 102,000. - At the location out of business hours and not in a locked safe, but in a locked drawer or cabinet: AED 100,000 (equivalent to SAR 102,000) for any one loss. - In the hands of authorized personnel, including while at their private residence (not being money covered under contingencies 1-3 above, or money in the normal course of transit according to contingency 5 below): AED 100,000 (equivalent to SAR 102,000) for any one person. - In transit: AED 100,000 (equivalent to SAR 102,000) for any one loss.	20/03/1446H (corresponding to 23/09/2024G) to 30/03/1447H (corresponding to 22/09/2025G)
P222200201000773	Workmen's compensation/ employee liability	Qatar Insurance Company	Employers liability with a limit of AED 7,500,000 (equivalent to SAR 7,650,000) for any one claim, unlimited in the annual aggregate	30/02/1446H (corresponding to 03/09/2024G) to 30/03/1447H (corresponding to 22/09/2025G)



Policy No.	Type of Coverage	Insurer	Maximum Insurance Coverage	Coverage Validity Period and Expiration Date
P/301/1/95120/2023/00112	Group Takaful scheme (death from any cause) and supplementary Takaful benefits such as total permanent disability (accidental), partial permanent disability (accidental), and coverage for indirect war risks, or death from any cause, total permanent disability (accidental), or partial permanent disability (accidental)	Abu Dhabi National Takaful Co. PSC (Takaful)	AED 56,500,000, equivalent to SAR 5,763,000.	28/03/1446H (corresponding to 01/10/2024G) to 08/04/1447H (corresponding to 30/09/2025G)
P/301/1/95120/2024/00141	Life insurance	Abu Dhabi National Takaful Co.	AED 100,000 (equivalent to SAR 102,000) for employees and AED 25,000 (equivalent to SAR 25,500) for students up to the age of sixty-five	28/03/1446H (corresponding to 01/10/2024G) to 08/04/1447H (corresponding to 30/09/2025G)
NEMA Holding Company				
0102070202390930000000	Property all risk	Sukoon Insurance PJSC	AED 1,113,342,553.07, equivalent to SAR 1,135,609,404.13.	27/04/1446H (corresponding to 30/10/2024G) to 07/05/1447H (corresponding to 29/10/2025G)
0102060202389469000000	Workmen's compensation/ employee liability	Sukoon Insurance PJSC	AED 10,000,000, equivalent to SAR 10,200,000 for each separate case, or in aggregate.	27/04/1446H (corresponding to 30/10/2024G) to 07/05/1447H (corresponding to 29/10/2025G)
0102060602389478000000	Money insurance: in transit in the UAE; in locked safe; and in drawer	Sukoon Insurance PJSC	AED 245,360,000 (equivalent to SAR 250,630,200) in aggregate.	27/04/1446H (corresponding to 30/10/2024G) to 07/05/1447H (corresponding to 29/10/2025G)
0102060502389417000000	Fidelity guarantee insurance	Sukoon Insurance PJSC	AED 500,000 (equivalent to SAR 510,000) for each employee and AED 2,000,000 (equivalent to SAR 2,040,000) in aggregate	27/04/1446H (corresponding to 30/10/2024G) until 07/05/1447H (corresponding to 29/10/2025G)
1237	Health insurance	Daman Insurance	The extent or degree of service eligible persons are entitled to receive based on their policy with Daman.	18/05/1446H (corresponding to 01/01/2025G) to 19/06/1447H (corresponding to 31/12/2025G)



Policy No.	Type of Coverage	Insurer	Maximum Insurance Coverage	Coverage Validity Period and Expiration Date
0102060102388742	Public liability/product liability insurance	Sukoon Insurance PJSC	AED 10,000,000 (equivalent to SAR 10,200,000) for any case and AED 25,000,000 (equivalent to SAR 25,500,000) in aggregate.	27/04/1446H (corresponding to 30/10/2024G) to 07/05/1447H (corresponding to 29/10/2025G)

Source: The Company

In addition to the aforementioned, HDC and HRC employ a number of licensed healthcare practitioners. The Company does not provide medical malpractice insurance coverage. Each healthcare practitioner is required to obtain such coverage independently as a condition of their licensure.

11.11 Intellectual Property and Intangible Assets Owned by the Group

The Group relies heavily on its intangible assets, including brands that reflect its brand identity, and technical systems used for its day-to-day operations. As at the date of this Prospectus, two trademarks have been registered within the KSA and the UAE in the name of the Company. The key registered trademarks for the Company and the Material Subsidiaries, both domestically and internationally, are detailed below.

11.11.1 Key Details of All Material Trademarks of the Company and its Material Subsidiaries Registered Inside and Outside the KSA

Table (11.26): Details of Material Trademarks of the Company and its Subsidiaries Registered with the Saudi Authority for Intellectual Property in the KSA

Trademark Logo	Trademark Owner	Trademark Registration Number	Trademark Category	Trademark Expiration Date
	The Company	TM-01-00-37133-24	41	16/03/1456H (corresponding to 03/06/2024G)
	The Company	TM-01-00-37132-24	41	16/03/1456H (corresponding to 03/06/2024G)
	HRC	1442026970	41	22/08/1452H (corresponding to 17/12/2030G)
	Human Development Center	1438016103	41	11/07/1448H (corresponding to 20/12/2026G)
	Bridge Learning Medical	1443019726	44	08/06/1453H (corresponding to 25/09/2031G)



Trademark Logo	Trademark Owner	Trademark Registration Number	Trademark Category	Trademark Expiration Date
	Human Development Center	1441006835	41	12/03/1451H (corresponding to 24/07/2029G)
	Human Development Center	1438004830	41	30/02/1448H (corresponding to 13/08/2026G)
	Human Development Center	1437015571	41	10/07/1447H (corresponding to 30/12/2025G)
	Human Development Center	1438004144	41	15/03/1448H (corresponding to 28/08/2026G)

Source: The Company

Table (11.27): Other Countries in which the Company and its Subsidiaries Have Registered Their Trademarks

Trademark Logo	Trademark Owner	Trademark Registration Number	Trademark Category	Country of Registration	Trademark Expiration Date
	The Company	429883	41	United Arab Emirates	08/06/1456H (corresponding to 23/08/2024G)
	The Company	429884	41	United Arab Emirates	08/06/1456H (corresponding to 23/08/2024G)
	Abu Dhabi University LLC	284800	42	United Arab Emirates	22/07/1449H (corresponding to 20/12/2027G)
	Knowledge Group LLC	393649	41	United Arab Emirates	07/12/1454H (corresponding to 08/03/2033G)

Source: The Company



11.11.2 Domain Names Owned by the Group

The Group has reserved and registered a number of domain names and website addresses in its name. The following table details the key domains registered in the name of the Company and its Subsidiaries.

Table (11.28): Details of Key Domain Names

#	Domain Name	Domain Name Owner
1.	masareducation.sa	The Company
2.	masareducation.com	The Company
3.	masareducation.ae	The Company
4.	hdc.com.sa	HDC
5.	learningtree.edu.sa	HDC
5.	hdc.edu.sa	HDC
6.	hdc.sa	HDC
7.	oboer.com.sa	HDC
8.	oboer.sa	HDC
9.	montalik.com.sa	HDC
10.	montalik.sa	HDC
11.	bridge.med.sa	HDC
12.	rehadox.com.sa	HDC
13.	rehadox.sa	HDC
14.	bridge.com.sa	HDC
15.	montalik.edu.sa	HDC
16.	rehadox.edu.sa	HDC
17.	عبور.السعودية	HDC
18.	بريدج.السعودية	HDC
19.	تنمية الإنسان.السعودية	HDC
20.	ريهادوكس.السعودية	HDC
21.	شركت تنمية الإنسان.السعودية	HDC
22.	منطلق.السعودية	HDC
23.	MDX.AC.AE	MDX Associates

Source: The Company

11.11.3 Key Technology Systems Used by the Group

The following table details the key systems and applications used by the Group.

Table (11.29): Details of Systems and Applications

#	Name of Application or System	Nature of Application or System	Purpose of Application or System	Owner or User of Application or System	Expiration Date Validity (if any)
1.	Rehadox	Mobile application	Child training and rehabilitation management	HDC	N/A
2.	Learning Bridge	Mobile application	Providing interactive training courses for individuals	HDC	N/A

Source: The Company

Except as stated above, the Group does not own any other material intangible assets.



11.12 Claims and Litigation

The Company's Directors confirm that there are no ongoing or threatened lawsuits, claims, complaints or investigation proceedings that may, individually or collectively, have a material effect on the business or financial position of the Company or its Subsidiaries.

However, as at 23/11/1446H (corresponding to 21/05/2025G), HDC is a party to a number of ongoing legal proceedings that have arisen in the ordinary course of its business. However, the Company does not believe that the ongoing legal proceedings are material. For the purposes of this section, a lawsuit or claim is deemed material if its value is SAR 35,000,000 or more (equivalent to 8% of the Company's revenue for the financial year ended 31 December 2024G), or if, in the Company's view, it is material by its very nature.

It should be noted that, as at 23/11/1446H (corresponding to 21/05/2025G), HDC is a party to five labor lawsuits filed against it by its former employees. The total amount claimed in these lawsuits is SAR 89,831. Additionally, HDC has filed nine lawsuits before the administrative court in Riyadh in relation to the recovery of amounts due but not received from MHRSD, with a total claim amount of SAR 226,358. The Group has set aside provisions for these lawsuits. Furthermore, as at 23/11/1446H (corresponding to 21/05/2025G), HRC is a party to one labor lawsuit filed against it by a former employee, with a total claim amount of SAR 16,313.

The Company does not believe that any of the aforementioned cases are material, neither in terms of their value nor in terms of their nature.

11.13 Zakat and Tax Status of the Group

The Company and its Subsidiaries in the KSA are subject to the laws of ZATCA. As at the date of this Prospectus, the Company has filed its Zakat returns since its establishment until the financial year ended 31/12/2024G. Both HDC and HRC, which are Saudi subsidiaries of the Group, have independently filed their Zakat and tax returns since their establishment until the end of the financial year ended 31/12/2024G. They have obtained Zakat certificates from ZATCA for all years up to the financial year ended 31/12/2024G.

All other Group Companies have independently filed the required Zakat and tax returns since the establishment of each company until the end of 2024G, in accordance with the applicable regulations, and have paid all tax liabilities for these periods. However, the relevant tax authorities have not completed the reviews and assessments of the Group Companies (both inside and outside the KSA) and have not issued final Zakat and tax assessments for the five years ended 31 December 2020G, 2021G, 2022G, 2023G and 2024G in most cases (except for HDC, where final assessments have been issued up to 2021G). None of the companies have established any provisions in this regard. All prior years up to and including 2021G are considered finalized due to the expiration of the applicable statutes of limitations in respect of both HDC and HRC. Furthermore, all of the previous years up to and including 2020G are considered finalized due to the expiration of the applicable statutes of limitations in respect of all of the Group Companies registered in the UAE. With respect to HDC, ZATCA has completed its audits and assessments for the years 2019G to 2021G.

As at 31 March 2025G, the Company has recorded an amount of SAR 14.6 million as tax and Zakat provisions.

There are currently no ongoing material disputes related to taxes or Zakat between the Group Companies and the relevant tax authorities. To the Company's knowledge, there are also no potential material disputes related to taxes or Zakat between Group Companies and the relevant tax authorities. The Group will be liable for any future claims if its objection is unsuccessful.

11.14 Summary of Bylaws

Company Name:

Almasar Alshamil Education Company (a single shareholder closed joint stock company).

Company Purposes:

- Financial activities.
- Pre-primary and primary education activities.
- General secondary education activities.
- Higher education activities.



Company's Head Office:

The Company's head office is located in Riyadh, KSA. The Company may establish branches within or outside the KSA pursuant to a Board resolution whenever it is in the best interest of the Company.

Company Term:

The Company's term is unlimited.

Share Capital (as stated in the Bylaws):

As at the date of this Prospectus, the Company's issued share capital is one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) fully paid ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share.

11.14.1 Subscription to Shares

The shareholder has subscribed to all of the issued share capital, amounting to one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) fully paid shares with a fully paid total value of one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320).

Capital Increase:

The shareholder may decide to increase the issued share capital, or the authorized share capital, if any, provided that the issued share capital has been fully paid. Full payment of the share capital is not required if the unpaid portion is attributable to shares issued in exchange for the conversion of debt instruments or sukuk into shares and the conversion period has not yet ended.

Capital Decrease:

1. The shareholder may decide to reduce the share capital if it exceeds the Company's requirements or if the Company incurs losses. In the latter case only, the share capital may be reduced below the minimum limit specified in Article 59 of the Companies Law. A decision to reduce the share capital shall not be issued unless a statement prepared by the Board of Directors is presented to the shareholder, setting out the reasons for the reduction, the Company's liabilities, and the impact of the reduction on fulfilling such liabilities. A report from the Company's Auditor must be attached to such statement.
2. If the reduction of the share capital is due to it exceeding the Company's requirements, the Company's creditors must be invited to submit any objections they may have to the reduction at least 45 days prior to the date set for the shareholder's decision to reduce the share capital. If any creditor objects to the reduction and submits their supporting documents to the Company within the specified period, the Company must pay their debt if it is due or provide sufficient collateral for payment thereof if it is due at a later date.

11.14.2 Board of Directors

Management of the Company:

The Company shall be managed by a board of directors (the "**Board**") consisting of nine (9) Directors appointed by the shareholder for a term not exceeding four (4) years. Directors may be reappointed for additional terms.

Expiration or Termination of Board Membership:

Membership on the Board shall end upon the expiration of its term or if a Director becomes unfit for membership in accordance with any laws or directives in force in the KSA. The shareholder may (based on a recommendation from the Board of Directors) terminate the membership of any Director who fails to attend three (3) consecutive meetings or five (5) separate meetings during their membership term without a legitimate excuse accepted by the Board of Directors. The shareholder may also dismiss some or all of the Directors, and in this case the shareholder shall appoint a new Board of Directors or a replacement for the dismissed Director (as the case may be) in accordance with the provisions of the Companies Law.



Expiration of the Board Term, Resignation of Directors and Board Vacancies:

1. Prior to the expiration of its term, the Board of Directors shall call upon the shareholder to appoint a Board of Directors for a new session. If the appointment cannot be made and the term of the current Board has expired, its members shall continue to perform their duties until a new Board of Directors is elected for a new term, provided that the term of the Directors whose term has expired does not exceed the period specified in the Implementing Regulations of the Companies Law.
2. If the Chairman and Directors resign, they must call upon the shareholder to appoint a new Board of Directors. Resignation shall not be effective until the new Board is appointed, provided that the continued term of the resigning Board does not exceed the term specified in the Regulations.
3. A Director may resign from membership on the Board under a written notice addressed to the Chairman. If the Chairman resigns, the notice must be directed to the remaining Directors and the Board Secretary. Resignation shall be effective - in both cases - from the date specified in the notice.
4. If the position of a Director becomes vacant due to death or resignation and such vacancy does not result in the inability to meet the required quorum for holding Board meetings, the Board may (temporarily) appoint someone with sufficient experience to the vacant position, provided that they notify the commercial register of such within fifteen (15) days from the date of appointment. The appointment shall be presented to the shareholder, and the appointed Director shall complete the term of their predecessor. Otherwise, the seat may remain vacant until the end of the term. The Board may also invite the shareholder to appoint a member to fill the vacant seat.
5. If the Board is not able to meet the conditions necessary to properly convene the Board of Directors due to its inability to meet the required quorum set out in the Companies Law or the Company's Bylaws, the remaining Directors shall call the shareholder within 60 days to elect the necessary number of Directors.

Powers of the Board:

Subject to the powers assigned to the shareholder, the Board shall have the widest powers and authorities to manage the Company's affairs and conduct its business, and to carry out all acts and transactions to achieve its objectives. In order to carry out its duties, the Board may exercise the following powers:

1. **Commercial registers:** Primary: issuance, renewal, and cancellation. Secondary: issuance, renewal and cancellation.
2. **Companies in which the Company is a partner:** Execution of corporate contracts, purchase of shares, liquidation of the company, sale of shares and representation of the Company within the company in which it holds shares.
3. **Establishment of companies in the Company's name:** Commercial registers: issuance, renewal and cancellation; registration with the Ministry; representation before notaries public; execution of Company contracts; and execution of shareholders' resolutions.
4. **Banking:** Opening accounts, opening letters of credit, depositing, withdrawing, issuing checks, updating accounts, generating account statements, requesting facilities, requesting guarantees, signing loan agreements, signing commercial papers, signing promissory notes, submitting any request or service that falls under the purview of the Communications and Information Technology Commission, and the power to authorize any person - in accordance with relevant laws - to submit any request or service that falls under the purview of the Communications and Information Technology Commission.
5. **Property management:** Purchase, sale and transfer of property: Real estate: purchase, sale and transfer. Land: purchase, sale and transfer. Shares: purchase and sale. Mortgaging of property: mortgage, release of mortgage, and receipt.
6. **Issuance of commercial papers:** Approval, signing, creation, cancellation and closure of commercial papers.
7. **Amendment of contracts for companies in which the Company is a shareholder:** Approval of shareholder resolutions: change of legal form, increase or decrease of share capital, acceptance of share transfers, purchase of shares, admission and withdrawal of shareholders, execution of shareholders' resolutions for merger, amendment of other provisions of the memorandum of association, liquidation of the Company and conversion of the Company into an establishment.
8. **Judiciary:** Representation before Sharia courts: hearing and responding to lawsuits, conciliation, acceptance and rejection of arbitration, acceptance and rejection of conciliation, admission, denial, waiver, pleading, defending, claiming, and disputing; appointment of arbitrators, appointment of lawyers, representation before notaries public, utilization and implementation of all electronic Ministry of Justice services, authorization/delegation of third parties to execute electronic Ministry of Justice services, signing loan agreements, amendments, and annexes, as well as all related documents, signing follow-up agreements; signing consultancy agreements, signing before a notary public with respect to the industrial mortgage of all Company assets, receiving loans, assignment of loans, waiver of loans, repayment of loans, signing letters of credit agreements, signing corporate guarantees, signing the assignment of liabilities and



amendment of loan agreements, signing debt restructuring agreements for the Company and its shareholders, and issuance, amendment, and cancellation of notices of assignment.

9. **Other:** Converting the establishment's branch, opening branch commercial registers, purchasing the establishment, signing all documents at the Chamber of Commerce, selling the establishment, appearing before the Registration Department, obtaining commercial registers, transferring commercial registers, managing registrations, canceling registrations, supervising registrations, opening membership at the Chamber of Commerce, authenticating signatures at the Chamber of Commerce, canceling signatures at the Chamber of Commerce, participating in tenders and receiving forms, appearing before GOSI, appearing before ZATCA, managing the commercial register, canceling the commercial register, appearing before the Civil Defense, modifying registrations, adding activities, reserving trade names, renewing Chamber of Commerce membership, modifying the commercial register, transferring the commercial register, obtaining a replacement for a damaged or lost registration, registering trademarks, assigning trademarks, assigning trade names, obtaining licenses, renewing licenses, modifying licenses, adding activities, reserving names, canceling licenses, renewing Chamber of Commerce membership, opening branches, appearing before GOSI, appearing before the Civil Defense, appearing before ZATCA, opening subsidiary licenses, transferring licenses, establishing companies, signing articles of association and amendment annexes, canceling articles of association and amendment annexes, signing shareholder resolutions, appointing and dismissing Directors, modifying Company purposes, liquidating the Company, converting the Company from a joint-stock to a limited liability company, converting the Company from a limited liability to a joint-stock company, converting the Company from a general partnership to a limited liability company, increasing share capital, reducing share capital, determining shareholders' entry and exit, entering existing companies, transferring shares, stocks and bonds, determining share capital, receiving surplus allocation, selling shares and stocks and receiving the value thereof, assigning shares from the share capital, selling Company branches, modifying partner nationality in contracts, accepting assignment of shares and capital, purchasing shares and paying the price therefor, closing Company bank accounts, opening Company bank accounts, signing agreements, registering the Company, registering agencies and trademarks, attending general assemblies, opening Company branches, opening Company files, signing articles of association and amendment annexes before notaries public, obtaining and renewing commercial registers for the Company, obtaining and renewing Chamber of Commerce membership, appearing and signing before the General Investment Authority (SAGIA), appearing before the Saudi Standards, Metrology and Quality Organization, appearing before the CMA, obtaining and renewing Company licenses, converting the establishment to a company, converting a Company branch to an establishment, converting a Company branch to a company, publishing articles of association, amendment annexes, summaries and bylaws in the Official Gazette, appearing before telecommunications companies and establishing landlines or mobile lines in the Company's name, entering tenders and receiving forms, signing Company contracts with third parties, assigning or canceling trademarks, modifying the Company name, obtaining visas, converting the Company to an establishment, receiving visa compensation, updating worker data, opening, renewing and canceling main and branch files, dismissing and terminating labor, reporting runaway workers, canceling runaway reports, transferring sponsorships, modifying professions, transferring, liquidating and canceling ownership of facilities, appearing before the domestic recruitment offices department, appearing before the Labor Force Computer Department, obtaining and renewing work permits, receiving Saudization certificates, obtaining data printouts, adding and removing Saudis, recruitment, opening files, activating the Saudi portal, recruiting workers from abroad, completing worker procedures with GOSI, canceling visas, recovering visa fees, modifying nationalities, obtaining family visit visas, obtaining family visas, appearing before embassies, extending exit/re-entry visas, extending visit visas, obtaining data printouts, canceling visas, recovering visa fees, modifying arrival destinations, obtaining residency permits, renewing residency permits, processing exit/re-entry, processing final exit, transferring sponsorships, obtaining replacements for lost or damaged residency permits, completing procedures for deceased workers, reporting runaways, canceling runaway reports, transferring information and updating data, settlement and assignment of workers, appearing before the General Department of Expatriates Affairs (GDEA), obtaining worker data printouts, dropping workers, managing commercial business, transferring worker sponsorship to self, adding newborns, completing procedures for deceased workers, managing port affairs, obtaining repatriation certificates, adding dependents, adding children to father's or mother's passport, separating children from father's or mother's passport, canceling exit/re-entry visas, canceling final exit visas, obtaining replacements for damaged or lost travel visas, obtaining visit visa extensions, modifying professions, obtaining Hajj permits, appearing before domestic worker affairs, registering for electronic service, appearing before the Ministry of Agriculture and the Agriculture Directorate, appearing before the notaries public or court to accept conveyance, assigning agricultural resolutions, transferring agricultural resolutions, receiving salaries, receiving retirement salaries, receiving end-of-service benefits and leave compensation, transferring salaries, receiving bonuses, obtaining salary statements, receiving dues, opening accounts with Sharia controls, closing and settling accounts, withdrawing from accounts, obtaining ATM cards, obtaining Sharia-compliant credit cards, receiving and cashing remittances, cashing checks, obtaining authenticated checks, obtaining checkbooks, obtaining account statements, transferring from accounts, requesting Sharia-compliant bank loans, opening Sharia-compliant accounts, depositing in accounts, renewing safety deposit box subscriptions, opening safety deposit boxes, subscribing to safety deposit boxes, requesting exemption from loans, objecting to checks, updating data, activating accounts, receiving checks, recovering safety deposit box units, following up, rescheduling installments,



requesting POS, requesting bank credit, requesting bank guarantees, subscribing for joint-stock companies, receiving contribution certificates, buying Sharia-compliant shares, selling Sharia-compliant shares, receiving the value of shares, receiving profits, receiving surplus, opening Sharia-compliant investment portfolios, editing, modifying and canceling orders, subscribing, purchasing shares, selling shares, recovering investment fund units, transferring shares from portfolios, subscribing to Sharia-compliant investment fund units, managing investment portfolios, obtaining proof of debt, liquidating investment portfolios, opening stores, obtaining health cards, converting agricultural land to residential land, appearing before the General Administration of Urban Planning, opening stores, obtaining licenses, renewing licenses, canceling licenses, transferring licenses, obtaining building and renovation permits, planning land, obtaining building completion certificates, obtaining fencing permits, obtaining demolition permits, signing lease contracts, assigning contracts, making plans for owned land, appearing before Ministry of Municipal and Rural Affairs, converting agricultural land to residential land, supervising construction, signing contracts with construction establishments and contractors, entering tenders and receiving forms, selling and transferring to buyers, buying and accepting transfers and paying the price thereof, receiving deeds, leasing, receiving lease amounts, signing leases, renewing leases, canceling and terminating lease contracts, mortgaging, releasing mortgages, dividing and parceling, modifying borders, lengths, area, plot numbers, plans, deeds, dates and district names, selling, accepting mortgages, updating deeds and entering them in the comprehensive system, selling shares, purchasing, purchasing shares, leasing, modifying owner names and civil register/ID numbers, gifting and conveying, accepting gifts and conveyance, assigning shortages in area, merging deeds, accepting assignments and conveyance, obtaining replacements for lost deed sets with the following data, obtaining replacements for damaged deed sets with the following data, selling and discharging to heirs, assigning shares, proving building, obtaining replacements for damaged deeds for certain located properties, converting agricultural land to residential or industrial land, entering real estate contributions, purchasing real estate contribution shares, selling real estate contribution shares, assigning leased land, updating deeds and entering them in the comprehensive system, obtaining replacements for lost deeds, converting agricultural land to residential land, building upon land, leasing land, changing the Company's legal form, converting the Company from a simple partnership to limited liability, dividing shares among heirs and transferring to their portfolios.

The Board of Directors is required to obtain the approval of the shareholder when selling assets that exceed fifty percent (50%) of the total value of the Company's assets, whether the sale is made through a single transaction or multiple transactions. In such case, the transaction that leads to exceeding the fifty percent (50%) threshold of the value of the assets is the transaction that requires the shareholder's approval. This percentage is calculated from the date of the first transaction during the previous twelve (12) months. The Board of Directors, within its competency, may delegate one or more of its members or third parties to carry out a certain task or tasks.

Remuneration of Directors:

1. The Board's remuneration shall consist of a fixed amount, or an allowance for attendance and transportation, or in-kind benefits in relation to Board meetings, within the limits prescribed by the Companies Law and its regulations.
2. The annual management report to the shareholder must include a comprehensive statement of all remuneration, bonuses, meeting and expense allowances and other benefits received by the Directors during the financial year. It must also include a statement of amounts paid to the Directors as employees or managers and amounts paid to them for technical, administrative or advisory works. In addition, the report must include a statement of the number of Board meetings as well as the number of meetings attended by each Director.

Powers of the Chairman, Vice Chairman, CEO and Secretary:

At its first meeting, the Board of Directors shall appoint a Chairman from among its members. The Board may also appoint a Vice Chairman from among its members. In the event of the Chairman's absence and if a Vice Chairman has been appointed, the Vice Chairman shall act in place of the Chairman. The Chairman shall have the following powers:

1. **Commercial registers:** Primary: issuance, renewal, and cancellation. Secondary: issuance, renewal and cancellation.
2. **Companies in which the Company is a partner:** Execution of corporate contracts, purchase of shares, liquidation of the company, sale of shares and representation of the Company within the company in which it holds shares.
3. **Establishment of companies in the Company's name:** Commercial registers: issuance, renewal and cancellation; registration with the Ministry; representation before notaries public; execution of Company contracts; and execution of shareholders' resolutions.
4. **Property management:** Purchase, sale and transfer of property: Real estate: purchase, sale, and transfer. Land: purchase, sale, and transfer. Shares: purchase and sale. Mortgaging of property: mortgage, release of mortgage, and receipt.
5. **Amendment of contracts for companies in which the Company is a partner:** Approval of shareholder resolutions: change of legal form, increase or decrease of share capital, acceptance of share transfers, purchase of shares, admission



and withdrawal of shareholders, execution of shareholder resolutions for merger, amendment of other provisions of the memorandum of association, liquidation of the Company and conversion of the Company into an establishment.

6. **Judiciary:** Representation before Sharia courts: hearing and responding to lawsuits, conciliation, acceptance and rejection of arbitration, acceptance and rejection of conciliation, admission, denial, waiver, pleading, defending, claiming and disputing; appointment of arbitrators, appointment of lawyers, representation before notaries public, utilization and implementation of all electronic Ministry of Justice services, authorization/delegation of third parties to execute electronic Ministry of Justice services; signing loan agreements, amendments, and annexes, as well as all related documents, signing follow-up agreements, signing consultancy agreements, signing before notaries public with respect to the industrial mortgage of all Company assets, receiving loans, assignment of loans, waiver of loans, repayment of loans, signing letters of credit agreements, signing corporate guarantees, signing the assignment of liabilities and amendment of loan agreements, signing debt restructuring agreements for the Company and its shareholders, and issuance, amendment and cancellation of notices of assignment.

The Board may appoint a managing director (the “**Managing Director**”) or a chief executive officer (the “**CEO**”) from among its members or others. The Managing Director or CEO shall be responsible for implementing Board resolutions, managing the Company’s day-to-day operations and overseeing its employees, all under the supervision of the Board. The Managing Director or CEO shall also have the powers specified in the Bylaws. The CEO shall have the following powers:

1. **Commercial registers:** Primary: issuance, renewal, and cancellation. Secondary: issuance, renewal and cancellation.
2. **Companies in which the Company is a partner:** Signing corporate contracts, representing the Company in companies in which it holds shares (provided they do not act independently but after obtaining the approval of those with the same authority);
3. **Establishment of companies in the Company’s name:** Commercial registers: issuance, renewal and cancellation; registration with the Ministry; representation before notaries public; execution of Company contracts; and execution of shareholders’ resolutions.
4. **Banking:** Opening accounts, opening letters of credit, depositing, withdrawing, issuing checks, updating accounts, generating account statements, requesting facilities, requesting guarantees, signing loan agreements, signing commercial papers, signing promissory notes, submitting any request or service that falls under the purview of the Communications and Information Technology Commission, and the power to authorize any person - in accordance with relevant laws - to submit any request or service that falls under the purview of the Communications and Information Technology Commission.
5. **Property management:** Purchase, sale and transfer of property: Real Estate: purchase, sale, and transfer. Land: purchase, sale and transfer.
6. **Amendment of contracts for companies in which the Company is a partner:** Approval of shareholder resolutions: increase or decrease of share capital, acceptance of share transfers, purchase of shares, admission and withdrawal of shareholders, execution of shareholder resolutions for merger and amendment of other provisions of the memorandum of association.
7. **Judiciary:** Utilization and implementation of all electronic services provided by the Ministry of Justice, and delegation/ authorization of third parties to utilize the electronic services of the Ministry of Justice.
8. **Other:** Opening branch registrations, signing all documents with the Chamber of Commerce, appearing before the Registration Department, obtaining registration certificates, transferring commercial registers, managing registrations, canceling registrations, supervising registrations, opening subscriptions with the Chamber of Commerce, authenticating signatures with the Chamber of Commerce, canceling signatures with the Chamber of Commerce, entering tenders and receiving forms, appearing before GOSI, appearing before ZATCA, managing commercial registers, canceling commercial registers, appearing before the Civil Defense, modifying registrations, adding activities, reserving trade names, renewing Chamber of Commerce subscriptions, amending commercial registers, transferring commercial registers, issuing replacements for lost or damaged registrations, registering trademarks, transferring trademarks, transferring trade names, obtaining licenses, renewing licenses, amending licenses, adding activities, reserving names, canceling licenses, renewing Chamber of Commerce subscriptions, opening branches, appearing before GOSI, appearing before the Civil Defense, appearing before ZATCA, opening subsidiary licenses, transferring licenses, establishing companies, signing memoranda of association and amendment annexes, canceling memoranda of association and amendment annexes, signing shareholder resolutions, appointing and dismissing Directors, modifying Company purposes, increasing share capital, reducing share capital, managing entry and exit of shareholders, entering existing companies, determining share capital, receiving surplus allocation, closing bank accounts in the Company’s name, opening bank accounts in the Company’s name, signing agreements, registering the Company, registering agencies and trademarks, attending general assemblies, opening Company branches, opening Company files, signing memoranda of association and amendment annexes before notaries public, issuing and renewing commercial registers for the Company, subscribing to and renewing Chamber of Commerce membership, appearing and signing before the General



Investment Authority (SAGIA), appearing before the Saudi Standards, Metrology and Quality Organization (SASO), appearing before the Capital Market Authority, issuing and renewing Company licenses, publishing memoranda of association, amendment annexes, summaries, and bylaws in the Official Gazette, appearing before telecommunications companies and establishing fixed or mobile phone lines in the Company's name, entering tenders and receiving forms, signing Company contracts with third parties, assigning and canceling trademarks, modifying the Company name, obtaining visas, receiving visa compensation, updating worker data, opening, renewing and canceling main and subsidiary files, dismissing and terminating labor, reporting runaway workers, canceling runaway worker reports, transferring sponsorships, modifying professions, transferring, liquidating and canceling ownership of establishments, appearing before the Civil Recruitment Agencies Department, appearing before the Computer Department in the Labor Affairs, issuing and renewing work permits, receiving Saudization certificates, issuing data printouts, adding and removing Saudis, recruiting, opening files, activating the Saudi portal, recruiting foreign labor, concluding labor procedures with GOSI, canceling visas, recovering visa fees, modifying nationalities, issuing family visit visas, issuing recruitment visas for families, appearing before embassies, extending exit and return visas, extending visit visas, issuing data printouts, canceling visas, recovering visa fees, modifying entry points, issuing residency permits, renewing residency permits, processing exit and re-entry, processing final exit, transferring sponsorships, issuing replacements for lost or damaged residency permits, concluding procedures for deceased workers, reporting runaways, canceling runaway reports, transferring and updating information, settling and transferring workers, appearing before the General Department of Expatriates Affairs (GDEA), issuing worker data printouts, dropping labor, managing commercial business, transferring labor sponsorship to self, adding newborns, concluding procedures for deceased workers, managing port affairs, obtaining re-entry permits, adding dependents, adding children to father's or mother's passport, separating children from father's or mother's passport, canceling exit and re-entry visas, canceling final exit visas, obtaining replacements for lost or damaged travel visas, obtaining visit visa extensions, modifying professions, obtaining Hajj permits, appearing before domestic worker affairs, registering in electronic services, appearing before notaries public or court for acceptance of transfer, receiving salaries, receiving retirement salaries, receiving end-of-service bonus and vacation compensation, transferring salaries, receiving remuneration, obtaining salary certification, receiving entitlements, opening Sharia-compliant accounts, closing and settling accounts, withdrawing from accounts, obtaining ATM cards, obtaining Sharia-compliant credit cards, receiving and disbursing remittances, cashing checks, issuing authenticated checks, issuing checkbooks, issuing account statements, transferring between accounts, requesting Sharia-compliant bank loans, opening Sharia-compliant accounts, depositing in accounts, renewing safe deposit box subscriptions, requesting loan exemptions, objecting to checks, updating data, activating accounts, receiving checks, recovering safe deposit box units, reviewing, rescheduling installments, requesting POS, requesting bank credit, requesting bank guarantees, subscribing to shareholding companies, receiving shareholder certificates, receiving profits, receiving surplus, opening Sharia-compliant investment portfolios and executing, modifying and canceling orders, redeeming investment fund units, issuing proof of indebtedness, liquidating investment portfolios, opening stores, issuing health cards, appearing before the General Administration of Planning and Urban Development, opening stores, obtaining licenses, renewing licenses, canceling licenses, transferring licenses, obtaining construction and renovation permits, land planning, obtaining building completion certificates, obtaining fence permits, obtaining demolition permits, signing lease contracts, transferring contracts, creating land plots for owned land, appearing before municipalities, supervising construction, signing contracts with construction institutions and contractors, entering tenders and receiving forms, selling and transferring to buyers, purchasing and accepting transfer and paying the price, receiving deeds, leasing, receiving lease amounts, signing leases, renewing leases, canceling and terminating leases, dividing and parceling, modifying boundaries, lengths, areas, plot numbers, maps, deeds, dates and district names, selling, updating deeds and entering them into the comprehensive system, purchasing, leasing, modifying owner name and civil registration numbers, waiving deficiencies in area, merging deeds, accepting assignment and conveyance, issuing replacements for lost deed sets with the following data, issuing replacements for damaged deed sets with the following data, obtaining proof of construction, obtaining replacements for damaged deeds for certain located properties, assigning leased land, updating deeds and entering them into the comprehensive system, issuing replacements for lost deeds, building upon land, and leasing land.

The Managing Director shall have the following powers:

1. **Commercial registers:** Primary: issuance, renewal, and cancellation. Secondary: issuance, renewal and cancellation.
2. **Companies in which the Company is a partner:** Signing corporate contracts, representing the Company in companies in which it holds shares (provided they do not act independently but after obtaining the approval of those with the same authority);
3. **Establishment of companies in the Company's name:** Commercial registers: issuance, renewal and cancellation; registration with the Ministry; representation before notaries public; execution of Company contracts; and execution of shareholders' resolutions.
4. **Banking:** Opening accounts, opening letters of credit, depositing, withdrawing, issuing checks, updating accounts, generating account statements, requesting facilities, requesting guarantees, signing loan agreements, signing commercial



papers, signing promissory notes, submitting any request or service that falls under the purview of the Communications and Information Technology Commission, and the power to authorize any person - in accordance with relevant laws - to submit any request or service that falls under the purview of the Communications and Information Technology Commission.

5. **Property management:** Purchase, sale and transfer of property: Real Estate: purchase, sale, and transfer. Land: purchase, sale and transfer.
6. **Amendment of contracts for companies in which the Company is a partner:** Approval of shareholder resolutions: Increase or decrease of share capital, admission and withdrawal of shareholders, execution of shareholders' resolutions for merger and amendment of other provisions of the memorandum of association.
7. **Judiciary:** Utilization and implementation of all electronic services provided by the Ministry of Justice, and delegation/ authorization of third parties to utilize the electronic services of the Ministry of Justice.
8. **Other:** Opening branch registrations, signing all documents with the Chamber of Commerce, appearing before the Registration Department, obtaining registration certificates, transferring commercial registers, managing registrations, canceling registrations, supervising registrations, opening subscriptions with the Chamber of Commerce, authenticating signatures with the Chamber of Commerce, canceling signatures with the Chamber of Commerce, entering tenders and receiving forms, appearing before GOSI, appearing before ZATCA, managing commercial registers, canceling commercial registers, appearing before the Civil Defense, modifying registrations, adding activities, reserving trade names, renewing Chamber of Commerce subscriptions, amending commercial registers, transferring commercial registers, issuing replacements for lost or damaged registrations, registering trademarks, transferring trademarks, transferring trade names, obtaining licenses, renewing licenses, amending licenses, adding activities, reserving names, canceling licenses, renewing Chamber of Commerce subscriptions, opening branches, appearing before GOSI, appearing before the Civil Defense, appearing before ZATCA, opening subsidiary licenses, transferring licenses, establishing companies, signing memoranda of association and amendment annexes, canceling memoranda of association and amendment annexes, signing shareholder resolutions, appointing and dismissing Directors, modifying Company purposes, liquidating the Company, increasing share capital, reducing share capital, managing the entry and exit of shareholders, entering existing companies, determining the share capital, receiving surplus allocation, closing bank accounts in the Company's name, opening bank accounts in the Company's name, signing agreements, registering the Company, registering agencies and trademarks, attending General Assemblies, opening Company branches, opening Company files, signing memoranda of association and amendment annexes before notaries public, issuing and renewing commercial registers for the Company, subscribing to and renewing Chamber of Commerce membership, appearing and signing before the General Investment Authority (SAGIA), appearing before the Saudi Standards, Metrology and Quality Organization (SASO), appearing before the Capital Market Authority, issuing and renewing Company licenses, publishing memoranda of association, amendment annexes, summaries and bylaws in the Official Gazette, appearing before telecommunications companies and establishing fixed or mobile phone lines in the Company's name, entering tenders and receiving forms, signing Company contracts with third parties, assigning or canceling trademarks, modifying the Company name, obtaining visas, receiving visa compensation, updating worker data, opening, renewing and canceling main and subsidiary files, dismissing and terminating labor, reporting runaway workers, canceling runaway worker reports, transferring sponsorships, modifying professions, transferring, liquidating and canceling ownership of establishments, appearing before the Civil Recruitment Agencies Department, appearing before the Computer Department in the Labor Affairs, issuing and renewing work permits, receiving Saudization certificates, issuing data printouts, adding and removing Saudis, recruiting, opening files, activating the Saudi portal, recruiting foreign labor, concluding labor procedures with GOSI, canceling visas, recovering visa fees, modifying nationalities, issuing family visit visas, issuing recruitment visas for families, appearing before embassies, extending exit and return visas, extending visit visas, issuing data printouts, canceling visas, recovering visa fees, modifying entry points, issuing residency permits, renewing residency permits, processing exit and re-entry, processing final exit, transferring sponsorships, issuing replacements for lost or damaged residency permits, concluding procedures for deceased workers, reporting runaways, canceling runaway reports, transferring and updating information, settling and transferring workers, appearing before the General Department of Expatriates Affairs (GDEA), issuing worker data printouts, dropping labor, managing commercial business, transferring labor sponsorship to self, adding newborns, concluding procedures for deceased workers, managing port affairs, obtaining re-entry permits, adding dependents, adding children to father's or mother's passport, separating children from father's or mother's passport, canceling exit and return visas, canceling final exit visas, obtaining replacements for lost or damaged travel visas, obtaining visit visa extensions, modifying professions, obtaining Hajj permits, appearing before domestic worker affairs, registering in electronic services, appearing before the Ministry of Agriculture and the Agriculture Directorate, appearing before notaries public or courts for acceptance of transfer, receiving salaries, receiving retirement salaries, receiving end-of-service bonus and vacation compensation, transferring salary, receiving remuneration, obtaining salary certification, receiving entitlements, opening Sharia-compliant accounts, closing and settling accounts, withdrawing from accounts, obtaining ATM cards, obtaining Sharia-compliant credit cards, receiving and disbursing remittances, cashing checks, issuing authenticated checks, issuing checkbooks, issuing account statements, transferring between



accounts, requesting Sharia-compliant bank loans, opening Sharia-compliant accounts, depositing in accounts, renewing safe deposit box subscriptions, requesting loan exemptions, objecting to checks, updating data, activating accounts, receiving checks, recovering safe deposit box units, reviewing, rescheduling installments, requesting POS, requesting bank credit, requesting bank guarantees, receiving shareholder certificates, receiving profits, receiving surplus, redeeming investment fund units, issuing proof of indebtedness, opening stores, issuing health cards, appearing before the General Administration of Planning and Urban Development, opening stores, obtaining licenses, renewing licenses, canceling licenses, transferring licenses, obtaining construction and renovation permits, land planning, obtaining building completion certificates, obtaining fence permits, obtaining demolition permits, signing lease contracts, transferring contracts, creating land plots for owned land, appearing before municipalities, supervising construction, signing contracts with construction institutions and contractors, entering tenders and receiving forms, selling and transferring to buyers, purchasing and accepting transfer and paying the price, receiving deeds, leasing, receiving lease amounts, signing leases, renewing leases, canceling and terminating leases, dividing and parceling, modifying boundaries, lengths, areas, plot numbers, maps, deeds, dates and district names, selling, updating deeds and entering them into the comprehensive system, purchasing, leasing, modifying owner names and civil registration numbers, waiving deficiencies in area, merging deeds, accepting assignment and conveyance, issuing replacements for lost deed sets with the following data, issuing replacements for damaged deed sets with the following data, obtaining proof of construction, obtaining replacements for damaged deeds for certain located properties, assigning leased land, updating deeds and entering them into the comprehensive system, issuing replacements for lost deeds, building upon land and leasing land.

The Board shall appoint a secretary (the “Secretary”) from among its members or others, and the Board shall determine the remuneration and competencies of the Board Secretary pursuant to a Board resolution. The Secretary’s competencies shall include the following:

1. recording and preparing Board meeting minutes, including the discussions and deliberations that took place in the meetings, mentioning the location, date and start and end time of the meeting;
2. recording Board resolutions and voting results, maintaining the minutes in a dedicated and organized register, recording the names of the Directors present and the reservations and instructions expressed by them, if any, and having such minutes signed by all attendees;
3. maintaining the reports submitted to and prepared by the Board;
4. providing the Directors with the Board’s agenda in accordance with the Chairman’s instructions, as well as working papers, relevant documents and information, and any additional documents or information required by any Director in relation to the topics included in the meeting agenda;
5. verifying that the Directors adhere to the procedures approved by the Board;
6. notifying the Directors of the dates of Board meetings with sufficient advance notice;
7. presenting draft minutes to the Directors to provide their views thereon prior to signature thereof;
8. ensuring that Directors have full and prompt access to a copy of the minutes of Board meetings and information and documents related to the Company;
9. coordinating between Directors;
10. maintaining a register of disclosures made by Directors and the Executive Management in accordance with the relevant Implementing Regulations of the Capital Market Law if the Company is listed; and
11. providing assistance and advice to the Directors.

Additional Powers of the CEO:

In addition to the powers specified in the authority matrix, the CEO shall have the power to provide and sign pledges and guarantees, including joint indemnity and performance guarantees, for the benefit of the Company or third parties, and to handle all matters related to credit facilities granted to third parties, provided that this is in accordance with the applicable laws and regulations in the KSA and does not exceed the powers granted to the CEO hereunder.

Board Meetings:

The Board shall convene at the invitation of the Chairman at least four times a year (quarterly). Such invitation shall be in writing and may be delivered by hand or sent by mail, fax or email at least seven (7) days prior to the date specified for the meeting, unless the Directors agree otherwise. The Chairman or their representative shall invite the Board to meet at the written request of any Director to discuss one or more topics. A Director may participate in a Board meeting by telephone or other electronic means, provided that all persons participating in the meeting are able to hear and be heard by each other throughout the meeting. Unless otherwise notified, the Chairman may consider a person participating through such means as being physically present at the meeting, and such participation shall be counted towards the quorum.



Board Meetings and Resolutions:

1. A meeting of the Board shall not be valid unless attended by a majority of its members. Board meetings may be held by telephone or other electronic means that enable all participating Directors to hear and be heard by all other participating Directors. Unless otherwise notified, a Director who participates by telephone or other electronic means shall be deemed to be present throughout the meeting. A Director may appoint another Director to attend Board meetings on his behalf subject to the following conditions:
 - a. A Director may not act as proxy for more than one Director at the same meeting.
 - b. The delegation must be in writing and for a single meeting with a specified date.
 - c. The proxy shall not vote on any matter on which the principal is prohibited from voting.
2. If the above quorum is not reached for the meeting within ten (10) minutes of the scheduled time, the meeting shall be adjourned to the same time three (3) business days after the original meeting, and the quorum shall be deemed to have been reached with the attendance of a majority of the Directors.
3. Board resolutions shall be made by a majority vote of the Directors present or represented, and the Chairman or their representative shall have a casting vote in the event of a tie. Any resolution may also be issued without holding a Board meeting, provided that the resolution is sent to all Directors and approved in writing by the majority thereof, unless any of the Directors requests in writing a meeting to discuss the issue in question, (after which the resolution shall be placed before the Board at its next subsequent meeting). The written resolution, signed in one or more copies, shall be effective as of the date of the last required signature.

Issuance of Board Resolutions on Urgent Matters:

The Board of Directors may issue resolutions on urgent matters by circulation to all Directors, unless a Director submits a written request for a Board meeting to deliberate such matters. The resolutions shall be passed by the majority vote of Directors. Such resolutions shall be presented to the Board at its subsequent meeting and recorded in the minutes of said meeting.

Board Deliberations:

1. Deliberations and resolutions of the Board of Directors shall be recorded in minutes prepared by the Board Secretary and signed by the meeting Chairman, the attending Directors, and the Board Secretary.
2. The minutes shall be entered in a dedicated register to be signed by the Chairman and the Secretary.
3. Means of modern technology may be used to obtain signatures, record deliberations and resolutions, and prepare meeting minutes.

11.14.3 Formation of Committees

The Board may form subcommittees from among the Directors or others and may delegate to such subcommittees the powers it deems appropriate and determine their terms of reference and the remuneration of their members.

11.14.4 Powers and Authorities of the Shareholder

Powers and Authorities:

The shareholder shall have the powers and authorities of the shareholders' General Assembly as stipulated in the Companies Law. Their resolutions shall be issued in writing without the need to convene a General Assembly. These powers shall specifically include the following:

1. Appointing and removing Directors.
2. Appointing one or more Auditors for the Company, as required by the Companies Law, determining their fees, as well as reappointment and removal thereof.
3. Reviewing and discussing the Board of Directors' report.
4. Reviewing and discussing the Company's financial statements.
5. Reviewing the Auditor's report, if any, and making decisions thereon.
6. Issuing decisions on Board proposals with respect to dividend distributions.
7. Forming Company reserves and determining their usage.



8. Amending the Company's Bylaws, except for matters prohibited from amendment by law.
9. Making decisions regarding the continuation of the Company or its dissolution.

Shareholder Resolutions:

1. Shareholder resolutions shall take effect from their date of issuance, except in cases where the Companies Law, the Company's Bylaws or the resolution itself stipulate a different effective date or the fulfillment of certain conditions. Such resolutions shall be recorded in the dedicated register as provided for in Article 97 of the Companies Law.
2. The Board of Directors shall register with the Commercial Register, within fifteen days of its issuance, any resolution of the shareholder that falls within the competence of an Extraordinary General Assembly as determined by the Implementing Regulations of the Companies Law.

11.14.5 Auditor

Appointment, Removal and Resignation of Auditors:

1. The Company shall have one or more Auditors licensed to practice in the KSA, who shall be appointed and whose fees, term of office and scope of work shall be determined by the shareholder. The Auditor may be reappointed, provided that the term of their appointment does not exceed the period specified by the Implementing Regulations of the Companies Law.
2. The shareholder may, by a resolution thereof, remove the Auditor. The Chairman of the Board of Directors shall notify the competent authority of the decision to remove the Auditor and the reasons therefor within five days from the date of the resolution.
3. The Auditor may resign from their position by submitting a written notice to the Company. Their duties shall terminate as of the date of submission of the notice or on a later date specified therein, without prejudice to the Company's right to claim compensation for any damages it may suffer if there is a legal basis for such claim. The resigning Auditor shall submit a statement of reasons for their resignation to both the Company and the competent authority upon submitting the notification. The Board of Directors shall convene a General Assembly meeting to consider the reasons for the resignation and to appoint a new Auditor and determine their fees, term of office and scope of work.

Powers of the Auditor:

The Auditor has the right at any time to review the Company's books, accounting records and supporting documents, and it also has the right to request the data and clarifications it deems necessary to obtain in order to verify the Company's assets and liabilities and other matters that fall within the scope of its work. The Board of Directors shall enable the Auditor to perform its duties and tasks. If the Auditor encounters difficulties in this regard, it shall document this in a report to be submitted to the Board of Directors. If the Board does not facilitate the work of the Auditor, the Auditor must request that the Board of Directors call upon the shareholder to consider the matter. The Auditor may issue such an invitation if the Board of Directors fails to do so within thirty (30) days from the date of the Auditor's request.

11.14.6 Company Finances and Dividend Distribution

Financial Year:

The Company's financial year consists of twelve calendar months commencing on the 1st day of January and ending on the 31st day of December.

Financial Documents:

1. At the end of each financial year of the Company, the Board of Directors must prepare the Company's financial statements and a report on its activities and financial position for the past financial year. This report must include the proposed method for dividend distribution. The Board shall place these documents at the disposal of the Auditor, if any, at least forty-five (45) days prior to the date set for the General Assembly meeting.
2. The Company's Board Chairman, CEO/Managing Director and CFO, if any, shall sign the documents referred to in Paragraph 1 of this Article.
3. The Chairman shall present the Company's financial statements, the Board report and the Auditor's report, if any, to the shareholder, unless they have been published by any modern technological means, at least twenty-one (21) days prior to the date set for the Ordinary General Assembly meeting. The Chairman shall also deposit copies of these documents as set out in the Implementing Regulations of the Companies Law.



Formation of Reserves:

1. The shareholder, upon determination of the share of net profits, may decide to form other reserves to the extent that such serves the Company's interest or ensures the distribution of fixed dividends as much as possible. The shareholder may deduct amounts from the net profits for social objectives that benefit the Company's employees.
2. The shareholder shall determine the percentage of the net profits to be distributed thereto after deduction of the reserves, if any.

Entitlement to Dividends:

The shareholder shall be entitled to dividends pursuant to a resolution issued thereby in that regard. The resolution shall indicate the entitlement and distribution dates. The Board of Directors shall implement the resolution of the shareholder with respect to dividend distribution within the time frame specified in the Implementing Regulations of the Companies Law.

11.14.7 Termination and Liquidation of the Company

The Company shall be terminated by one of the reasons for termination set forth under Article 243 of the Companies Law. Upon its termination, it shall enter liquidation in accordance with the provisions of Chapter 12 of the Companies Law. The Company shall maintain its legal personality to the extent necessary to be liquidated. The powers of the Board of Directors shall cease to operate upon its liquidation. However, the Directors shall continue to oversee the Company's management and shall be considered by other parties as liquidators until a liquidator is appointed. The Company's assemblies shall remain in place during the liquidation period, and their role shall be limited to their powers and shall not conflict with the powers of the liquidator. If the Company terminates and its assets are insufficient to settle its debts or if it is insolvent under the Bankruptcy Law, it shall apply to the competent judicial authority to initiate any liquidation proceedings under the Bankruptcy Law.

11.15 Description of Shares

Share Capital

As at the date of this Prospectus, the Company's authorized share capital is one billion, twenty-four million, thirteen thousand, three hundred and twenty Saudi riyals (SAR 1,024,013,320), divided into one hundred and two million, four hundred and one thousand, three hundred and thirty-two (102,401,332) ordinary cash shares, all of equal value, with a nominal value of ten Saudi riyals (SAR 10) per share. The shareholder has fully subscribed to the share capital.

Trading of Shares

Shares may not be issued at less than their nominal value. However, shares may be issued above their nominal value if approved by the Extraordinary General Assembly. In the latter case, the difference shall be credited to a separate account within shareholders' equity and shall be used in accordance with the applicable rules and regulations. The shares shall be nominal and indivisible against the Company. If a share is owned by multiple persons, they must select one of them to exercise the rights attached to the share, and these persons shall be jointly liable for the obligations arising from ownership of the share.

Redemption Rights and Buyback of Shares

Pursuant to Article 114 of the Companies Law, a joint-stock company may purchase or mortgage its own shares in accordance with the controls set by the competent authority. Shares purchased by the Company shall not have voting rights in shareholder assemblies.

Shareholders' Rights

Pursuant to Article 107 of the Companies Law, each Shareholder acquires all rights associated with the shares. These include, in particular, the right to receive a portion of the declared dividends to be distributed, the right to receive a portion of the Company's assets upon liquidation, the right to attend General Assemblies, participate in deliberations and vote on resolutions thereof, the right to dispose of shares, the right to request access to the Company's ledgers and documents, monitor the work of the Board of Directors, file a liability lawsuit against the Directors and challenge the validity of General Assembly resolutions under the conditions and restrictions contained in the Companies Law and the Bylaws.

Each Shareholder shall have the right to discuss the topics included in the agenda of the General Assembly and to address questions thereon to the Directors and the Auditor. The Board of Directors or the Auditor shall answer the questions of Shareholders to the extent that such answer does not jeopardize the interests of the Company. If a Shareholder deems the response to a question to be unsatisfactory, they may appeal to the General Assembly, whose decision in this regard shall be final.



Rights to Dividends

Shareholders shall be entitled to their share of the dividends in accordance with the resolution of the General Assembly issued in this regard. Such resolution shall indicate the entitlement date and the distribution date. Shareholders registered in the Shareholders' registers at the end of the day on the entitlement date shall be entitled to dividends. The Board of Directors must implement the resolution of the General Assembly regarding the distribution of dividends to Shareholders.

Rights to Asset Surplus Upon Liquidation or Dissolution

Pursuant to Article 255 of the Companies Law, shares shall carry equal rights to net profits and asset surplus upon liquidation, unless the Company's Bylaws provide otherwise.

General Assemblies

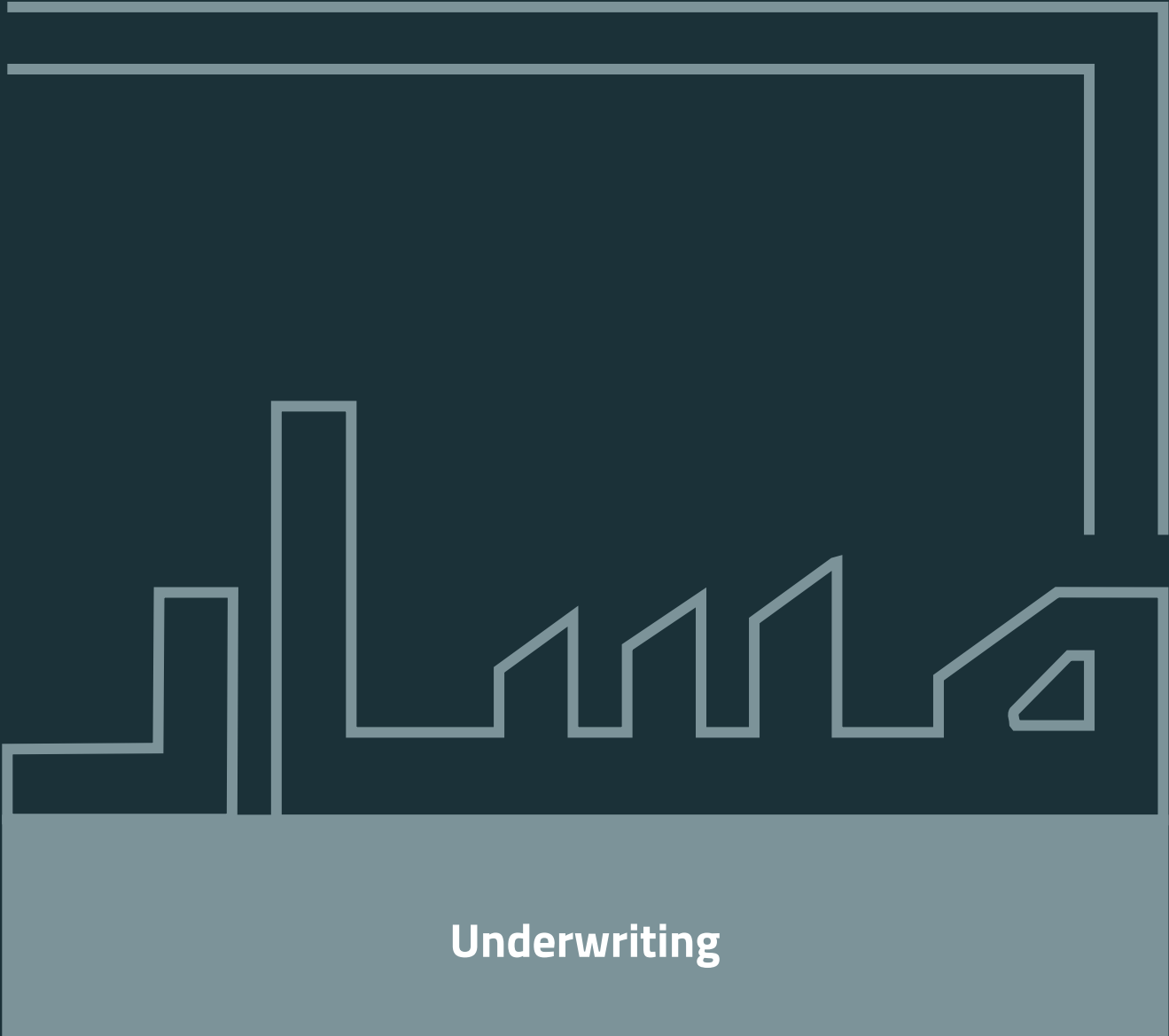
A duly-constituted General Assembly represents all Shareholders and must be convened in the city where the Company's head office is located. The invitation shall be published at least 21 days before the date scheduled for the Assembly meeting. In such case, invitations shall be sent to all shareholders via registered mail at the addresses listed in the shareholders' register, or announced via modern technological means, and a copy of the invitation and the agenda shall be sent to the MOC and the CMA on the invitation announcement date.

General Assemblies of Shareholders shall be presided over by the Chairman, or, in the event of the Chairman's absence, the Vice Chairman. Minutes shall be kept for each Assembly, stating the number of Shareholders present or represented therein, the number of shares held by each, the number of votes attached to such shares, the resolutions adopted, the number of consenting and dissenting votes, and a comprehensive summary of the deliberations that took place in the meeting. Minutes shall be recorded on a regular basis after each meeting in a dedicated register signed by the Assembly's Chairman, secretary and vote collector.

Amendment of Shareholders' Rights

The rights of Shareholders related to receiving a portion of the dividends declared for distribution, receiving a share of the Company's asset surplus upon liquidation, attending General Assembly meetings, participating in deliberations and voting on resolutions, disposing of their shares, accessing the Company's books and documents, supervising the actions of the Board of Directors, bringing a liability claim against Directors, and contesting the validity of resolutions adopted at General Assembly meetings (in accordance with the conditions and restrictions set out in the Companies Law and the Bylaws) are granted pursuant to the Companies Law. Accordingly, they may not be changed. The Company's Bylaws must be amended in order to alter the voting mechanism and quorum of General Assemblies. However, the Company's Bylaws may only be amended through a resolution of the Extraordinary General Assembly.





Underwriting

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12. Underwriting

The Company, the Selling Shareholder and the Underwriter have entered into an underwriting agreement (the “**Underwriting Agreement**”), whereby the Underwriter has agreed to underwrite all of the Offer Shares, amounting to thirty million, seven hundred and twenty thousand, four hundred (30,720,400) shares, subject to certain terms and conditions set out in the Underwriting Agreement. The names and addresses of the Underwriter are set out below:

12.1 Underwriter

Underwriter	
SNB Capital P.O. Box 22216 Riyadh 11495 Kingdom of Saudi Arabia Tel: 00966920000232 Fax: 00966114060052 Website: www.alahlicapital.com Email: snbcm@alahlicapital.com	

The key terms contained in the Underwriting Agreement are as follows:

12.2 Summary of the Underwriting Agreement

The Underwriting Agreement contains customary terms, representations, warranties and compensation provisions. Such conditions include (but are not limited to): obtaining all of the necessary regulatory approvals for this Prospectus, delivery of the agreed-upon documents, the absence of any material adverse change that might affect the Company or the Group and the non-occurrence of customary force majeure events, among other conditions.

And pursuant to the terms and conditions of the Underwriting Agreement:

1. The Company undertakes to the Underwriter that, on the first Business Day following the completion of the allocation of the Offer Shares at the end of the Offering Period, it shall:
 - a) Sell and allocate the Offer Shares to the Individual Subscribers or Participating Parties whose applications have been accepted by the Receiving Agents.
 - b) Sell and allocate the Offer Shares that were not purchased by Individual Subscribers or Participating Parties to the Underwriter.
2. The Underwriter undertakes to the Company and the Selling Shareholder that, on the allocation date, it will purchase the Offer Shares which have not been subscribed for by Individual Subscribers or Participating Parties. The Company and the Selling Shareholder undertake to the Underwriter that they are in compliance with all of the contents of this Prospectus and all terms of the Underwriting Agreement.

12.3 Underwriting Costs

The Selling Shareholder shall pay to the Underwriter an underwriting fee based on the total value of the Offering. Additionally, the Selling Shareholder agreed to pay the costs and expenses related to the Offering.



Offering Expenses



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13. Offering Expenses

The Selling Shareholder shall bear all costs and expenses related to the Offering, estimated at approximately thirty-eight million Saudi Riyals (SAR 38,000,000). These costs include the fees of the Financial Advisor, Underwriter, Lead Manager, Bookrunners, Legal Advisor, Legal Advisor to the Underwriter, Auditor, Market Consultant and Financial Due Diligence Advisor, in addition to the fees of the marketing, printing, distribution and translation expenses and other related expenses. The Offering expenses shall be deducted from the Offering Proceeds. The Company shall not bear any costs or expenses related to the Offering.

A stylized, light blue line-art graphic of a city skyline with various building shapes of different heights and widths, positioned above a solid light blue horizontal bar.

Post-Listing Undertakings

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14. Post-Listing Undertakings

After Listing, the Company undertakes to:

1. Complete Form 8 related to observance and compliance with the CGRs and provide the relevant justifications if it fails to meet any of the requirements set out in the CGRs.
2. Notify the CMA of the date of the first General Assembly after Listing to allow its representative to attend.
3. Comply with all mandatory provisions set out in the CGRs immediately after Listing.
4. Amend the Company's legal form in its Bylaws to become a listed joint-stock company.
5. Comply with the provisions of the OSCOs and the Listing Rules in relation to the Company's continuing obligations immediately after Listing.
6. Submit transactions and contracts in which any Director has a direct or indirect interest to the General Assembly for authorization (in accordance with the Companies Law, the CGRs and the Implementing Regulations of the Companies Law), provided that the interested Director refrains from participating in voting on the resolution issued in this regard.
7. Accordingly, upon Admission, the Board of Directors undertakes to:
 - a. Record all resolutions and deliberations in the form of written meeting minutes signed by the Board Chairman and Secretary.
 - b. Disclose the details of any Related Party transactions in accordance with the requirements of the Companies Law and the CGRs.

A stylized skyline graphic composed of various geometric shapes, including rectangles and triangles, in a light blue color. The shapes are arranged to resemble a cityscape with buildings of different heights and widths. Some shapes have diagonal lines, suggesting a sense of movement or a specific architectural style. The graphic is positioned in the upper half of the page, above a light blue horizontal band.

Waivers

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15. Waivers

The Issuer has obtained CMA's exemption from disclosing certain information in the Prospectus under Article 32(e) of the OSCOs, concerning information that the Issuer believes its disclosure would cause undue harm to the Company and its competitiveness, while the non-disclosure of such information is unlikely to mislead investors regarding the facts and circumstances necessary to evaluate the Company's shares. The following are the details of the requirements for which the Company has applied to CMA for an exemption as per the foregoing:

- a) Disclosure requirements pursuant to Annex 12.19.3 of the OSCOs, which require the Issuer to disclose a summary of all material contracts. The following items have not been disclosed in this Prospectus:
 - Certain sums of material project agreements.
 - Certain names of contracting parties and the names of the Group's new centers.
 - Certain commercial terms and conditions related to some material agreements.





**Share Information and
Offering Terms and Conditions**

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16. Share Information and Offering Terms and Conditions

The Company has submitted an application to the CMA for the registration and offer of the shares in accordance with the OSCOs, and an application to list the shares on the Exchange in accordance with the Listing Rules.

All subscribers must read the terms and conditions carefully before completing the Subscription Application Form. Signing the Subscription Application Form and delivering it to the Bookrunners or the Receiving Agent, as applicable, is deemed as acceptance of the subscription terms and instructions.

16.1 Subscription for Offer Shares

The Offering consists of the sale of thirty million, seven hundred and twenty thousand, four hundred (30,720,400) shares at an Offer Price of SAR (19.5) per share, with a fully paid nominal value of ten Saudi riyals (SAR 10) per share, representing 30% of the Issuer's share capital. The Offering to Individual Subscribers and the subsequent Listing of the shares are contingent upon a successful Book Building Process by Participating Parties and full subscription of the Offering. In the event that the Offering is not fully subscribed during the book-building period, the Offering will be canceled. The CMA may suspend this Offering after approving this Prospectus and prior to the registration and Admission of the shares to Listing on the Exchange in the event of any material change that may have a material adverse effect on the Company's operations.

Subscription shall be limited to the following two tranches:

Tranche (A): Participating Parties: This tranche includes the parties entitled to participate in the Book Building Process in accordance with Instructions on Book Building and Allocation of Shares in Initial Public Offerings (IPOs), including investment funds, companies and Qualified Foreign Investors (QFIs), Foreign Strategic Investors (FSIs), investors from GCC companies and other Foreign Investors under SWAP Agreements. The number of Offer Shares to be initially allocated to Participating Parties is thirty million, seven hundred and twenty thousand, four hundred (30,720,400) Offer Shares, representing 100% of the total Offer Shares. The final allocation shall be made after the end of the subscription period for Individual Subscribers. In the event there is sufficient demand from Individual Subscribers, the Financial Advisor, in consultation with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to twenty-one million, five hundred and four thousand, two hundred and eighty (21,504,280) Offer Shares, representing 80% of the total Offer Shares. The shares offered to the Participating Parties will be allocated using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any shares as deemed appropriate by the Company and the Financial Advisor.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any divorced or widowed Saudi woman with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit or in their names, provided that she proves that she is divorced or widowed and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case who have a bank account with one of the Receiving Agents and an active stock portfolio with a Capital Market Institution affiliated with the Receiving Agent through which the subscription is to be made. Subscriptions shall be considered invalid in the absence of an active share portfolio account with a Capital Market Institution affiliated with the Receiving Agent through which the subscription is to be made. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription shall be considered void and only the first subscription will be accepted. A maximum of nine million, two hundred and sixteen thousand, one hundred and twenty (9,216,120) shares, representing 20% of the total Offer Shares, will be allocated to Individual Subscribers. Participating Parties are required to subscribe for all of the shares allocated thereto. If Individual Subscribers do not subscribe for all the Offer Shares allocated thereto, the Financial Advisor may reduce the number of shares allocated to them in proportion to the number of shares to which they subscribed.

16.2 Offering Period

A period of three (3) days commencing on Tuesday, 27/05/1447H (corresponding to 18/11/2025G) until 2:00 p.m. KSA time on Thursday, 29/05/1447H (corresponding to 20/11/2025G).



16.3 Book-Building for Participating Parties

- a) The price range will be determined during the book building and will be made available to all Participating Parties by the Financial Advisor or to the Issuer, in consultation with the Company and the Selling Shareholder. The number and percentage of Offer Shares to be allocated to the Participating Parties will be determined in consultation with the Company and the Selling Shareholder using the discretionary allocation mechanism.
- b) Participating Parties registered in the Kingdom may obtain Bid Forms from the Bookrunners during the book-building period. Participating Parties not registered in the KSA may submit requests to participate in bidding via phone or email through the Bookrunners, without needing to complete or sign a Bid Form. Participating Parties may change or cancel their Bid Forms at any time during the book building period, provided that such change is made by submitting an amended or supplementary Bid Form, where applicable. This should take place before the end of the book building period. The number of Offer Shares subscribed for by Participating Parties must not be less than one hundred thousand (100,000) shares and shall not exceed five million, one hundred and twenty thousand and sixty-five (5,120,065) shares. The Bookrunners shall notify the Participating Parties of the Offer Price, and the number of Offer Shares initially allocated thereto. It is possible that shares will not be allocated to certain Participating Parties as deemed appropriate by the Company and the Bookrunners. Subscriptions by Participating Parties must commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Subscription Application Forms.
- c) All Participating Parties must submit genuine and allocable applications. They must not submit false or exaggerated subscription applications with the aim of obtaining a larger allocation. Participating Parties must also have the ability to cover the application through available cash coverage or by making the necessary arrangements to cover the value of the application, from the submission of the Bid Form until final allocation.
- d) Following completion of the Book Building Process for Participating Parties, the Bookrunners shall announce the percentage of coverage by Participating Parties.
- e) The Financial Advisor and the Company shall determine the Offer Price based on the forces of supply and demand, provided that the price does not exceed the price set out in the Underwriting Agreement and is in accordance with the tick size applied by the Saudi Exchange (Tadawul).

16.4 Subscription by Individual Subscribers

Individual Subscribers must subscribe for a minimum of ten (10) Offer Shares and a maximum of two hundred and fifty thousand (250,000) ordinary shares. No change or withdrawal of the Subscription Application Form shall be permitted after submission thereof.

Subscription Application Forms shall be available during this period on the websites of the Receiving Agents which provide such service. Subscription Application Forms must be completed in accordance with the instructions mentioned below. Individual Subscribers who have previously participated in an IPO can also subscribe through the internet, telephone banking or ATMs of any of the Receiving Agents that provide all or some of these services to their customers, provided that:

- a) The Individual Subscriber has a bank account at a Receiving Agent which offers such services.
- b) No changes have been made to the Subscriber's personal information since their subscription in a recent offering.
- c) The Individual Subscriber must have an investment portfolio account with a brokerage firm affiliated with one of the Receiving Agents.

In addition to the foregoing, all Individual Subscribers, whether Saudi or GCC nationals or others, must have an active stock portfolio at a Capital Market Institution affiliated with the Receiving Agent through which the subscription is being made, otherwise, the subscription shall be deemed void.

All Individual Subscribers must comply with the above terms. Subscriptions in violation of the above-mentioned terms will be deemed void, including not having an active stock portfolio with one of the branches of the Receiving Agent through which the subscription is being made. In such case, the subscription application will be rejected and the amounts paid in connection with the rejected application will be refunded.

The Individual Subscriber's signature of the Individual Subscription Application Form and submission thereof to the Receiving Agents constitutes a binding agreement between the Individual Subscriber and the Selling Shareholder with respect to the subscription to the Offer Shares.



Individual Subscribers may obtain a copy of this Prospectus from the websites of the Company (masareducation.com), the CMA (www.cma.org.sa) or the Financial Advisor.

The Receiving Agents whose details are mentioned below shall begin receiving subscription applications via the internet, mobile banking or ATMs of the Receiving Agents, in accordance with the services they provide to their clients:

Receiving Agents



SNB Capital

SNB Regional Building
 King Saud Road
 P.O. Box 22216, Riyadh 11495
 Kingdom of Saudi Arabia
 Tel: +966 92 0000232
 Fax: +966 11 4060052
 Website: www.alahlicapital.com
 E-mail: alahlitadawul@alahlicapital.com



EFG Hermes KSA

Third Floor, Northern Tower, Sky Towers,
 King Fahd Road, Al Olaya, Riyadh
 P.O. Box 300189, Riyadh 11372
 Kingdom of Saudi Arabia
 Tel: +966 11 2938048
 Fax: +966 11 2938032
 Website: www.efghermesksa.com
 Email: ksareipo@efg-hermes.com



Riyadh Capital

Unit No. 69, Granada Business Park 2414, Al-Shohda District
 P.O. Box 13241, Riyadh 7279
 Kingdom of Saudi Arabia
 Tel: +966 11 4865649
 Fax: +966 11 4865908
 Website: www.riyadhcapital.com
 E-mail: ask@riyadhcapital.com



BSF Capital

King Fahd Road
 P.O. Box 23454, Riyadh 3735-12312
 Kingdom of Saudi Arabia
 Tel: +966 11 2826666
 Fax: +966 11 6823 282
 Website: www.sfc.sa
 E-mail: sfc-supportcenter@fracnicapital.com.sa



Aljazira Capital

King Fahd Road, Al Rahmaniya District
 P.O. Box 20438, Riyadh 11455
 Kingdom of Saudi Arabia
 Tel: +966 11 2256000
 Fax: +966 11 2256182
 Website: www.aljaziracapital.com.sa
 E-mail: contactus@aljaziracapital.com.sa



Receiving Agents



Yaqeen Financial Company (Yaqeen Capital)

Al Olaya Street, Al Worood, Riyadh
P.O. Box 884, Riyadh 11421
Kingdom of Saudi Arabia
Tel: +966 8004298888
Fax: +966 11 2054827
Website: www.yaqeen.sa
E-mail: addingvalue@yaqeen.sa



Albilad Investment Company

King Fahd Road
P.O. Box 140, Riyadh 11411
Kingdom of Saudi Arabia
Tel.: +966 (11) 920003636
Fax: +966 (11) 2906299
Website: www.albilad-capital.com
E-mail: InvestmentBanking@albilad-capital.com



ANB Capital

ANB Capital Building
King Faisal Street
P.O. Box 220009, Riyadh 11311
Kingdom of Saudi Arabia
Tel: +966 11 4062500
Fax: +966 11 4062548
Website: www.anbcapital.com.sa
E-mail: Investment.Banking@anbcapital.com.sa



Derayah Financial

Al Takhassusi Street, Al Olaya, Riyadh,
Kingdom of Saudi Arabia
Tel: +966 11 2998000
Fax: +966 11 4195498
Website: www.derayah.com
E-mail: support@derayah.com



Al Rajhi Capital

Al Rajhi Capital
Head Office, King Fahd Road
P.O. Box 5561, Riyadh 11432
Kingdom of Saudi Arabia
Tel: +966 920005856
Fax: +966 (11) 460 00625
Website: www.alrajhi-capital.com
E-mail: InvestmentBankingTeam@alrajhi-capital.com



Alistithmar for Financial Securities and Brokerage Company

King Fahd Road
P.O. Box 6888, Riyadh 11452
Kingdom of Saudi Arabia
Tel: +966 11 2547666
Fax: +966 11 4896253
Website: www.alistithmarcapital.com
E-mail: WebEcare@icap.com.sa



Receiving Agents

الإنماء المالية
alinma capital



Alinma Capital

Al Anoud Tower 2, King Fahd Road
 P.O. Box 55560, Riyadh 11544
 Kingdom of Saudi Arabia
 Tel: +966 11 218 5999
 Fax: +966 11 218 5970
 Website: www.alinmacapital.com
 E-mail: Info@alinmacapital.com

الأول للاستثمار
SAB Invest



Alawwal Invest (SAB Invest)

Al Olaya Main Street
 P.O. Box 1467, Riyadh 11431
 Kingdom of Saudi Arabia
 Tel: +966 8001242442
 Fax: +966 11 2169102
 Website: www.sabinvest.com
 E-mail: customercare@sabinvest.com

الخبير المالية
Alkhabeer Capital



Alkhabeer Capital

Madinah Road, Jeddah
 P.O. Box 128289, Jeddah 21362
 Kingdom of Saudi Arabia
 Tel: +966 12 612 9345
 Fax: +966 12 685 6663
 Website: www.alkhabeer.com
 E-mail: info@alkhabeer.com

 **Sahm**

Sahm Capital

Tower 3.05, King Abdullah Financial District (KAFD)
 Riyadh 13519
 Kingdom of Saudi Arabia
 Tel: +966 92 0007889
 Website: www.sahmcapital.com
 E-mail: cs@sahmcapital.com

GIB | جي آي بي كابيتال
CAPITAL

GIB Capital

Building No. B1, Granada Business and Residential Park
 Eastern Ring Road
 P.O. Box 89589, Riyadh 11692
 Kingdom of Saudi Arabia
 Tel: +966 800 124 0121
 Fax: +966 11 834 8400
 Website: www.gibcapital.com
 E-mail: customercare@gibcapital.com

مشاركة
Musharaka



Musharaka Capital

Prince Turkey Street, Alkurnaish,
 Al Khobar 34413,
 Kingdom of Saudi Arabia,
 Tel: +966 92000 6811
 Fax: +966 13 881 8412
 Website: www.musharaka.sa
 Email: receiving-entity@musharaka.sa



Receiving Agents



Awaed Alosool Capital
AlUrubah Road 2163, AlMathar Ash Shamali 12334,
Home Offices, Riyadh,
Saudi Arabia
Tel: 8001111870
Website: www.awaed.capital
Email: ipo_awaed@awaed.co

16.5 Offering Period and Terms for Individual Subscribers

Receiving Agents that provide this service shall begin receiving Individual Subscription Application Forms through the internet, telephone banking, ATM or other electronic channels provided by the Receiving Agents to their customers from Tuesday, 27/05/1447H (corresponding to 18/11/2025G) until 2:00 p.m. KSA time on Thursday, 29/05/1447H (corresponding to 20/11/2025G). Once the Subscription Application Form is signed and submitted, the Receiving Agent shall stamp it and shall provide the Individual Subscriber with a copy thereof. If the information provided in the Subscription Application Form is incomplete or inaccurate, or if it is not stamped by the Receiving Agent, the Subscription Application Form shall be considered void and the Individual Subscriber may not claim any compensation for any damage resulting from such. Subscribers shall be required to specify the number of Offer Shares applied for in the Subscription Application Form, where the total subscription amount shall be the number of Offer Shares applied for multiplied by the Offer Price of SAR (19.5) per share.

Subscriptions for less than ten (10) shares or fractional shares will not be accepted and any subscription for shares in excess of such amount must be made in multiples thereof. The maximum number of shares that can be applied for by each Individual Subscriber is two hundred and fifty thousand (250,000) Offer Shares.

Subscription Application Forms must be submitted during the Offering Period, accompanied, where applicable, with the following documents. The Receiving Agents shall verify the copies against the originals and then return the original documents to the Individual Subscriber:

- Original and copy of the ID card or resident ID (for Individual Subscribers, including citizens of GCC countries and foreign residents).
- Original and copy of the family register (when subscribing on behalf of family members).
- Original and copy of a power of attorney (when subscribing on behalf of others).
- Original and copy of a certificate of guardianship (when subscribing on behalf of orphans).
- Original and copy of the divorce certificate (when subscribing for the children of a divorced Saudi woman).
- Original and copy of the death certificate (when subscribing for the children of a widowed Saudi woman).
- Original and copy of the birth certificate (when subscribing for the children of a divorced or widowed Saudi woman).

Powers of attorney are only allowed for family members (parents and children only). In the event that an Individual Subscription Application Form is submitted on behalf of an Individual Subscriber (parents and children only), the name of the person signing on behalf of the Subscriber must be stated and an original and copy of a valid power of attorney must be attached. The power of attorney must be issued by a notary public for Individual Subscribers who reside in the KSA and must be legalized through a Saudi embassy or consulate in the relevant country for Individual Subscribers residing outside the KSA. The relevant official at the Receiving Agent shall compare the copies against the original and return the original to the Subscriber.

It shall suffice to fill out one Subscription Application Form for the primary Individual Subscriber and family members appearing on their family identification card if the family members are applying for the same number of Offer Shares as the primary Individual Subscriber. In such case:

1. All Offer Shares allocated to the primary Individual Subscriber and dependent Subscribers shall be registered in the primary Individual Subscriber's name.
2. The primary Individual Subscriber shall receive any refund of unallocated amounts which they paid themselves or on behalf dependent Subscribers.
3. The primary Individual Subscriber shall receive all dividends distributed for the Offer Shares allocated to themselves and dependent Subscribers (in the event the Shares are not sold or transferred).



A separate Subscription Application Form must be used if:

1. The Subscriber wishes to register the Offer Shares to be allocated in a name other than the name of the primary Individual Subscriber.
2. The amount of shares the primary Subscriber intends to apply for differs from that of the dependent Subscribers.
3. If a wife wishes to subscribe in her name and for the allocated shares to be registered to her account (she must complete a separate Subscription Application Form for herself as a primary Subscriber), any Individual Subscription Application Form made by her husband on her behalf shall be canceled and the wife's separate subscription application shall be processed by the Receiving Agent.

A divorced Saudi woman or widow who has minor children from a marriage to a non-Saudi husband may subscribe on behalf of those children, provided that she submits proof of motherhood. Subscription by a person in the name of his divorcee shall be deemed invalid and such person shall be subject to statutory penalties. If a primary Subscriber subscribes for themselves and their family members registered in the family register, and a family member subsequently submits a separate subscription application, such family member's application shall be canceled.

During the Offering Period, only a valid residence permit (Iqama) shall be an acceptable form of identification for non-Saudi dependents. Passports or birth certificates shall not be accepted. Non-Saudi dependents can only be included as dependents with their mother and cannot subscribe as primary Subscribers. The maximum age for non-Saudi dependents to be included with their mother is 18 years. Any documents issued by a foreign government must be legalized through a Saudi embassy or consulate in such country.

Each Individual Subscriber shall agree to subscribe for and purchase the shares specified in their Individual Subscription Application Form for an amount equal to the number of shares applied for multiplied by the subscription price of SAR (19.5) per share. Each Subscriber shall be deemed to have acquired the shares allotted to them upon:

1. Delivery by the Individual Subscriber of the Individual Subscription Application Form to any Receiving Agent.
2. Payment in full to the Receiving Agent of the total value of the shares subscribed for.
3. Issuance of the final allocation and official Listing of the shares for trading on the Exchange.

The total value of the Offer Shares subscribed for shall be paid in full at the Receiving Agents through debiting the Individual Subscriber's account held with the Receiving Agent where the Subscription Application Form is submitted.

If a submitted Individual Subscription Application Form is not in compliance with the subscription terms and conditions, the Company shall have the right to reject such application in full or in part. Applicants shall accept any number of shares allocated thereto unless the allocated shares exceed the number of shares applied for by the applicant.

16.6 Allocation of Shares and Refund of Excess Subscription Monies

The Lead Manager shall open and manage an escrow account for the purpose of depositing and holding the subscription amounts collected from the Participating Parties and the Receiving Agents on behalf of Individual Subscribers. Such subscription amounts shall be transferred to the Selling Shareholder only when the Listing becomes effective, after deduction of certain fees and expenses. Details of this escrow account shall be specified in the Subscription Application Forms. Moreover, each Receiving Agent shall deposit the amounts collected from Individual Subscribers in said escrow account.

The Lead Manager or the Receiving Agents (as the case may be) shall notify Subscribers of the final number of Offer Shares to be allocated to each of them, together with the amounts to be refunded. The subscription surplus (if any) shall be refunded to the Subscribers without any commissions or deductions withheld and shall be deposited in the Subscriber's account specified in the Subscription Application Form. The subscription amount shall not be refunded in cash or to third party accounts.

Announcement of the final allocation shall be made no later than Wednesday, 05/06/1447H (corresponding to 26/11/2025G), and any excess subscription monies, if any, shall be refunded no later than Tuesday, 11/06/1447H (corresponding to 02/12/2025G). Individual Subscribers should communicate with the Lead Manager or the Receiving Agent who provided the Individual Subscription Application Form (as the case may be) for further details.

Transfer of ownership of the Offer Shares shall only be deemed valid after payment of the value by the Subscriber as of the date of registration in the shareholders' register and the commencement of trading of the shares in accordance with the relevant regulations and directives. If the Company's shares are not traded or their listing is canceled prior thereto for any reason, the subscription amounts shall be refunded to the Subscriber and the Offer Shares shall remain the property of the Selling Shareholder.



16.7 Allocation of Shares to Participating Parties

The initial allocation of the Offer Shares will be made as the Financial Advisor deems appropriate in coordination with the Company, using the discretionary share allocation mechanism. It is possible that certain Participating Parties will not be allocated any shares, as deemed appropriate by the Company and the Financial Advisor. The final allocation of the Offer Shares to Participating Parties shall, upon the completion of the allocation of the Offer Shares to Individual Subscribers, be determined by the Financial Advisor, in consultation with the Company. The Offer Shares initially allocated to Participating Parties shall be thirty million, seven hundred and twenty thousand, four hundred (30,720,400) Offer Shares, representing 100% of the total number of Offer Shares. If there is sufficient demand from Individual Subscribers, the Financial Advisor has the right to reduce the Offer Shares allocated to Participating Parties to twenty-one million, five hundred and four thousand, two hundred and eighty (21,504,280) shares, representing 80% of the total number of Offer Shares, after the completion of the subscription process for Individual Subscribers.

16.8 Allocation of Offer Shares to Individual Subscribers

Each Individual Subscriber subscribing to the Offer Shares must subscribe for a minimum of ten (10) ordinary shares and a maximum of two hundred and fifty thousand (250,000) ordinary shares. The minimum allocation per Individual Subscriber is ten (10) ordinary shares. The remaining Offer Shares, if any, shall be allocated on a pro-rata basis, based on the ratio of the number of shares requested by each Individual Subscriber to the total number of shares applied for. In the event that the number of Individual Subscribers exceeds nine hundred and twenty-one thousand, six hundred and twelve (921,612), the Company shall not guarantee the minimum allocation of ten (10) shares per Individual Subscriber. In this case, the allocation shall be determined at the discretion of the Company and the Financial Advisor.

Circumstances where Listing may be suspended or canceled:

16.9 Listing Suspension or Cancellation

- a. The CMA may suspend trading of listed securities or cancel their listing at any time it deems fit. This could take place in any of the following circumstances:
 1. If it deems such necessary to protect investors or maintain an orderly market.
 2. If the Issuer fails, in a manner which the CMA considers material, to comply with the Capital Market Law, its Implementing Regulations or the Exchange Rules.
 3. If the Issuer fails to pay any fees due to the CMA or the Exchange or any penalties due to the CMA in a timely manner.
 4. If the CMA deems that the Issuer, its business, the level of its operations or its assets are no longer suitable to warrant the continued listing of its securities on the Exchange.
 5. When a reverse acquisition is declared that does not contain sufficient information regarding the proposed transaction. In the event that the Issuer has given sufficient information regarding the target and the CMA is convinced, after the Issuer's announcement, that sufficient information will be available to the public on the proposed reverse acquisition, the CMA may decide not to suspend trading at this stage.
 6. When information about the proposed reverse acquisition is leaked and the Issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly.
 7. When a request to initiate the financial reorganization of the Company is registered with the court in accordance with the Bankruptcy Law if its accumulated losses reach 50% or more of its share capital.
 8. When an application to initiate a liquidation proceeding or administrative liquidation of the Company is registered with the court in accordance with the Bankruptcy Law.
 9. When a court issues a final ruling to terminate a financial reorganization proceeding and commence a liquidation proceeding or administrative liquidation of the Company in accordance with the Bankruptcy Law.
 10. When a court issues a final ruling to commence a liquidation proceeding or administrative liquidation of the Company before the court in accordance with the Bankruptcy Law.



- b. A suspension of trading imposed under Paragraph (a) above may be lifted based on the following:
 1. Adequate addressal of the conditions that led to the suspension and lack of a need to continue the suspension to protect investors.
 2. Lifting of the suspension being unlikely to have any impact on the normal activity of the Exchange.
 3. The Issuer's compliance with any other conditions that the CMA may require.
 4. Upon the issuance of a final judgment initiating the financial reorganization of the Company under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, in the event that the suspension is made in accordance with Subparagraph 7 of Paragraph (a) above.
 5. Upon the issuance of a final court judgment dismissing the initiation of a liquidation proceeding or an administrative liquidation proceeding in accordance with the Bankruptcy Law, unless it is suspended from its activities by the relevant competent authority, if the suspension is made in accordance with Subparagraph 8 of Paragraph (a) above.
- c. The Exchange shall suspend the trading of the Issuer's securities in any of the following cases:
 1. If the Issuer does not comply with the deadlines for the disclosure of its periodic financial information in accordance with the OSCOs, until the disclosure thereof.
 2. If the Auditor's report on the financial statements of the Issuer contains an adverse opinion or a disclaimer of opinion, until the adverse opinion or disclaimer is removed.
 3. If the liquidity requirements of Chapters 2 and 8 of the Listing Rules are not met after Listing by the time limit set by the Exchange for the Issuer to rectify its conditions, unless the CMA agrees otherwise.
 4. If the Issuer's Extraordinary General Assembly issues a resolution to reduce its share capital, for the two trading days following the issue date of the resolution.
- d. The Exchange shall lift the suspension referred to in Paragraph (c) (1) and (2) above after the lapse of one trading session following resolution of the matter that gave rise to the suspension. In the event that the over-the-counter trading of the Issuer's shares is permitted, the Exchange shall lift the suspension within a period of no more than five trading sessions after the resolution of the matter that gave rise to the suspension.
- e. The Exchange may, at any time, propose that the CMA suspend trading of any listed security or cancel the listing thereof where, in its opinion, any of the circumstances in Paragraph (a) above is likely to occur.
- f. An issuer whose securities have been suspended from trading must continue to comply with the Law, its Implementing Regulations and the Exchange Rules.
- g. In the event that the listing suspension continues for six (6) months with no appropriate measures taken by the Issuer to correct such suspension, the CMA may cancel the Issuer's listing.
- h. Upon the Issuer's completion of a reverse acquisition, the listing of the Issuer's shares shall be canceled. If the Issuer wishes to re-list its shares, it must submit a new application for listing in accordance with the Listing Rules and the requirements of the OSCOs.
- i. The above paragraphs shall not prejudice the suspension of trading and cancellation of listing resulting from the Company's losses pursuant to the relevant Implementing Regulations and the Exchange Rules.

16.10 Optional Cancellation of Listing

- a. An Issuer whose securities have been listed on the Exchange may not cancel the listing of its securities without the prior approval of the CMA. To obtain CMA approval, the Issuer must submit a cancellation application to the CMA, along with a simultaneous notice to the Exchange. The application shall include the following information:
 1. The specific reasons for the cancellation request.
 2. A copy of the disclosure described below.
 3. A copy of the relevant documentation and a copy of each related document sent to the shareholders if the cancellation is to take place as a result of an acquisition or other action taken by the Issuer.
 4. The names and contact information of the financial advisors and legal advisor appointed according to the OSCOs.



- b. The CMA may, at its own discretion, approve or reject the cancellation request.
- c. The Issuer shall obtain the approval of the Extraordinary General Assembly for the cancellation of the listing after obtaining the CMA's approval.
- d. Where cancellation is made at the Issuer's request, the Issuer shall disclose the same to the public as soon as possible. The disclosure shall include the reason for the cancellation, the nature of the event resulting in the cancellation and how it affects the Issuer's activities.

16.11 Temporary Trading Suspension

- a. An Issuer may request a temporary suspension of the trading of its securities from the Exchange upon the occurrence of an event during trading hours which requires immediate disclosure under the Capital Market Law, its Implementing Regulations or the Exchange Rules, where the Issuer cannot maintain the confidentiality of such information until the end of the trading period. The Exchange shall suspend trading of the securities of that Issuer as soon as it receives the request.
- b. When trading is temporarily suspended at the Issuer's request, the Issuer shall disclose to the public, as soon as possible, the reason for the suspension, the anticipated period thereof, the nature of the event resulting in the suspension and how it affects the Issuer's activities.
- c. The CMA may impose a temporary trading suspension without a request from the Issuer when the CMA has information or there are circumstances that affect the Issuer's activities which the CMA deems likely to interrupt the operation of the Exchange or jeopardize the protection of investors. An issuer whose securities are subject to temporary suspension of trading must continue to adhere to the Capital Market Law, its Implementing Regulations and the Exchange Rules.
- d. The Exchange may propose that the CMA exercise its authority under Paragraph (c) above if it finds there is information or circumstances that may affect the Issuer's activities and are likely to affect the operation of the Exchange or the protection of investors.
- e. The temporary suspension of trading shall be lifted at the end of the period specified in the disclosure referred to in Paragraph (b) above, unless the CMA or the Exchange deems otherwise.

16.12 Miscellaneous Provisions

The Subscription Application Form and all related terms, conditions and covenants thereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs, provided that, except as specifically contemplated herein, neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto are delegated by any of the parties referred to in this Prospectus without the prior written consent of the other party.

These instructions, conditions and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the KSA.

The Selling Shareholder shall be subject to a Lock-up Period of six (6) months starting from the date trading of the Company's shares commences on the Exchange. During this period, the Selling Shareholder may not dispose of any of their shares. Following the end of the Lock-up Period, the Selling Shareholder may dispose of their shares without the need for prior approval from the CMA.

Although the CMA has approved this Prospectus, it may suspend the Offering if the Company, at any time after the approval of this Offering by the CMA and before registration and Admission to Listing of the shares on the Exchange, becomes aware of the following: (1) there has been a significant change in material matters contained in the Prospectus; or (2) additional significant matters have become known which would have been required to be included in the Prospectus. In such cases, the Company shall submit a supplementary prospectus to the CMA in accordance with the requirements of the OSCOs and the Listing Rules. The supplementary prospectus must be published and an announcement made regarding the applicable subscription dates.

This Prospectus has been issued in Arabic and English. Only the Arabic Prospectus is approved by the CMA. In the event of any discrepancy between the Arabic and English texts, the Arabic text shall prevail. It is expressly prohibited to distribute this Prospectus or to sell the Offer Shares in any jurisdiction other than the KSA, with the exception of investors who are GCC citizens, qualified foreign companies and institutions, Foreign Strategic Investors (FSIs) and other Foreign Investors through SWAP Agreements, provided that the regulations and instructions regulating the same are observed.



16.13 Resolutions and Approvals for the Offering of the Shares

The resolutions and approvals for the Offering of the Company's shares are as follows:

- The Company's Board of Directors' resolution issued on 27/04/1446H (corresponding to 30/10/2024G).
- The Extraordinary General Assembly resolution issued on 28/04/1446H (corresponding to 31/10/2024G).
- Tadawul's conditional approval for the listing of the shares issued on 10/09/1446H (corresponding to 10/03/2025G).
- The CMA's approval of the Offering and registration of the shares issued on 07/04/1447H (corresponding to 29/09/2025G).

16.14 Lock-up Period and Restrictions on the Shares

The Selling Shareholder is subject to a lock-up of six (6) months starting from the date trading of the Offer Shares commences on the Exchange. During this period, the Selling Shareholder may not dispose of any of their shares. Following the end of the Lock-up Period, the Selling Shareholder may dispose of their shares without the need for prior approval from the CMA.



Subscription Undertakings

17



17. Subscription Undertakings

By completing the Subscription Application Form, each Subscriber:

- agrees to subscribe for the number of the Company's shares specified in the Subscription Application Form;
- declares that they have read this Prospectus and understood all of its contents;
- accepts the Company's Bylaws and all Offering instructions and terms mentioned in the Prospectus;
- declares that neither themselves nor any of their family members included in the Subscription Application Form have previously subscribed for shares and that the Company has the right to reject all duplicate applications;
- accepts the number of shares allocated thereto (up to the maximum amount subscribed for) as per the Subscription Application Form;
- undertakes not to cancel or amend the Subscription Application Form after submitting it to the Lead Manager or the Receiving Agent; and
- undertakes to maintain their right to sue the Company for damages caused by incorrect or incomplete information contained in the Prospectus, or by omission of material information that should have been included within this Prospectus and could affect their decision to purchase the shares.

The Lead Manager shall open and manage an escrow account for the purpose of depositing and holding the subscription amounts collected from the Participating Parties and the Receiving Agents on behalf of Individual Subscribers. Such subscription amounts shall be transferred to the Selling Shareholder only when the Listing becomes effective, after deduction of certain fees and expenses. Details of this escrow account shall be specified in the Subscription Application Forms. Moreover, each Receiving Agent shall deposit the amounts collected from Individual Subscribers in said escrow account.

The Lead Manager or the Receiving Agents (as the case may be) shall notify Subscribers of the final number of Offer Shares to be allocated to each of them, together with the amounts to be refunded. The subscription surplus (if any) shall be refunded to the Subscribers without any commissions or deductions being withheld and shall be deposited in the Subscriber's account specified in the Subscription Application Form.

Announcement of the final allocation shall be made no later than Wednesday, 05/06/1447H (corresponding to 26/11/2025G) and any excess subscription monies, if any, shall be refunded no later than Tuesday, 11/06/1447H (corresponding to 02/12/2025G). Individual Subscribers should contact the Lead Manager or the Receiving Agent to which they submitted the Individual Subscription Application Form (as the case may be) for further details.

The initial allocation of the Offer Shares will be made as the Financial Advisor deems appropriate, in coordination with the Company, using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any shares, as deemed appropriate by the Company and the Financial Advisor. Upon completion of the allocation of Offer Shares to Individual Subscribers, the final allocation of the Offer Shares to Participating Parties shall be determined by the Financial Advisor, in consultation with the Company. The Offer Shares initially allocated to Participating Parties shall be thirty million, seven hundred and twenty thousand, four hundred (30,720,400) Offer Shares, representing 100% of the total number of Offer Shares. If there is sufficient demand from Individual Subscribers, the Financial Advisor has the right to reduce the Offer Shares allocated to Participating Parties to twenty-one million, five hundred and four thousand, two hundred and eighty (21,504,280) shares, representing 80% of the total number of Offer Shares, after completion of the subscription process for Individual Subscribers.

Each Individual Subscriber subscribing to the Offer Shares must subscribe for a minimum of ten (10) ordinary shares and a maximum of two hundred and fifty thousand (250,000) ordinary shares. The minimum allocation per Individual Subscriber is ten (10) ordinary shares. The remaining Offer Shares, if any, shall be allocated on a pro-rata basis, based on the number of shares requested by each Individual Subscriber out of the total number of shares applied for. In the event that the number of Individual Subscribers exceeds nine hundred and twenty-one thousand, six hundred and twelve (921,612), the Company shall not guarantee the minimum allocation of ten (10) shares per Individual Subscriber. In such case, the allocation shall be determined at the discretion of the Company and the Financial Advisor.



17.1 Share Register and Trading Arrangements

The Exchange maintains a register of shareholders that contains their names, nationalities, addresses, occupations, the shares they own and the amounts paid for such shares.

17.2 Overview of Saudi Tadawul and the Trading Process

In 1990G, full electronic trading of shares in the KSA was introduced. The Tadawul system was established in 2001G as the successor to the Electronic Securities Information System. Share trading occurs through a fully integrated trading system covering the entire trading process, from the execution of the trade transaction through settlement thereof via the Depository and Settlement System (DSS) operated by Edaa. Trading occurs each business day between 10:00 a.m. and 3:00 p.m. (Sunday through Thursday of each week), during which time orders are executed. Outside such hours, orders can be entered, amended or canceled from 9:30 a.m. to 10:00 a.m. These times may be changed by the Saudi Exchange Company during the holy month of Ramadan.

Transactions take place through the automatic matching of orders. Each order is accepted and its priority is determined according to the price. In general, market orders (orders placed at best price) are executed first, followed by limit orders. If several orders are generated at the same price, they are executed according to the time of entry. The Tadawul system distributes a comprehensive range of information through various channels, most notably the Tadawul website, which provides real-time market data to information providers such as Reuters. Transactions are settled on a T+2 basis, meaning that transfer of share ownership takes place within two working days after execution of the transaction. Listed companies are required to disclose all material decisions and information to investors via Tadawul. Tadawul is responsible for monitoring the market as the operator of the mechanism through which the market operates in order to ensure fair and smooth trading of shares.

17.3 Securities Depository Center (Edaa)

The Securities Depository Center Company (Edaa) was established in 2016G pursuant to the Saudi Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H. Edaa is a closed joint-stock company wholly owned by the Saudi Tadawul Group Company (Tadawul) with a share capital of SAR 400,000,000, divided into 40,000,000 shares with a nominal value of ten Saudi riyals (SAR 10) per share. This was after the CMA Board approved the request of the Tadawul Board to convert the Securities Depository Center into a joint-stock company in accordance with the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H. The activities of the Depository Center are related to depositing, registering, transferring, settling and clearing securities as well as recording any ownership limitations on deposited securities. Edaa also deposits and manages the records of securities issuers, organizes the general assemblies of issuers, including remote voting services for such assemblies, and submits reports, notices and information, in addition to providing any other service related to its activities that Edaa considers should be provided in accordance with the Capital Market Law and its Implementing Regulations.

17.4 Trading of the Company's Shares

It is expected that trading of the Company's shares will commence after the final allocation of those shares and Tadawul's announcement of the start date for trading of the Company's shares. The dates and times included in this Prospectus are provisional and may be changed or extended with the approval of the CMA.

Saudi natural persons, non-Saudi natural persons residing in the KSA and holding legal residence permits and citizens of GCC states, as well as Saudi and Gulf companies, banks and investment funds, will be permitted to trade in the shares after they have been traded on the Exchange. Moreover, Qualified Foreign Investors (QFIs) and approved customers will be permitted to trade in the Company's shares in accordance with the Rules for Foreign Investment in Securities. Moreover, non-Saudi nationals who are not residents of the KSA and non-Saudi institutions incorporated outside the KSA will be permitted to invest indirectly to obtain an economic interest in the shares by entering into SWAP Agreements with persons authorized by the CMA, and by purchasing shares listed on the Exchange and trading in them for the benefit of non-GCC Foreign Investors. Under the SWAP Agreements, the authorized persons are the legal owners of the shares.

Furthermore, the Offer Shares may only be traded after the allocated Offer Shares have been credited to Subscribers' accounts with Edaa and the Company has been registered and its shares listed on the Exchange. Pre-trading in the Company's shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in connection with pre-trading activities.

A stylized, light blue line-art graphic of a city skyline with various building shapes of different heights and widths, positioned above a grey rectangular box.

Documents Available for Inspection

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18. Documents Available for Inspection

The following documents shall be available for inspection at the Company's head office in Riyadh from 9:00 a.m. to 5:00 p.m., from Sunday, 04/05/1447H (corresponding to 26/10/2025G) until the last day of the Offering Period for Individual Subscribers on Thursday, 29/05/1447H (corresponding to 20/11/2025G), provided that the inspection period is at least 20 days prior to the end of the Offering Period:

- A copy of the CMA's approval of the Offering and registration of the Shares.
- The Saudi Exchange Company (Tadawul)'s approval of the Listing.
- The Company's Extraordinary General Assembly's approval of the Offering, dated 28/04/1446H (corresponding to 31/10/2024G).
- The Company's Board of Directors' resolution approving the registration and Offering of the Company's shares for public subscription issued on 27/04/1446H (corresponding to 30/10/2024G).
- The Company's Bylaws, as amended.
- The Company's articles of association, as amended.
- The Company's commercial registration certificate.
- A document explaining the mechanism used in determining the price range for the Book Building Process.
- The Group's special purpose audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the six months ended 30 June 2024G, the audited consolidated financial statements for the financial year ended 31 December 2024G, the preliminary unaudited condensed consolidated financial statements for the period ended 31 March 2025G.
- The market report prepared by the Market Consultant.
- All reports, letters and other documents, estimates of value and statements prepared by any expert or any part thereof that is included or referred to in this Prospectus.
- The contracts and agreements disclosed in Section 11.6 ("**Material Agreements**") of this Prospectus.
- Written approvals from:
 - the Financial Advisor, Bookrunner, Underwriter and Lead Manager (SNB Capital) for the inclusion of its name, logo and statement within this Prospectus;
 - Deloitte and Touche & Co., Chartered Accountants and Auditors for the inclusion of its name and logo within this Prospectus as the Company's Auditor for the Group's special purpose audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the six months ended 30 June 2024G, the audited consolidated financial statements for the financial year ended 31 December 2024G, the unaudited condensed consolidated financial statements for the period ended 31 March 2025G and the interim unaudited condensed consolidated financial statements for the period ended 30 June 2025 which were prepared in accordance with the accounting standards endorsed in the KSA, for the inclusion of its name, logo and statements, if any, within this Prospectus;
 - the Financial Due Diligence Advisor, PricewaterhouseCoopers, for the inclusion of its name, logo and statements, if any, within this Prospectus;
 - the Market Consultant, Euromonitor International, for the inclusion of its name, logo, and statements within this Prospectus;
 - the Legal Advisor, Fahad Abuhimed Majid Alsheikh, Mansoor Alhagbani and Clifford Chance Law Firm, for the inclusion of its name and logo within this Prospectus;
 - the Legal Advisor in the UAE, Clifford Chance, for the inclusion of its name and logo within this Prospectus; and
 - the Legal Advisor to the Financial Advisor, Bookrunner and Underwriter, Baker McKenzie Law Firm, for the inclusion of its name and logo within this Prospectus.
 - The Joint Bookrunner, EFG Hermes KSA for the inclusion of its name and logo within this Prospectus.



Financial Statements and Auditor's Report

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19. Financial Statements and Auditor's Report

This section contains the Group's audited special purpose consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G, the six months ended 30 June 2024G, the audited consolidated financial statements for the financial year ended 31 December 2024G, the interim unaudited condensed consolidated financial statements for the period ended 31 March 2025G, the interim unaudited condensed consolidated financial statements for the period ended 30 June 2025 and the interim unaudited condensed consolidated financial statements for the period ended 30 September 2025. These financial statements and the accompanying notes thereto have been prepared in accordance with the IFRS-KSA. Deloitte has audited the Group's special purpose audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the six months ended 30 June 2024G, the audited consolidated financial statements for the financial year ended 31 December 2024G, the interim unaudited condensed consolidated financial statements for the period ended 31 March 2025G, the interim unaudited condensed consolidated financial statements for the period ended 30 June 2025 and the interim unaudited condensed consolidated financial statements for the period ended 30 September 2025 along with the accompanying notes thereto, as set out in their reports included within this Prospectus.



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

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 September 2025



Deloitte and Touche & Co.
Chartered Accountants
(Professional Simplified Joint Stock Company)
Paid-up capital SR 5,000,000
Metro Boulevard – Al-Aqiq
King Abdullah Financial District
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INDEPENDENT'S AUDITOR REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

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

Scope of Review

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

Conclusion

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

Deloitte and Touche & Co.
Chartered Accountants


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





Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three-month and nine-month periods ended 30 September 2025

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

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

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



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

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

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

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



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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

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

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

Dr. Shamsheer Vayalil Parambath
Chairman


Majed Al Mutairi
Chief Executive Officer

Ahmed Gamal
Chief Financial Officer

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2025

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

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



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

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

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

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



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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2025

1 CORPORATE INFORMATION

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

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

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

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

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

Subsidiaries of the Group

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

* Investment held via Human Development Company LLC.

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2025

1 CORPORATE INFORMATION (CONTINUED)

Associate of the Group

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

2 BASIS OF PREPARATION

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

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

Fair value measurement

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

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS

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

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

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

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



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

Accounting standards issued but still subject to the endorsement by SOCPA

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

New standards and interpretations issued but not yet effective

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

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



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5 PROFIT OR LOSS

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

5.1 REVENUES

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

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

5.2 COST OF REVENUES

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



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5 PROFIT OR LOSS (CONTINUED)

5.3 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

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

6 GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired through business combinations are as follows:

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



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6 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

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

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

7 INVESTMENT IN AN ASSOCIATE

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

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

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

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

8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

8.1 Financial assets

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

* Financial assets, other than cash and bank balances



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8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

8.2 Financial liabilities

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

* Financing from banks comprises the following:

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



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9 CASH AND BANK BALANCES

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

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

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

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

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

10 SHARE CAPITAL

10.1 Share Capital

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

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

10.2 Shareholder contributions

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



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11 BASIC AND DILUTED EARNINGS PER SHARE

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

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

12 COMMITMENTS AND CONTINGENCIES

12.1 Bank guarantees

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

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

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

12.2 Litigations

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

12.3 Capital commitments

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



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13 RELATED PARTY BALANCES AND TRANSACTIONS

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

Balances with related parties

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

Transactions with related parties

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

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

Key management personnel remunerations

Group key management personnel compensation comprises the following:

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

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



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14 SEGMENT INFORMATION

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

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

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

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

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

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

15 ZAKAT AND INCOME TAX

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



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15 ZAKAT AND INCOME TAX (CONTINUED)

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

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

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

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

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

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

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



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16 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

(a) Adjusted profit before Zakat and income tax

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

(b) Adjusted profit

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

(c) Adjusted profit attributable to equity holders

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

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

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

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

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

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



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16 ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

(f) Reconciliation

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

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



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17 MATERIAL SUBSEQUENT EVENTS

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

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

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

18 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care
Investments LLC)

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 June 2025



Deloitte and Touche & Co.
Chartered Accountants
(Professional Simplified Joint Stock Company)
Paid-up capital SR 5,000,000
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King Abdullah Financial District
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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Almasar Alshamil Education Company (formerly known as Amanat Special Education and Care Investments Company) ("the Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2025, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended 30 June 2025 and 30 June 2024, and interim condensed consolidated statements of changes in equity and cash flows for the six-months periods ended on 30 June 2025 and 30 June 2024, and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte and Touche & Co.
Chartered Accountants



Mazen A. Al-Omari
Certified Public Accountant
License No. 480
13 Safar 1447H
7 August 2025



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three-month and six-month periods ended 30 June 2025

		Three months ended		Six months ended	
		30-Jun		30-Jun	
		2025	2024	2025	2024
		SAR'000	SAR'000	SAR'000	SAR'000
	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(unaudited)
Revenues	5.1	134,313	109,742	288,110	234,534
Cost of revenues	5.2	(74,939)	(56,717)	(155,857)	(117,444)
GROSS PROFIT		59,374	53,025	132,253	117,090
General, selling and administrative Expenses	5.3	(28,906)	(22,069)	(62,895)	(46,779)
Share of results of an associate	7	18,228	11,639	23,653	14,861
Other operating income		8,265	5,744	17,751	13,376
OPERATING PROFIT		56,961	48,339	110,762	98,548
Finance income	9	1,693	888	2,893	1,911
Finance costs		(2,294)	(1,525)	(4,557)	(3,317)
PROFIT FOR THE PERIOD BEFORE ZAKAT AND INCOME TAX		56,360	47,702	109,098	97,142
Zakat and income tax	15	(3,299)	(4,934)	(7,267)	(8,450)
PROFIT FOR THE PERIOD		53,061	42,768	101,831	88,692
Attributable to:					
Equity holders of the Company		50,169	40,608	90,414	78,056
Non-controlling interests		2,892	2,160	11,417	10,636
		53,061	42,768	101,831	88,692
Basic and diluted earnings per share (SAR)	11	0.49	0.40	0.88	0.76
Alternative Performance Measures	16				
Earnings before interest, tax, depreciation & amortization (EBITDA)		70,503	58,566	137,242	119,090
Adjusted Earnings before interest, tax, depreciation & amortization (EBITDA)		70,503	58,566	137,242	119,090
Adjusted Profit before Tax & Zakat		56,360	47,702	109,098	97,142
Adjusted Profit		52,560	42,768	101,330	88,692
<i>Attributable to the equity holders of the Company</i>					
Adjusted Profit		49,668	40,608	89,913	78,056

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three-month and six-month periods ended 30 June 2025

	Three months ended		Six months ended	
	30-Jun		30-Jun	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(unaudited)
PROFIT FOR THE PERIOD	53,061	42,768	101,831	88,692
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	53,061	42,768	101,831	88,692
Attributable to:				
Equity holders of the Company	50,169	40,608	90,414	78,056
Non-controlling interests	2,892	2,160	11,417	10,636
	53,061	42,768	101,831	88,692

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Notes	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment		127,200	114,198
Right-of-use assets		133,095	97,118
Goodwill and intangible assets	6	612,159	615,034
Investment in an associate	7	416,636	401,893
Total non-current assets		1,289,090	1,228,243
Current assets			
Inventories		1,701	1,701
Trade and other receivables		172,731	154,761
Due from a related party	13	-	8,847
Cash and bank balances	9	221,084	200,967
Total current assets		395,516	366,276
TOTAL ASSETS		1,684,606	1,594,519
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	1,024,013	1,024,013
Statutory reserve		12,011	12,011
Other reserves		(17,016)	(17,016)
Retained earnings		229,658	139,244
Total equity attributable to the equity holders of the Company		1,248,666	1,158,252
Non-controlling interests		75,584	64,167
Total equity		1,324,250	1,222,419
LIABILITIES			
Non-current liabilities			
Lease liabilities		109,175	73,438
Deferred tax liability	15	50,027	51,051
Employees' defined benefit obligations		22,150	20,396
Financing from banks		14,800	16,915
Total non-current liabilities		196,152	161,800
Current liabilities			
Financing from banks		31,601	45,750
Lease liabilities		28,200	29,744
Trade and other payables		85,923	69,361
Contract liabilities		18,480	62,565
Due to a related party	13	-	2,880
Total current liabilities		164,204	210,300
Total liabilities		360,356	372,100
TOTAL EQUITY AND LIABILITIES		1,684,606	1,594,519

These interim condensed consolidated financial statements were approved by the Board of Directors on 7 August 2025.

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

Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-months period ended 30 June 2025

	Attributable to the equity holders of the Company						Non-controlling interests SAR'000	Total equity SAR'000
	Share capital SAR'000	Statutory reserve SAR'000	Shareholder contributions SAR'000	Other reserves SAR'000	Retained earnings SAR'000	Total SAR'000		
As at 31 December 2024 (audited)	1,024,013	12,011	-	(17,016)	139,244	1,158,252	64,167	1,222,419
Profit for the period	-	-	-	-	90,414	90,414	11,417	101,831
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	90,414	90,414	11,417	101,831
As at 30 June 2025 (unaudited)	1,024,013	12,011	-	(17,016)	229,658	1,248,666	75,584	1,324,250
As at 31 December 2023 (audited)	10	3	991,543	(17,841)	73,384	1,047,099	51,581	1,098,680
Profit for the period	-	-	-	-	78,056	78,056	10,636	88,692
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	78,056	78,056	10,636	88,692
Shareholder distributions	-	-	-	-	(42,214)	(42,214)	-	(42,214)
Contingent consideration settled	-	-	32,460	-	-	32,460	-	32,460
As at 30 June 2024 (unaudited)	10	3	1,024,003	(17,841)	109,226	1,115,401	62,217	1,177,618

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





Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-months period ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
OPERATING ACTIVITIES			
Profit before tax and Zakat		109,098	97,142
Adjustments for:			
Share of results of an associate	7	(23,653)	(14,861)
Depreciation of property and equipment		7,834	4,998
Depreciation of right-of-use assets		14,254	11,152
Amortisation of intangible assets	5 & 6	2,875	2,875
Allowance for expected credit losses on trade receivables	5	7,100	3,876
Provision for employees' end of service benefits		3,212	3,141
Finance income		(2,893)	(1,911)
Finance costs		4,557	3,317
		122,384	109,729
Working capital changes			
Inventories		-	443
Due from a related party		-	(12)
Trade and other receivables		(24,205)	(1,322)
Trade and other payables and contract liabilities		(29,348)	(26,766)
Due to a related party		(2,880)	(2,283)
Cash from operations		65,951	79,789
Employees' end of service benefits paid		(1,457)	(1,274)
Payment of Zakat and Tax		(6,452)	(2,903)
Payment of lease liabilities		(19,187)	(13,257)
Net cash flows from operating activities		38,855	62,355
INVESTING ACTIVITIES			
Acquisition of property and equipment		(20,836)	(19,819)
Changes in bank term deposits		-	(45,501)
Dividends received from an associate		17,758	-
Interest received on bank deposits		2,015	1,911
Net cash flows used in investing activities		(1,063)	(63,409)
FINANCING ACTIVITIES			
Proceeds from financing from banks		29,000	24,000
Repayment of bank financing		(45,264)	(17,887)
Shareholder distributions		-	(33,367)
Finance costs paid		(1,411)	(833)
Net cash flows used in financing activities		(17,675)	(28,087)
NET INCREASE IN CASH AND CASH EQUIVALENTS		20,117	(29,141)
Cash and cash equivalents at the beginning of the period		174,172	105,557
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	194,289	76,416
Non-cash transactions			
Additions to right-of-use assets		50,146	841
Additions to lease liabilities		50,146	841
Settlement of contingent consideration		-	32,460

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-months period ended 30 June 2025

1 CORPORATE INFORMATION

Almasar Alshamil Education Company (the "Company") is a single shareholder closed joint stock company (formerly known as Amanat Special Education and Care Investments LLC) registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010831769 dated 10 Rabi' Al-Awal 1444H (corresponding to 6 October 2022) and under Saudi Arabian Ministry of Investment license number 102114402166741 dated 4 Safar 1444H (corresponding to 1 September 2022). The unified number of the Company is 7031169365.

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

The principal activities of the Company are to invest in companies and enterprises in the fields of education as well as managing, developing and operating such companies and enterprises. The registered address of the Company is Tawuniya Towers, King Fahad Road, Al Olaya District, Riyadh, Kingdom of Saudi Arabia.

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

Subsidiaries of the Group

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

* Investment held via Human Development Company LLC.

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

Associate of the Group

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-months period ended 30 June 2025

2 BASIS OF PREPARATION

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

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

Fair value measurement

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

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS

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

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

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

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-months period ended 30 June 2025

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

Accounting standards issued but still subject to the endorsement by SOCPA

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

New standards and interpretations issued but not yet effective

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

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-months period ended 30 June 2025

5 PROFIT OR LOSS

5.1 REVENUES

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

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)		(Unaudited)	
Type of service				
Tuition fees, net of scholarships awarded	88,867	71,655	174,397	142,232
Special education and care needs services	39,153	28,811	92,907	71,582
Administrative and other service fees from students	4,171	6,184	14,862	13,232
Share of revenues from joint services agreements	2,122	3,092	5,944	7,488
Total revenues	134,313	109,742	288,110	234,534
Timing of revenue recognition				
Services transferred over time	132,556	107,864	284,189	230,602
Services transferred at a point in time	1,757	1,878	3,921	3,932
Total revenues	134,313	109,742	288,110	234,534

5.2 COST OF REVENUES

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)		(Unaudited)	
Salaries and employee related costs	39,527	34,808	85,559	69,846
Royalty and profit-sharing arrangements for academic services	16,030	12,002	28,879	22,594
Student related expenses *	5,243	113	14,620	5,799
Depreciation of right-of-use assets	7,417	5,520	14,254	11,152
Depreciation of property and equipment	2,421	1,568	4,807	3,131
Share of direct costs from joint services agreements	2,382	1,727	4,226	2,702
Short-term leases	190	295	312	588
Other direct costs	1,729	684	3,200	1,632
	74,939	56,717	155,857	117,444

* During the quarter ended 30 June 2024, certain student-related expenses previously reported for the quarter ended 31 March 2024 at HDC were reclassified to other cost categories within cost of revenues, including share of direct costs from joint service agreements. Accordingly, the cost classifications for the six-month periods ended 30 June 2025 and 30 June 2024 presented are comparable and consistent between periods.



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-months period ended 30 June 2025

5 PROFIT OR LOSS (CONTINUED)

5.3 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)		(Unaudited)	
Employee related expenses	10,957	9,339	24,121	18,754
Legal and professional fees	4,057	1,267	9,189	3,646
Expected credit losses on trade receivables	3,378	58	7,100	3,876
Marketing and communications	1,622	1,771	3,418	3,665
Depreciation of property and equipment	1,507	942	3,027	1,867
Amortization of intangible assets (Note 6)	1,438	1,438	2,875	2,875
Short-term leases	543	119	1,845	899
IT expenses	930	921	2,121	1,694
Board and Committees remuneration	709	-	1,417	-
Other expenses	3,765	6,214	7,782	9,503
	28,906	22,069	62,895	46,779

6 GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired through business combinations are as follows:

	Goodwill SAR'000	Agreements & Student relationships with definite useful lives SAR'000	Brand names with definite useful lives SAR'000	Total SAR'000
Cost:				
At 31 December 2024 (Audited) & 30 June 2025 (Unaudited)	500,267	142,583	3,840	646,690
Amortisation:				
At 1 January 2024 (Audited)	-	25,682	224	25,906
Amortisation	-	5,526	224	5,750
At 31 December 2024 (Audited)	-	31,208	448	31,656
Amortisation (Note 5)	-	2,763	112	2,875
At 30 June 2025 (Unaudited)	-	33,971	560	34,531
Carrying amounts				
At 30 June 2025 (Unaudited)	500,267	108,612	3,280	612,159
At 31 December 2024 (Audited)	500,267	111,375	3,392	615,034



Almasar Alshamil Education Company
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(Formerly known as Amanat Special Education and Care Investments LLC)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-months period ended 30 June 2025

6 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

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

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

7 INVESTMENTS IN AN ASSOCIATE

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

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
NEMA Holding Company LLC ("NEMA")	416,636	401,893

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

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
At the beginning of the period/year	401,893	389,702
Share of results	25,170	32,918
Amortization of PPA assets	(1,517)	(3,033)
Share of results in profit or loss	23,653	29,885
Dividends	(8,910)	(17,694)
At the end of the period/year	416,636	401,893

8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

8.1 Financial assets

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Debt instruments at amortised cost		
Trade and other receivables (excluding prepayments & advances)	159,677	145,041
Due from a related party	-	8,847
Total financial assets (current) *	159,677	153,888

* Financial assets, other than cash and bank balances



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8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

8.2 Financial liabilities

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Interest-bearing borrowings and leases		
Lease liabilities	137,375	103,182
Financing from banks *	46,401	62,665
	183,776	165,847
Financial liabilities at amortised cost		
Trade and other payables (excluding staff related accruals and taxes)	69,090	47,855
Due to a related party	-	2,880
	69,090	50,735
Total financial liabilities	252,866	216,582
Total current	128,891	126,229
Total non-current	123,975	90,353

* Financing from banks comprises the following :

- (1) Revolving bank facilities utilized by the Group's subsidiary, HDC, to finance short-term working capital requirements, where required with a maturity ranging between 6 – 12 months and accrue profit at competitive rates.
- (2) Shariah-compliant financing facilities availed by HDC, amounting to SAR 29,000 thousand, to acquire land and building in relation to its on-going expansion projects in the Kingdom of Saudi Arabia. These facilities carry a profit mark-up in line with market rates and are repayable in quarterly installments over three years. As of 30 June 2025, an amount of SAR 14,800 thousand remains outstanding.
- (3) During the six months ended 30 June 2025, HDC obtained an additional long term financing facility of SAR 50 million to finance its on-going expansion projects carrying a profit mark-up inline with market rates. As of 30 June 2025, no drawdowns have been made from this facility. The facility also includes certain covenants to be maintained and tested annually.

9 CASH AND BANK BALANCES

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Cash on hand	458	17
Current accounts with banks	108,831	113,488
Bank term deposits	111,795	87,462
Cash and bank balances	221,084	200,967



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9 CASH AND BANK BALANCES (CONTINUED)

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

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Cash and bank balances	221,084	200,967
Less:		
Bank term deposits (with initial maturity of more than 3 months)	(26,795)	(26,795)
Cash and cash equivalents	194,289	174,172

During the six-months period ended 30 June 2025, the Group earned an aggregate profit of SAR 2,893 thousand on its term deposits (30 June 2024: SAR 1,911 thousand). The term deposits earn a profit rate ranging between 4.4% to 5.6%.

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

10 SHARE CAPITAL

10.1 Share Capital

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

During 2024, the shareholder of the Company resolved to increase the share capital of the Company to SAR 1,024 million through a conversion of the shareholder contributions balance (Note 10.2) outstanding at 30 June 2024. The required regulatory approvals were obtained in October 2024.

10.2 Shareholder contributions

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



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11 BASIC AND DILUTED EARNINGS PER SHARE

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

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Profit for the period attributable to the equity holders of the Company (SAR'000s)	50,169	40,608	90,414	78,056
Weighted average number of ordinary shares ('000s)	102,401	102,401	102,401	102,401
Basic and diluted earnings per share (SAR)	0.49	0.40	0.88	0.76

12 COMMITMENTS AND CONTINGENCIES

12.1 Bank guarantees

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Bank guarantees	3,659	3,649

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

	30 June 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Bank guarantees	35,485	30,977

12.2 Litigations

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



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13 RELATED PARTY BALANCES AND TRANSACTIONS

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

Balances with related parties

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

Transactions with related parties

	Six months ended 30 June	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
<i>Management fee</i>		
Ultimate Parent Company	-	1,264
Key management personnel *	1,055	1,533

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

Key management personnel remunerations

Group key management personnel compensation comprise the following:

	Six months ended 30 June	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Short - term benefits	6,891	3,144
Post - employment benefits	195	117

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



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14 SEGEMENT INFORMATION

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

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

	Three months ended		Six months ended	
	30-Jun		30-Jun	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Country				
Kingdom of Saudi Arabia	47,071	39,593	116,639	95,380
United Arab Emirates	87,242	70,149	171,471	139,154
Total revenues	134,313	109,742	288,110	234,534

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

	30 June	31 December
	2025	2024
	SAR'000	SAR'000
	(Unaudited)	(Audited)
Country		
Kingdom of Saudi Arabia	452,800	394,772
United Arab Emirates	419,654	431,578
	872,454	826,350

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

15 ZAKAT AND INCOME TAX

The Group's subsidiaries in the UAE, are subject to UAE Corporation Tax Law with effect from 1 January 2024 and the related current taxes are accounted for in the financial statements from the period beginning 1 January 2024, with the first corporate tax filing due on 30 September 2025. However, the related deferred tax accounting impact was assessed for the financial year ended 31 December 2023 resulting in the Group recording a deferred tax liability of SAR 51,051 thousand as at 31 December 2023 (30 June 2025: SAR 50,027 thousand). This related to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments recognized in the Group's interim condensed consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law, and on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.



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15 ZAKAT AND INCOME TAX (CONTINUED)

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

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

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current Income tax and Zakat	3,470	4,934	8,291	8,450
Deferred Tax – Unwinding of temporary differences	(171)	-	(1,024)	-
	3,299	4,934	7,267	8,450

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

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025	2024	2025	2024
	SAR'000	SAR'000	SAR'000	SAR'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
United Arab Emirates	500	3,583	4,111	6,571
Kingdom of Saudi Arabia	2,799	1,351	3,156	1,879
	3,299	4,934	7,267	8,450

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

16 ALTERNATIVE PERFORMANCE MEASURES

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

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

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



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16 ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

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

(a) Adjusted profit before Tax and Zakat

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

(b) Adjusted profit

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

(c) Adjusted profit attributable to equity holders

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

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

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

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

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

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

(f) Reconciliation

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

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Profit before tax & Zakat	56,360	47,702	109,098	97,142
Add/(deduct):				
One-off non-recurring items	-	-	-	-
Adjusted Profit before tax & Zakat	56,360	47,702	109,098	97,142
Add/(deduct):				
One-off non-recurring items	(501)	-	(501)	-
Zakat & Income taxes	(3,299)	(4,934)	(7,267)	(8,450)
Adjusted Profit	52,560	42,768	101,330	88,692



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For the six-months period ended 30 June 2025

16 ALTERNATIVE PERFORMANCE MEASURES (CONTINUED)

(f) Reconciliation (Continued)

	Three months ended 30-Jun		Six months ended 30-Jun	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Adjusted Profit	52,560	42,768	101,330	88,692
<i>Add/(deduct):</i>				
Non-controlling interests	(2,892)	(2,160)	(11,417)	(10,636)
Adjusted Profit attributable to equity holders	49,668	40,608	89,913	78,056
Depreciation and amortization	12,783	9,468	24,963	19,025
Purchase price amortisation of an associate	759	759	1,517	1,517
Finance income	(1,693)	(888)	(2,893)	(1,911)
Finance costs	2,294	1,525	4,557	3,317
Zakat & Income Tax	3,299	4,934	7,267	8,450
Non-controlling interests	2,892	2,160	11,417	10,636
One-off non-recurring items	501	-	501	-
EBITDA	70,503	58,566	137,242	119,090
<i>Add/(deduct):</i>				
One-off non-recurring items	-	-	-	-
Adjusted EBITDA	70,503	58,566	137,242	119,090

17 SUBSEQUENT EVENTS

No events have occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which require adjustment to, or disclosure, in these interim condensed consolidated financial statements.

18 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on 13 Safar 1446 H (corresponding to 7 August 2025).



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care
Investments LLC)

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 March 2025



Deloitte and Touche & Co.
Chartered Accountants
(Professional Simplified Joint Stock Company)
Paid-up capital SR 5,000,000
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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Almasar Alshamil Education Company (formerly known as Amanat Special Education and Care Investments Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at March 31, 2025, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-months periods ended on March 31, 2025 and March 31, 2024, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte and Touche & Co.
Chartered Accountants

Mazen A. Alomari
License No. 480
Dhu Al-Qiedah 10, 1446H
May 8, 2025



Almasar Alshamil Education Company
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the three months ended 31 March

		Three months ended 31 March	
	<i>Notes</i>	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Revenue	5.1	153,797	124,792
Cost of revenue	5.2	(80,918)	(60,727)
GROSS PROFIT		72,879	64,065
General, selling and administrative expenses	5.3	(33,989)	(24,710)
Share of results of an associate	7	5,425	3,222
Other operating income		9,486	7,632
OPERATING PROFIT		53,801	50,209
Finance income		1,200	1,023
Finance costs		(2,263)	(1,792)
PROFIT FOR THE PERIOD BEFORE ZAKAT AND INCOME TAX		52,738	49,440
Zakat and income tax	16	(3,968)	(3,516)
PROFIT FOR THE PERIOD		48,770	45,924
Attributable to:			
Equity holders of the Company		40,245	37,448
Non-controlling interests		8,525	8,476
		48,770	45,924
Basic and diluted earnings per share (SAR)	12	0.39	0.37
Alternative Performance Measures			
Earnings before interest, tax, depreciation and amortization (EBITDA)	17	66,738	60,525

The attached notes from 1 to 19 form part of these interim condensed consolidated financial statements.



Almasar Alshamil Education Company
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the three months ended 31 March

	<i>Three months ended 31 March</i>	
	<i>2025 SAR'000 (Unaudited)</i>	<i>2024 SAR'000 (Unaudited)</i>
PROFIT FOR THE PERIOD	48,770	45,924
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	48,770	45,924
Attributable to:		
Equity holders of the Company	40,245	37,448
Non-controlling interests	8,525	8,476
	48,770	45,924

The attached notes from 1 to 19 form part of these interim condensed consolidated financial statements.



Almasar Alshamil Education Company
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Notes	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment		122,765	114,198
Right-of-use assets		105,218	97,118
Goodwill and intangible assets	6	613,597	615,034
Investment in an associate	7	407,318	401,893
Total non-current assets		1,248,898	1,228,243
Current assets			
Inventories		1,701	1,701
Trade and other receivables	8	218,946	154,761
Due from related parties	14	-	8,847
Cash and bank balances	9	222,849	200,967
Total current assets		443,496	366,276
TOTAL ASSETS		1,692,394	1,594,519
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10.1	1,024,013	1,024,013
Statutory reserve	10.2	12,011	12,011
Other reserves		(17,016)	(17,016)
Retained earnings		179,489	139,244
Total equity attributable to the equity holders of the Company		1,198,497	1,158,252
Non-controlling interests		72,692	64,167
Total equity		1,271,189	1,222,419
LIABILITIES			
Non-current liabilities			
Lease liabilities	8	82,977	73,438
Deferred tax liability	16	50,198	51,051
Employees' defined benefit obligations		21,971	20,396
Financing from banks	8	15,467	16,915
Total non-current liabilities		170,613	161,800
Current liabilities			
Financing from banks	8	47,670	45,750
Lease liabilities	8	27,742	29,744
Accounts and other payables	8	72,238	69,361
Contract liabilities	5.1	102,942	62,565
Due to a related party	14	-	2,880
Total current liabilities		250,592	210,300
Total liabilities		421,205	372,100
TOTAL EQUITY AND LIABILITIES		1,692,394	1,594,519

These interim condensed consolidated financial statements were approved by the Board of Directors on May 7, 2025.

The attached notes from 1 to 19 form part of these interim condensed consolidated financial statements.





Almasar Alshamil Education Company
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2025

		Three months ended 31 March	
	<i>Notes</i>	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
OPERATING ACTIVITIES			
Profit before tax and Zakat		52,738	49,440
Adjustments for:			
Share of results of an associate	7	(5,425)	(3,222)
Depreciation of property and equipment		3,906	2,489
Depreciation of right-of-use assets		6,836	5,632
Amortisation of intangible assets	6	1,437	1,437
Expected credit losses on trade receivables, net of reversals	5	1,771	(8,739)
Provision for employees' end of service benefits		1,709	768
Finance income		(1,200)	(1,023)
Finance costs		2,263	1,792
		64,035	48,574
<i>Working capital changes</i>			
Inventories		-	(132)
Trade and other receivables		(66,020)	4,368
Accounts and other payables and contract liabilities		38,373	26,227
Due to a related party		(2,880)	6
Cash from operations		33,508	79,043
Payment of lease liabilities		(9,010)	(7,536)
Net cash flows from operating activities		24,498	71,507
INVESTING ACTIVITIES			
Acquisition of property and equipment		(12,473)	(5,741)
Interest received on bank deposits		1,188	1,023
Changes in bank term deposits		-	(45,501)
Dividends received from an associate		8,847	8,847
Net cash flows used in investing activities		(2,438)	(41,372)
FINANCING ACTIVITIES			
Proceeds from financing from banks		10,472	9,877
Repayment of bank financing		(10,000)	-
Finance costs paid		(651)	(517)
Net cash flows (used in) / generated from financing activities		(179)	9,360
NET INCREASE IN CASH AND CASH EQUIVALENTS		21,881	39,495
Cash and cash equivalents at the beginning of the period		174,173	105,557
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	196,054	145,052
Non-cash transactions			
Additions to right-of-use assets		14,936	851
Additions to lease liabilities		14,936	851

The attached notes from 1 to 19 form part of these interim condensed consolidated financial statements.



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2025

1 CORPORATE INFORMATION

Almasar Alshamil Education Company (the "Company") is a single shareholder closed joint stock company (formerly known as Amanat Special Education and Care Investments LLC) registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010831769 dated 10 Rabi' Al-Awal 1444H (corresponding to 6 October 2022) and under Saudi Arabian Ministry of Investment license number 102114402166741 dated 4 Safar 1444H (corresponding to 1 September 2022).

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

The principal activities of the Company are to invest in companies and enterprises in the fields of education as well as managing, developing and operating such companies and enterprises. The registered address of the Company is Tawuniya Tower, King Fahad Road, Al Olaya District, Riyadh, Kingdom of Saudi Arabia.

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

Subsidiaries of the Group

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

* Investment held via Human Development Company LLC.

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

Associate of the Group

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



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2 BASIS OF PREPARATION

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES

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

Fair value measurement

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

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS

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

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

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

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



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

Accounting standards issued but still subject to the endorsement by SOCPA

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The effective date of the standard is 1 January 2024 subject to the endorsement by SOCPA, hence it is not yet adopted by the Group.
- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The effective date of the standard is 1 January 2024 subject to the endorsement by SOCPA, hence it is not yet adopted by the Group.

New standards and interpretations issued but not yet effective

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

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



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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2025

5 PROFIT OR LOSS

5.1 REVENUE

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

	<i>Three months ended 31 March</i>	
	<i>2025 SAR'000 (Unaudited)</i>	<i>2024 SAR'000 (Unaudited)</i>
Type of goods or service		
Tuition fees, net of scholarships awarded	85,530	70,577
Special education and care needs services	53,754	42,771
Administrative and other service fees from students	10,691	7,048
Share of revenue from joint services agreements	3,822	4,396
Total revenue	153,797	124,792
Timing of revenue recognition		
Services transferred over time	151,634	122,738
Services transferred at a point in time	2,163	2,054
Total revenue	153,797	124,792

Contract liabilities

Contract liabilities comprise of deferred revenue in relation to educational services that are short-term in nature.

5.2 DIRECT COSTS

	<i>Three months ended 31 March</i>	
	<i>2025 SAR'000 (Unaudited)</i>	<i>2024 SAR'000 (Unaudited)</i>
Salaries and employee related costs	46,032	35,038
Royalty and profit-sharing arrangements for academic services	12,849	10,592
Student related expenses	9,377	5,686
Depreciation of right-of-use assets	6,836	5,632
Depreciation of property and equipment	2,386	1,563
Share of direct cost from joint services agreements	1,844	975
Short-term leases	122	293
Other direct costs	1,472	948
	80,918	60,727



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5 PROFIT OR LOSS (continued)

5.3 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

	<i>Three months ended 31 March</i>	
	<i>2025 SAR'000 (Unaudited)</i>	<i>2024 SAR'000 (Unaudited)</i>
Employee related expenses	13,164	9,415
Legal and professional fees	5,132	2,379
Expected credit losses on trade receivables	3,722	3,818
Marketing and communications	1,796	1,894
Depreciation of property and equipment	1,520	925
Amortization of intangible assets (Note 6)	1,437	1,437
Short-term leases	1,302	780
IT expenses	1,191	773
Board and committee remuneration	708	-
Other expenses	4,017	3,289
	33,989	24,710

6 GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired through business combinations are as follows:

	<i>Goodwill SAR'000</i>	<i>Agreements and student relationship with definite useful lives SAR'000</i>	<i>Brand names with definite useful lives SAR'000</i>	<i>Total SAR'000</i>
Cost:				
At 1 January 2024, 31 December 2024 and 31 March 2025	500,267	142,583	3,840	646,690
Amortisation:				
At 1 January 2024 (Audited)	-	25,682	224	25,906
Amortisation	-	5,526	224	5,750
At 31 December 2024 (Audited)	-	31,208	448	31,656
Amortisation (Note 5)	-	1,381	56	1,437
At 31 March 2025 (Unaudited)	-	32,589	504	33,093
Carrying amounts				
At 31 March 2025 (Unaudited)	500,267	109,994	3,336	613,597
At 31 December 2024 (Audited)	500,267	111,375	3,392	615,034



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6 GOODWILL AND INTANGIBLE ASSETS (continued)

The Group performs its annual impairment test of goodwill at year-end and when circumstances indicate that the carrying value may be impaired, whereby the impairment test is based on value-in-use calculations. The key assumptions used to determine the recoverable amount of the Group's cash generating units were disclosed in the annual audited consolidated financial statements referred to in Note 2.1.

As at 31 March 2025, management has not identified any circumstances that may indicate that the carrying value of goodwill may be impaired.

7 INVESTMENT IN AN ASSOCIATE

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

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
NEMA Holding Company LLC ("NEMA")	407,318	401,893

The movement in the investment in associate is as follows:

	Three months ended 31 March 2025 SAR'000 (Unaudited)	Year ended 31 December 2024 SAR'000 (Audited)
At the beginning of the period/year	401,893	389,702
Share of results	6,184	32,918
Amortization of PPA assets	(759)	(3,033)
Share of results in profit or loss	5,425	29,885
Dividends	-	(17,694)
At the end of the period/year	407,318	401,893

8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

8.1 Financial assets

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Debt instruments at amortised cost		
Trade and other receivables (excluding prepayments & advances)	209,743	145,041
Due from related parties	-	8,847
Total financial assets (current)*	209,743	153,888

*Financial assets, other than cash and bank balances



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8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

8.2 Financial liabilities

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Interest-bearing loans and borrowings		
Lease liabilities	110,719	103,182
Financing from banks (1)	63,137	62,665
	173,856	165,847
Financial liabilities at amortised cost		
Accounts and other payables (excluding staff related accruals and taxes)	50,572	47,855
Due to a related party	-	2,880
	50,572	50,735
Total financial liabilities	224,428	216,582
Total current	125,984	126,229
Total non-current	98,444	90,353

Financing from banks comprises of the following :

- (1) Revolving bank facilities utilized by the Group's subsidiary, HDC, to finance short-term working capital requirements, where required and carry a maturity ranging between 6 – 12 months and accrue profit at competitive rates.
- (2) Shariah-compliant financing facilities availed by HDC, amounting to SAR 28,800 thousand, to acquire land and building in relation to its on-going expansion projects in the Kingdom of Saudi Arabia. These facilities carry a profit mark-up in line with market rates and are repayable in quarterly installments over three years. As of 31 March 2025, SAR 16,800 thousand under these facilities has been drawn down.

9 CASH AND BANK BALANCES

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Cash on hand	603	17
Current accounts with banks	129,308	113,488
Bank term deposits	92,938	87,462
Cash and bank balances	222,849	200,967



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9 CASH AND BANK BALANCES (continued)

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

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Cash and bank balances	222,849	200,967
Less:		
Bank term deposits (with initial maturity of more than 3 months)	(26,795)	(26,795)
Cash and cash equivalents	196,054	174,172

During the three-month period ended 31 March 2025, the Group earned an aggregate profit of SAR 1,200 thousand on its term deposits (31 March 2024: SAR 1,023 thousand).

10 SHARE CAPITAL AND STATUTORY RESERVE

10.1 SHARE CAPITAL

The share capital of the Company as of the period ended 31 March 2025 is SAR 1,024 million (2024: SAR 1,024 million) represented by 102,401 ordinary shares (2024: 102,401) in issuance of SAR 1,000 each.

During 2024, the shareholder of the Company resolved to increase the share capital of the Company to SAR 1,024 million through a conversion of the shareholder contribution balance as of 30 June 2024. The required regulatory approvals were obtained in October 2024.

10.2 Statutory reserve

As required by the Companies Law and the Articles of Association of the Company, a minimum of 10% of the profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 30% of the nominal value of the paid-up share capital.

11 SHAREHOLDER CONTRIBUTION

The shareholder contributions represented equity contributions made by the Ultimate Parent Company to the Company by way of transfer of investees owned by the Ultimate Parent Company to the Company in addition to settlement of the related contingent consideration made on behalf of the Company, which was entirely converted to share capital during 2024 (Note 10.1).



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12 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to the equity holders of the Company and the weighted average number of any ordinary shares issued by the Company applied retrospectively to reflect the effect of the issuance of shares as part of the Group restructuring during the year ended 31st December 2024 (Note 1).

	Three months ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Profit for the period attributable to the equity holders of the Company (SAR'000)	40,245	37,448
Weighted average number of ordinary shares ('000)	102,401	102,401
Basic and diluted earnings per share	0.39	0.37

13 COMMITMENTS AND CONTINGENCIES

13.1 Bank guarantees

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Bank guarantees	3,244	3,649

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

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Bank guarantees	30,932	30,977

13.2 Litigations

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



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14 RELATED PARTY TRANSACTIONS

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

Balances with related parties

	31 March 2025 SAR'000 (Unaudited)	31 December 2024 SAR'000 (Audited)
Due from related parties		
Associate	-	8,847
	-	8,847
Due to related parties		
Ultimate parent Company	-	2,880

Transactions with related parties

	Three months ended 31 March	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Management fee		
Ultimate Parent Company (Note 5.3)	-	632
Key management personnel *	872	567

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

Key management personnel remunerations

Group key management personnel compensation disclosed in Note 5.3, comprise the following:

	Three months ended 31 March	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Short-term benefits	5,541	4,421
Post-employment benefits	194	59

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



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15 SEGEMENT INFORMATION

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

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

	<i>Three months ended 31 March</i>	
	<i>2025 SAR'000 (Unaudited)</i>	<i>2024 SAR'000 (Unaudited)</i>
Country		
Kingdom of Saudi Arabia	69,568	55,788
United Arab Emirates	84,229	69,004
Total revenue	153,797	124,792

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

	<i>31 March 2025 SAR'000 (Unaudited)</i>	<i>31 December 2024 SAR'000 (Audited)</i>
Country		
Kingdom of Saudi Arabia	414,605	394,772
United Arab Emirates	426,975	431,578
	841,580	826,350

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

16 ZAKAT AND INCOME TAX

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

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



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16 ZAKAT AND INCOME TAX (continued)

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

	Three months ended 31 March	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
Current Income tax and Zakat	4,821	3,516
Deferred Tax – Unwinding of temporary differences	(853)	-
	3,968	3,516

The current Zakat and Income tax arising from the Group's operations pertain to the following regions:

	Three months ended 31 March	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
United Arab Emirates	3,611	2,989
Kingdom of Saudi Arabia	357	527
	3,968	3,516

The Company has submitted its Zakat returns since inception up to the year ended 31 December 2024, which are still under review by ZATCA.

17 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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



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17 ALTERNATIVE PERFORMANCE MEASURES (continued)

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

This APM represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- depreciation and amortization;
- purchase price amortisation of an associate;
- finance costs and income;
- other one-off non-recurring items (where applicable).

(b) Reconciliation

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

	Three months ended 31 March	
	2025 SAR'000 (Unaudited)	2024 SAR'000 (Unaudited)
PROFIT BEFORE TAX AND ZAKAT	52,738	49,440
<i>Add/(deduct):</i>		
Depreciation and amortization	12,179	9,558
Purchase price amortisation of an associate	758	758
Finance income	(1,200)	(1,023)
Finance costs	2,263	1,792
Earnings before interest, tax, depreciation and amortization	66,738	60,525

18 SUBSEQUENT EVENTS

No events have occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which require adjustment to, or disclosure, in these interim condensed consolidated financial statements.

19 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on Dhu Al-Qiedah 9,1446H (corresponding to May 7, 2025).



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Investments LLC)

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024



Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the shareholder of
Almasar Alshamil Education Company
(A Saudi Closed Joint Stock Company)
Kingdom of Saudi Arabia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Almasar Alshamil Education Company ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia ("the Code"), that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors ("the Directors") is responsible for the other information. The other information consists of the information included in the annual report, other than the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

**Independent auditor's report to the shareholder of Almasar Alshamil Education Company (Continued)****Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia, the applicable requirements of the Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



Deloitte

Deloitte and Touche & Co.
Chartered Accountants

Independent auditor's report to the shareholder of Almasar Alshamil Education Company (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants

Mazen A. Al-Omari
License No. 480
Ramadan 4, 1446 H
March 4, 2025





Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 SAR'000	2023 SAR'000
Revenue	4	437,065	342,557
Direct costs	4	(234,001)	(175,383)
GROSS PROFIT		203,064	167,174
General, selling and administrative expenses	5	(98,630)	(74,814)
Share of results of an associate	11	29,885	18,080
Other operating income	6	33,378	18,696
OPERATING PROFIT		167,697	129,136
Finance income	7	3,664	1,913
Finance costs	7	(9,192)	(8,380)
PROFIT FOR THE YEAR BEFORE ZAKAT AND INCOME TAX		162,169	122,669
Zakat and income tax	24	(14,051)	(2,728)
Deferred taxes	24	-	(51,051)
PROFIT FOR THE YEAR		148,118	68,890
Attributable to:			
Equity holders of the Company		120,082	44,667
Non-controlling interests		28,036	24,223
		148,118	68,890
Basic and diluted earnings per share (SAR)	20	1.17	0.44

Alternative Performance Measures

Earnings before interest, tax, depreciation and amortization (EBITDA)	25	215,561	168,353
Adjusted earnings before interest, tax, depreciation and amortization (EBITDA)	25	216,446	171,047
Adjusted profit before Tax and Zakat (Adjusted PBT)	25	163,054	125,363
Adjusted profit for the year	25	149,003	122,635

Attributable to the equity holders of the Company

Adjusted profit for the year	25	120,967	98,412
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The attached notes 1 to 28 form part of these consolidated financial statements.



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 SAR'000	2023 SAR'000
PROFIT FOR THE YEAR		148,118	68,890
Other comprehensive income			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gain on employees' benefit obligations		1,375	1,315
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		149,493	70,205
Attributable to:			
Equity holders of the Company		120,907	45,456
Non-controlling interests	23	28,586	24,749
		149,493	70,205

The attached notes 1 to 28 form part of these consolidated financial statements.



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 SAR'000	2023 SAR'000
ASSETS			
Non-current assets			
Property and equipment	8	114,198	62,814
Right-of-use assets	9	97,118	85,218
Goodwill and intangible assets	10	615,034	620,784
Investment in an associate	11	401,893	389,702
Total non-current assets		1,228,243	1,158,518
Current assets			
Inventories		1,701	907
Trade and other receivables	12	154,761	119,812
Due from related parties	13	8,847	9,283
Cash and bank balances	14	200,967	105,557
Total current assets		366,276	235,559
TOTAL ASSETS		1,594,519	1,394,077
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	1,024,013	10
Statutory reserve	15	12,011	3
Shareholder contributions	16	-	991,543
Other reserves		(17,016)	(17,841)
Retained earnings		139,244	73,384
Total equity attributable to the equity holders of the Company		1,158,252	1,047,099
Non-controlling interests	23	64,167	51,581
Total equity		1,222,419	1,098,680
LIABILITIES			
Non-current liabilities			
Lease liabilities	9	73,438	60,931
Financing from banks	17	16,915	-
Deferred tax liability	24	51,051	51,051
Employees' defined benefit obligations	18	20,396	16,719
Total non-current liabilities		161,800	128,701
Current liabilities			
Financing from banks	17	45,750	12,029
Lease liabilities	9	29,744	24,421
Accounts and other payables	19	69,361	81,755
Contract liabilities	4	62,565	46,196
Due to related parties	13	2,880	2,295
Total current liabilities		210,300	166,696
Total liabilities		372,100	295,397
TOTAL EQUITY AND LIABILITIES		1,594,519	1,394,077

These consolidated financial statements were approved by the Board of Directors on March 4, 2025

The attached notes 1 to 28 form part of these consolidated financial statements.



Almasar Alshamil Education Company
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the year ended 31 December 2024

Attributable to the equity holders of the Company

	Share capital SAR'000	Statutory reserve SAR'000	Shareholder contributions SAR'000	Other reserves SAR'000	Retained earnings SAR'000	Total SAR'000	Non- controlling interests SAR'000	Total equity SAR'000
As at 1 January 2023	10	3	977,297	(18,630)	67,898	1,026,578	26,832	1,053,410
Profit for the year	-	-	-	-	44,667	44,667	24,223	68,890
Other comprehensive income	-	-	-	789	-	789	526	1,315
Total comprehensive income	-	-	-	789	44,667	45,456	24,749	70,205
Shareholder distributions	-	-	-	-	(39,181)	(39,181)	-	(39,181)
Contingent consideration settled	-	-	14,246	-	-	14,246	-	14,246
As at 31 December 2023	10	3	991,543	(17,841)	73,384	1,047,099	51,581	1,098,680
Profit for the year	-	-	-	-	120,082	120,082	28,036	148,118
Other comprehensive income	-	-	-	825	-	825	550	1,375
Total comprehensive income	-	-	-	825	120,082	120,907	28,586	149,493
Transfer to statutory reserve	-	12,008	-	-	(12,008)	-	-	-
Shareholder distributions	-	-	-	-	(42,214)	(42,214)	-	(42,214)
Dividend (Note 23)	-	-	-	-	-	-	(16,000)	(16,000)
Contingent consideration settled (Note 10)	-	-	32,460	-	-	32,460	-	32,460
Issuance of share capital (Note 8)	1,024,003	-	(1,024,003)	-	-	-	-	-
As at 31 December 2024	1,024,013	12,011	-	(17,016)	139,244	1,158,252	64,167	1,222,419

The attached notes 1 to 28 form part of these consolidated financial statements.



Almasar Alshamil Education Company
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 SAR'000	2023 SAR'000
OPERATING ACTIVITIES			
Profit before tax and Zakat		162,169	122,669
Adjustments for:			
Share of results of an associate	11	(29,885)	(18,080)
Depreciation of property and equipment	8	12,369	8,797
Depreciation of right-of-use assets	9	26,712	21,433
Amortisation of intangible assets	10	5,750	5,954
Reversal of provision in relation to capital work-in-progress		(2,100)	-
Loss on disposal of property and equipment		-	11
Allowance for expected credit losses on trade receivables, net	12	4,951	7,174
Provision for employees' end of service benefits	18	6,631	4,729
Finance income	7	(3,664)	(1,913)
Finance costs	7	9,192	8,380
		192,125	159,154
Working capital changes			
Inventories		(794)	(298)
Due from related parties		9,283	(22,675)
Trade and other receivables		(39,900)	(436)
Accounts and other payables and contract liabilities		21,281	(8,695)
Due to related parties		585	2,245
Cash from operations		182,580	129,295
Employees' end of service benefits paid	18	(1,579)	(1,884)
Zakat paid		(3,142)	(2,489)
Payment of lease liabilities	9	(30,912)	(29,378)
Net cash flows from operating activities		146,947	95,544
INVESTING ACTIVITIES			
Acquisition of property and equipment	8	(57,977)	(25,185)
Changes in bank term deposits		(26,795)	10,111
Interest received on bank deposits		3,664	1,913
Dividends paid to non-controlling interests		(12,000)	-
Net cash flows used in investing activities		(93,108)	(13,161)
FINANCING ACTIVITIES			
Proceeds from financing from banks		74,938	20,635
Repayment of bank financing		(24,302)	(32,189)
Shareholder distributions		(33,367)	(30,334)
Finance costs paid		(2,493)	(1,097)
Net cash flows from/(used in) financing activities		14,776	(42,985)
NET INCREASE IN CASH AND CASH EQUIVALENTS		68,615	39,398
Cash and cash equivalents at the beginning of the year		105,557	66,159
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	174,172	105,557
Non-cash transactions			
Additions to right-of-use assets	9	43,030	21,312
Additions to lease liabilities	9	43,030	21,312
Transfer from right-of-use assets to property & equipment	9	3,676	-
Settlement of contingent consideration	10	32,460	14,246
Dividend from an associate	11	8,847	8,847

The attached notes 1 to 28 form part of these consolidated financial statements.



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2024

1 CORPORATE INFORMATION

Almasar Alshamil Education Company (closed joint stock company), formerly Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability), (the "Company") is a closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010831769 dated 10 Rabi' Al-Awal 1444H (corresponding to 6 October 2022) and under Saudi Arabian Ministry of Investment license number 102114402166741 dated 4 Safar 1444H (corresponding to 1 September 2022).

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

The principal activities of the Company are to invest in companies and enterprises in the fields of education as well as managing, developing and operating such companies and enterprises. The registered address of the Company is 7534 King Abdulaziz Road, 4672 Al Ghadeer District, 13311 Riyadh, Kingdom of Saudi Arabia.

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

Subsidiaries of the Group

<i>Name</i>	<i>Equity interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>2024</i>	<i>2023</i>		
Middlesex Associates FZ-LLC ("Middlesex University")	100%	100%	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates
Human Development Company LLC ("HDC")	60%	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services
Human Rehabilitation Company LLC*	60%	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services

* Investment held via Human Development Company LLC.

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



Almasar Alshamil Education Company
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

1 CORPORATE INFORMATION (continued)

Associate of the Group

<i>Name</i>	<i>Equity interest</i>		<i>Country of incorporation</i>	<i>Principal Activities</i>
	<i>2024</i>	<i>2023</i>		
NEMA Holding Company LLC ("NEMA")	35%	35%	United Arab Emirates	Leading tertiary education provider

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS endorsed in the Kingdom of Saudi Arabia").

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

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

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

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (as listed in Note 1) for the periods presented in these consolidated financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 BASIS OF CONSOLIDATION (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated statement of profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit or loss. Any investment retained is recognised at fair value.

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Business combinations under common control

A business combination is a business combination involving entities under common control, if the combining entities are ultimately controlled by the same party (or parties) both before and after the combination and common control is not transitory.

Business combinations involving entities under common control are accounted for using the pooling of interests method. Under this method, assets and liabilities are recognised at carrying values already recorded in the financial statements (i.e. book values) of the acquirees and no fair value adjustments are made therein. Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquirees in accordance with applicable IFRS.

The cost of acquisition is measured as the aggregate of consideration transferred and the value of net assets of the acquirees as at the date of acquisition. Acquisition costs incurred are expensed and included in administrative and general expenses.



Almasar Alshamil Education Company
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Business combinations under common control (continued)

Goodwill is not recognised at acquisition and the difference between the acquirer's cost of investment and the acquiree's equity is presented as adjustment within equity on consolidation.

Non-controlling interests, if any, are measured as a proportionate share of the book values of the related assets and liabilities. Profit or loss includes results of the acquirees for the period from the first day of the year in which acquisition occurs till the reporting date.

b) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are generally prepared for the same reporting period as the Group, when necessary, adjustments are made to bring the accounting period and policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of results of associates' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Fair value measurement

The Group measures financial instruments such as financial assets at FVOCI, derivative financial instruments and contingent consideration at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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 economic best interest.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d) Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's 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 asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the 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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

e) Revenue

The Group provides education services. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Tuition fees

Revenue from tuition fees is recognised over the period of each academic term and is reduced by scholarships and discounts awarded to students during that period.

Special Care and Education service fees

Revenue from special care and education services is recognized over the period of the academic term in which the services are provided, net of any discounts, as the customer simultaneously receives and consumes the benefits provided by the Group.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Revenue (continued)

Administrative and other service fees from students

Administrative and other service fees from students are recognized either at a point in time when the services have been rendered to the students or over time when the students simultaneously receive and consume the benefits provided by the Group, net of any discounts.

Joint services agreements (Schools)

Share of revenue from joint services agreements is recognized on a straight-line basis over the period of each academic term.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f) Government grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received. Grants are recognised in the consolidated statement of profit or loss over the period necessary to match them with the expense that they are intended to compensate.

g) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Foreign currencies

The Group's consolidated financial statements are presented in SAR, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into SAR at the rate of exchange prevailing at the reporting date and their consolidated statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Saudi Arabia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred.

Construction in progress is stated at cost, net of accumulated impairment losses, if any. No depreciation is charged on capital work in progress.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

➤ Leasehold improvements	Shorter of asset life and lease term
➤ Academic equipment	3 to 6 years
➤ Medical equipment	6 years
➤ Furniture and fixtures	6 to 10 years
➤ Other assets	3 to 10 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Leases (continued)

Group as a lessee (continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings and offices 3 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (e) Revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other receivables and due from related parties.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Impairment (continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, lease liabilities, due to related parties, loans and borrowings and other long-term liabilities.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated a contingent consideration for the acquisition of a subsidiary as a financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

Subsequent measurement (continued)

Financial liabilities at amortised cost (loans and borrowings) (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

n) Impairment of non-financial assets (continued)

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average basis. Net realisable value is the estimated selling price for inventories less estimated costs of completion and cost necessary to make the sale. Write-down of inventories to net realisable value is recognised in the consolidated statement of profit or loss and other comprehensive income.

p) Cash and bank balances

Cash and bank balances in the consolidated statement of financial position comprise cash at banks and on hand and term deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an initial maturity of three months or less, net of any outstanding bank overdrafts.

q) Provisions, contingent assets and liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

q) Provisions, contingent assets and liabilities (continued)

Provisions (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent assets and liabilities

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

r) Employee benefits

Employee defined benefit liabilities

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and are not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- re-measurements

The Group presents the first two components of defined benefit costs (i.e. service cost and interest expense) in profit or loss in relevant line items.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, and annual leave which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits

Retirement benefits made to defined contribution plans are expensed when incurred.

s) Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

s) Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The Group's intangible assets are amortised on a straight-line basis over useful economic lives of the assets (refer to Note 10 for further details).

➤ Technical expertise	4 years
➤ Expat student relationships	14 years
➤ Licensing and academic services agreement	30 years
➤ Brand names	10 - 25 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

t) Tax and Zakat

Zakat

The Group's KSA subsidiary is subject to Zakat on the computed Zakat base in accordance with the regulations of Zakat, Tax and Customs Authority ("Authority" or "ZATCA") in the Kingdom of Saudi Arabia which is subject to interpretations. Zakat is charged to the consolidated statement of profit or loss and other comprehensive income.

The Group's management establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA and periodically evaluates positions taken in the Zakat returns with respect to applicable pronouncements and interpretation in subsequent periods.

Current taxes

The Group is subject to income tax in accordance with the UAE corporate tax. The Group's Tax is charged to the consolidated statement of profit or loss.

The Group's management establishes provisions where appropriate on the basis of amounts expected to be paid to the UAE Federal Tax Authority and periodically evaluates positions taken in the Tax returns with respect to applicable pronouncements and interpretation in subsequent periods.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

t) Tax and Zakat (continued)

Deferred taxes

Deferred taxes are amounts payable or recoverable in future periods with respect to taxable temporary differences. The Group recognizes a deferred tax liability / (asset) whenever recovery or settlement of the carrying amount of a liability or an asset would make future tax payments larger / (smaller) than they would be if such recovery or settlement were to have no tax consequences. Any such deferred tax liabilities / (assets) are recorded at the tax rates that are expected to apply when the liability is settled or asset is realized and have been enacted or substantively enacted at the reporting period date. No deferred taxes are recorded on Goodwill acquired in business combinations.

The Group's management also applies judgement in determining the amount of deferred taxes to be recorded based on their understanding of the relevant tax laws and re-evaluates the impact of any subsequent issuance of interpretations and clarifications by the relevant tax authorities.

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS

New standards and interpretations effective adopted by the Group effective 1 January 2024

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments that are listed below apply for the first time in 2024, but do not have a significant impact on the consolidated financial statements of the Group.

- Amendment to IFRS 16 - Leases on sale and leaseback: These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements: These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- Amendment to IAS 1 - Non-current liabilities with covenants: These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Accounting standards issued but still subject to the endorsement by SOCPA

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The effective date of the standard is 1 January 2024 subject to the endorsement by SOCPA, hence it is not yet adopted by the Group.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS (continued)

Accounting standards issued but still subject to the endorsement by SOCPA (continued)

- IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. The standard is effective from 1 January 2024 subject to the endorsement by SOCPA, and accordingly, has not yet been adopted by the Group.

New standards and interpretations issued but not yet effective

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

- Amendment to IFRS 21 – Lack of exchangeability: IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique. The effective date is 1 January 2025.
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations, and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. The effective date deferred indefinitely.
- IFRS 18, Presentation and Disclosure in Financial Statements: IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as management-defined performance measures (MPMs). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. The effective date is 1 January 2027.
- IFRS 19 - Reducing subsidiaries disclosures: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards. The effective date is 1 January 2027.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the consolidated financial statements:



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3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal periods as part of the lease term for leases of campus building and offices with shorter remaining non-cancellable period (i.e., one year). The Group typically exercises its option to renew these leases because there will be a significant negative effect on the business if a replacement asset is not readily available and with significant costs to be incurred. The renewal periods for leases of land, buildings with longer remaining non-cancellable periods (i.e., 6 to 39 years from the reporting date) are not included part of the lease terms as they are not reasonably certain to be exercised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described on the next page. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets (including goodwill and intangible asset with indefinite useful life)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the most recent projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purpose. These estimates are most relevant to goodwill and intangible asset with indefinite useful life recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 10.



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3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Fair value measurement of other long-term liabilities

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (refer to Note 10 for details).

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Allowance for expected credit losses of fee receivables

The Group uses a provision matrix to calculate ECLs for fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 22.5.



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4 REVENUE AND DIRECT COSTS

4.1 Disaggregated revenue information

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

	2024 SAR'000	2023 SAR'000
<i>Type of goods or service</i>		
Tuition fees, net of scholarships awarded	226,651	184,603
Special education and care needs services	168,268	127,110
Administrative and other service fees from students	26,870	18,936
Share of revenue from joint services agreements	15,276	11,908
Total revenue	437,065	342,557
	2024 SAR'000	2023 SAR'000
<i>Timing of revenue recognition</i>		
Services transferred over time	431,561	336,395
Services transferred at a point in time	5,504	6,162
Total revenue	437,065	342,557

4.2 Contract balances

	2024 SAR'000	2023 SAR'000
Trade receivables, net (Note 12)	115,978	95,218
Contract liabilities (see below)	62,565	46,196
Accrued share of revenue from joint services agreements (Note 12)	15,168	7,809
Amounts due under joint services agreements (Note 12)	5,261	2,337

Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days from the date of service. For the year ended 31 December 2024, SAR 4,951 thousand (2023: SAR 7,174 thousand) was recognised as allowance for expected credit losses on trade receivables in the consolidated statement of profit or loss.

Contract liabilities

Contract liabilities comprise of fees collected in advance from students and deferred revenue in relation to educational services that are short-term in nature.

4.3 Performance obligations

The performance obligation of most the Group's revenue is satisfied over time on a straight-line basis over the academic period of the course or program that students are enrolled in, and payment is generally due between 30 and 90 days of the invoice or based on an agreed payment plan.



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4 REVENUE AND DIRECT COSTS (continued)

4.4 Direct costs

	2024 SAR'000	2023 SAR'000
Salaries and employees' related costs	136,219	98,379
Royalty and profit-sharing arrangements for academic services	29,364	24,261
Depreciation of right-of-use assets (Note 9)	26,712	21,433
Student related expenses	19,179	13,316
Share of direct costs from joint services agreements (Note 4.5)	6,147	6,135
Depreciation of property and equipment (Note 8)	8,123	4,935
Short-term leases (Note 9)	994	299
Other direct costs	7,263	6,625
	234,001	175,383

4.5 Joint operations

During the normal course of business, the Group enters into third party joint operations agreements to jointly operate and manage educational service centres for special care and needs students. Revenues and associated costs derived from these joint operations are allocated to the Group at contractually agreed percentages and the related amounts are disclosed in Notes 4.1 and 4.4, respectively.

5 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

	2024 SAR'000	2023 SAR'000
Employee related expenses	45,125	31,191
Depreciation of property and equipment	4,246	3,862
Marketing and communications	7,454	5,654
Legal and professional fees	11,711	4,954
Expected credit losses on trade receivables	4,951	7,174
Amortization of intangible assets (Note 10)	5,750	5,954
IT expenses	3,614	3,251
Short-term leases	1,480	1,336
Board and committee remuneration	705	-
Other expenses*	13,594	11,438
	98,630	74,814

* Other expenses mainly include third-party service charges, insurance expense and bank charges.



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6 OTHER OPERATING INCOME

	2024 SAR'000	2023 SAR'000
Grant income*	28,224	15,645
Other income	5,154	3,051
	33,378	18,696

* Represents contribution received by the Group's subsidiary, Human Development Company LLC, from the Ministry of Human Resources and Social Development of the Kingdom of Saudi Arabia in relation to Saudization initiatives.

7 FINANCE INCOME AND FINANCE COSTS

7.1 Finance income

	2024 SAR'000	2023 SAR'000
Interest on term deposits	3,664	1,913

7.2 Finance costs

	2024 SAR'000	2023 SAR'000
Finance costs on financing from banks	2,494	1,097
Finance costs on lease liabilities (Note 9)	6,454	5,478
Others	244	1,805
	9,192	8,380



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8 PROPERTY AND EQUIPMENT

	Land and Buildings SAR'000	Leasehold improvements SAR'000	Medical equipment SAR'000	Academic equipment SAR'000	Furniture and fixtures SAR'000	Other assets* SAR'000	Capital work in progress (1) SAR'000	Total SAR'000
Cost:								
At 1 January 2023	-	24,219	5,476	9,315	11,884	15,848	18,973	85,715
Additions	-	1,883	-	702	900	2,953	18,747	25,185
Transfers	-	7,165	434	-	3,502	20	(11,121)	-
Write-offs	-	-	-	(18)	-	-	-	(18)
At 31 December 2023	-	33,267	5,910	9,999	16,286	18,821	26,599	110,882
Additions	36	7,759	137	4,330	1,542	1,245	42,928	57,977
Transfers	20,919	12,848	43	-	1,393	91	(35,294)	-
Transfer from right-of-use assets	3,676	-	-	-	-	-	-	3,676
Reclassifications	-	3,429	-	-	(822)	(2,710)	-	(103)
Write-offs	-	-	-	-	(23)	-	-	(23)
At 31 December 2024	24,631	57,303	6,090	14,329	18,376	17,447	34,233	172,409
Accumulated depreciation and impairment:								
At 1 January 2023	-	11,337	1,889	6,914	7,482	11,656	-	39,278
Charge for the year (2)	-	3,692	746	937	2,029	1,393	-	8,797
Write-off	-	-	-	(7)	-	-	-	(7)
At 31 December 2023	-	15,029	2,635	7,844	9,511	13,049	-	48,068
Charge for the year (2)	957	5,763	696	1,385	1,767	1,801	-	12,369
Write-off	-	-	-	-	(23)	-	-	(23)
Reversal of impairment	-	-	-	-	-	(2,100)	-	(2,100)
Reclassifications	-	676	1,354	-	(705)	(1,428)	-	(103)
At 31 December 2024	957	21,468	4,685	9,229	10,550	11,322	-	58,211
Net carrying amounts:								
At 31 December 2024	23,674	35,835	1,405	5,100	7,826	6,125	34,233	114,198
At 31 December 2023	-	18,238	3,275	2,155	6,775	5,772	26,599	62,814

* Other assets mainly comprise office equipment and vehicles



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8 PROPERTY AND EQUIPMENT (continued)

- (1) Capital work in progress includes expenditure related to expansion projects undertaken by the Group's subsidiary, HDC, in the Kingdom of Saudi Arabia.
- (2) Depreciation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2024 SAR'000	2023 SAR'000
Direct costs (Note 4.4)	8,123	4,935
General, selling and administrative expenses (Note 5)	4,246	3,862
	12,369	8,797

The cost of fully depreciated assets still in use as at 31 December 2024 is SAR 24,119 thousand (2023: SAR 19,558 thousand).

9 LEASES

The Group has lease contracts for buildings and offices. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of residential units and offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2024 SAR'000	2023 SAR'000
As at 1 January	85,218	85,339
Additions*	43,030	21,312
Modification	(742)	-
Transfer to property and equipment (Note 8)	(3,676)	-
Depreciation	(26,712)	(21,433)
As at 31 December	97,118	85,218

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024 SAR'000	2023 SAR'000
As at 1 January	85,352	87,940
Additions*	43,030	21,312
Accretion of interest	6,454	5,478
Modification	(742)	-
Payments**	(30,912)	(29,378)
As at 31 December	103,182	85,352
Current	29,744	24,421
Non-current	73,438	60,931



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9 LEASES (continued)

* Represents total non-cash additions to right-of-use assets and lease liabilities

** Represents total cash outflows for leases

The maturity analysis of lease liabilities is disclosed in Note 22.5.

The following are the amounts recognised in the consolidated statement of profit or loss with respect to leases:

	2024 SAR'000	2023 SAR'000
Depreciation - direct (Note 4.4)	26,712	21,433
Interest expense (Note 7.2)	6,454	5,478
Short-term leases – direct (Note 4.4)	994	299
Short-term leases – indirect (Note 5)	1,480	1,336
Total amount recognized in profit or loss	35,640	28,546

There are no leases that have not yet commenced at the reporting date. The Group does not have lease contracts that contain variable payments.

The Group's lease contracts contain extension and termination options, which are further discussed in Note 3.

10 BUSINESS COMBINATIONS

The following intangible assets of the Group have been acquired through business combinations made by Amanat and transferred to the Company as part of a group restructuring and accounted for as business combination of entities under common control (refer Notes 1 & 2.1):

	<i>Goodwill</i> <i>SAR'000</i>	<i>Agreements and student relationship with definite useful lives</i> <i>SAR'000</i>	<i>Brand names with definite useful lives</i> <i>SAR'000</i>	<i>Total</i> <i>SAR'000</i>
Cost:				
At 1 January 2023, 31 December 2023, & 31 December 2024	500,267	142,583	3,840	646,690
Amortisation:				
At 1 January 2023	-	19,952	-	19,952
Amortisation (Note 5)	-	5,730	224	5,954
At 31 December 2023	-	25,682	224	25,906
Amortisation (Note 5)	-	5,526	224	5,750
At 31 December 2024	-	31,478	448	31,926



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10 BUSINESS COMBINATIONS (continued)

	<i>Goodwill SAR'000</i>	<i>Agreements and student relationship with definite useful lives SAR'000</i>	<i>Brand names with definite useful lives SAR'000</i>	<i>Total SAR'000</i>
<i>Carrying amounts</i>				
At 31 December 2024	500,267	111,375	3,392	615,034
At 31 December 2023	500,267	116,901	3,616	620,784

Goodwill arising on business combinations is related to the following cash generating units:

	2024 SAR'000	2023 SAR'000
Middlesex University (1)	279,848	279,848
Human Development Company (2)	220,419	220,419
	500,267	500,267

(1) Middlesex Associates FZ-LLC

On 2 August 2018, the Group acquired 100% of the shares and voting interests in Middlesex Associates FZ-LLC ("Middlesex University") for a total consideration of SAR 423,561 thousand.

Fair value measurement

The Group engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby a separately identifiable intangible asset was identified in relation to an agreement the subsidiary has entered into with Middlesex UK, which was estimated to have a fair value of SAR 134,783 thousand at the acquisition date and a useful life of 30 years from the date of acquisition. Accordingly, SAR 134,783 thousand was reduced from the initially recognised amount of goodwill resulting in adjusted goodwill of SAR 279,848 thousand at acquisition.

(2) Human Development Company LLC

On 27 October 2022, the Group acquired 60% of the voting shares of Human Development Company LLC ("HDC"), an unlisted holding company based in the Kingdom of Saudi Arabia and its 100% owned subsidiary, Human Rehabilitation Company LLC, both of which are engaged in the provision of special education and care needs services, for a total cash consideration of SAR 220,305 thousand in addition to contingent consideration of up to SAR 47,120 thousand payable in two tranches of SAR 14,660 thousand and SAR 32,460 thousand in 2023 and 2024, respectively, and dependent on financial performance. The fair value of the contingent consideration at acquisition was estimated to be SAR 46,514 thousand on an undiscounted basis or SAR 44,656 thousand on a discounted basis and was calculated based on a probability assessment utilizing multiple performance scenarios over the performance period, which was fully settled as of 31 December 2024. The acquisition was accounted for using the acquisition method under IFRS 3 Business Combinations.



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10 BUSINESS COMBINATIONS (continued)

(2) Human Development Company LLC

Fair value measurement

The Group engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby separately identifiable intangible assets have been identified in relation to agreements with joint ventures, expat student relationships and brand name with acquisition-date estimated fair values of SAR 2,520 thousand, SAR 5,280 thousand and SAR 3,840 thousand, respectively, and estimated useful lives of 4 years, 14 years and 25 years, respectively. As a result, the initial goodwill at acquisition amounted to SAR 220,419 thousand.

(3) Goodwill impairment assessment

The Group performs its annual impairment test at year-end and when circumstances indicate that the carrying value may be impaired, whereby the impairment test is based on value-in-use calculations.

Middlesex Associates FZ-LLC

The Group performed an impairment test on goodwill as at 31 December 2024. The recoverable amount of the CGU has been determined at 31 December 2024 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 10.8% (2023: 10.9%). Based on the analysis performed, no impairment to goodwill has been identified.

Human Development Company LLC

The Group has performed an impairment test on goodwill as at 31 December 2024. The recoverable amount of the CGU has been determined at 31 December 2024 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates. The pre-tax discount rate applied to the cash flow projections is 10.8% (2023: 12.2%). Based on the analysis performed, no impairment to goodwill has been identified.

The calculation of value in use is most sensitive to the following assumptions:

Revenue

Middlesex Associates FZ-LLC

Revenue is mainly determined based on the number of students enrolled at the university. Management took into consideration the growth in the student numbers in the past 3 years and applied estimates for future enrolments based on expected demand for the university's offerings and programs, both locally and internationally. A reasonable decrease of 5% in the expected number of students is not expected to result in any impairment to goodwill.

Human Development Company LLC

Revenue is mainly determined based on the number of students enrolled at the special care and rehabilitation centers. Management took into consideration the historical growth in student numbers and applied estimates for future growth in number of rehabilitation centers and underlying student enrolments. A reasonable decrease of 5% in the expected number of students is not expected to result in any impairment to goodwill.



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10 BUSINESS COMBINATIONS (continued)

(3) Goodwill impairment assessment (continued)

Discount rate

The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from the weighted average cost of capital (WACC) of each individual CGU. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment from a willing market participant and the cost of debt is based on an estimate of debt available to willing market participants. Segment-specific risk is incorporated by applying individual beta factors.

Any reasonable rise of 0.25% in the discount rate is not expected to result in any impairment to goodwill related to Middlesex Associates FZ-LLC or Human Development Company LLC.

Growth Rate

The growth rate represents management's best estimate of the applicable market growth rate for the industry segments in which it operates. In 2024 and 2023, management utilized growth rate of 3%. Any reasonable decrease in the growth rate by 0.5% is not expected to result in any impairment to goodwill related to Middlesex Associates FZ-LLC and Human Development Company LLC.

11 INVESTMENT IN AN ASSOCIATE

The Group has a 35% interest in NEMA Holding Company LLC, acquired on 6 March 2018. NEMA is involved in the provision of tertiary education and vocational services in Abu Dhabi, United Arab Emirates. NEMA is a private entity that is not listed on any public exchange. The Group's interest in NEMA is accounted for using the equity method in the consolidated financial statements.

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

	2024 SAR'000	2023 SAR'000
NEMA Holding Company LLC ("NEMA")	401,893	389,702

The movement in the investment in associate is as follows:

	2024 SAR'000	2023 SAR'000
At the beginning of the year	389,702	389,316
Share of results	32,918	21,113
Amortization of PPA assets	(3,033)	(3,033)
Share of results in profit or loss	29,885	18,080
Dividends *	(17,694)	(17,694)
At the end of the year	401,893	389,702



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11 INVESTMENT IN AN ASSOCIATE (continued)

* During the year ended 31 December 2024, Dividends of SAR 17,694 thousand were declared by NEMA out of which an amount of SAR 8,847 thousand remained outstanding as of 31 December 2024, which has been settled subsequently during January 2025 (Note 13).

The following table illustrates the summarised financial information of the Group's investment in NEMA as at and for year ended 31 December:

	2024 SAR'000	2023 SAR'000
Current assets	221,000	205,363
Non-current assets	1,154,729	1,161,818
Current liabilities	(225,220)	(186,861)
Non-current liabilities	(350,478)	(423,789)
Equity attributable to the equity holders of NEMA	800,031	756,531
Group's share in net assets at 35%	280,011	264,786
Goodwill and intangibles at acquisition	132,653	132,653
Costs of acquisition capitalised	9,484	9,484
Amortization of PPA assets	(20,255)	(17,221)
Group's carrying amount of the investment	401,893	389,702
Revenue	569,576	514,927
Profit	94,052	60,325
Group's share of profit at 35%	32,918	21,113

12 TRADE AND OTHER RECEIVABLES

	2024 SAR'000	2023 SAR'000
Trade receivables	139,178	123,781
Less: allowance for expected credit losses	(23,200)	(28,563)
	115,978	95,218
Prepayments	5,502	3,611
Refundable deposits	3,970	5,201
Accrued share of revenue from joint services agreements	15,168	7,809
Advances to suppliers	4,218	2,573
Amounts due under joint operations agreements	5,261	2,337
Other receivables	4,664	3,063
	154,761	119,812



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12 TRADE AND OTHER RECEIVABLES (continued)

The movement in the allowance for expected credit losses is as follows:

	2024 SAR'000	2023 SAR'000
At 1 January	28,563	24,645
Charge for the year (Note 5)	4,951	7,956
Reversal (Note 5)	-	(782)
Write-offs	(10,314)	(3,256)
At 31 December	23,200	28,563

Information regarding the Group's credit exposures is disclosed in Note 22.

13 RELATED PARTY TRANSACTIONS

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

Balances with related parties

	2024 SAR'000	2023 SAR'000
Due from related parties		
Associate* (Note 11)	8,847	8,847
Other related parties	-	436
At 31 December	8,847	9,283
Due to related parties		
Ultimate Parent	2,880	-
Other related parties	-	2,295
	2,880	2,295

* Due from the associate relates to dividend receivable from NEMA, which was subsequently settled during January 2025.



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13 RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties

	2024 SAR'000	2023 SAR'000
<i>Management fee</i>		
Ultimate Parent Company	1,264	2,528
Key management personnel*	2,943	2,287
<i>Rent</i>		
Other related party	644	4,600

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

Other transactions with other related parties comprise payments made on behalf of related parties. There were no other material transactions with related parties during the years presented above. Dividend received from the associate is disclosed in Note 11.

Key management personnel remunerations

Group key management personnel compensation disclosed in Note 5, comprise the following:

	2024 SAR'000	2023 SAR'000
Short-term benefits	9,632	6,530
Post-employment benefits	300	331

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

14 CASH AND BANK BALANCES

Cash and bank balances in the consolidated statement of financial position comprise the following:

	2024 SAR'000	2023 SAR'000
Cash on hand	17	5,018
Current accounts with banks	113,488	19,649
Bank term deposits	87,462	80,890
Cash and bank balances	200,967	105,557



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14 CASH AND BANK BALANCES (continued)

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

	2024 SAR'000	2023 SAR'000
Cash and bank balances	200,967	105,557
Less:		
Bank term deposits (with initial maturity of more than 3 months)	(26,795)	-
Cash and cash equivalents	174,172	105,557

Refer to note 7.1 for information about the aggregate profit/interest earned by the Group on bank term deposits.

15 SHARE CAPITAL AND STATUTORY RESERVE

15.1 Share capital

During the third quarter of 2024, the shareholder of the Company resolved to increase the share capital of the Company to SAR 1,024 million through a conversion of the shareholder contribution balance as of 30 June 2024. The required regulatory approvals were obtained in October 2024.

The share capital of the Company as of 31 December 2024 is SAR 1,024,013 thousand (2023: SAR 10 thousand) represented by 102,401 thousand ordinary shares (2023: 1 thousand) in issuance of SAR 10 each (2023: SAR 10 each).

15.2 Statutory reserve

As required by the Companies Law and the Articles of Association of the Company, a minimum of 10% of the profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 30% of the nominal value of the paid-up share capital.

16 SHAREHOLDER CONTRIBUTIONS

The shareholder contributions represented equity contribution made by Amanat to the Company by way of transfer of investees owned by Amanat to the Company in addition to settlement of the related contingent consideration made on behalf of the Company, which were entirely converted to share capital (Note 15.1).

17 FINANCING FROM BANKS

	2024 SAR'000	2023 SAR'000
Revolving bank facilities	45,750	12,029
Term loans	16,915	-
	62,665	12,029



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17 FINANCING FROM BANKS (continued)

- (1) The carrying amounts above represent revolving bank facilities utilized by the Group's subsidiary, HDC, to finance short-term working capital requirements, where required. The loan facilities have a maturity ranging between 6 to 12 months and accrue profit at competitive market rates.
- (2) During the year ended 31 December 2024, a subsidiary of the Group, HDC, availed new Shariah-compliant financing facilities amounting to SAR 28,800 thousand, to acquire land and a building in relation to its on-going expansion projects in the Kingdom of Saudi Arabia. These facilities carry a profit rate in line with market rates and are repayable in quarterly installments over three years. As of 31 December 2024, SAR 16,800 thousand under these facilities has been drawn down. The new facilities are secured by a corporate guarantee from the shareholder of HDC, in addition to personal guarantees from the minority shareholders of HDC.

18 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The Group's employee benefit obligation for long-service payments under a government-mandated plan is based on a comprehensive actuarial valuation as of the end of the reporting period:

Reconciliation of the present value of employees' defined benefit liabilities

	2024 SAR'000	2023 SAR'000
Balance as at 1 January	16,719	15,189
Current service cost	6,631	4,729
Actuarial remeasurement gain	(1,375)	(1,315)
Payments made during the year	(1,579)	(1,884)
Balance as at 31 December	20,396	16,719

Charge to the statement of comprehensive income

	2024 SAR'000	2023 SAR'000
Current service cost	6,631	4,729
Finance cost on benefit obligation	-	-
Total expenses charged to profit or loss	6,631	4,729
Actuarial remeasurement gain	(1,375)	(1,315)
Net charge to total comprehensive income	5,256	3,414



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18 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS (continued)

Significant assumptions

The significant assumptions used in determining the post-employment defined benefit obligation includes the following:

	2024	2023
	%	%
Discount rate - UAE	5.19	5.00
Discount rate - KSA	5.08	4.97
Salary increment rate - UAE	3.00	3.00
Salary increment rate - KSA	2.00	2.00

A quantitative sensitivity analysis for significant assumptions as at 31 December is as follows:

	Impact on defined Benefit obligation	
	2024	2023
	%	%
Discount rate - UAE:		
0.5% increase	(2.00)	(2.00)
0.5% decrease	2.10	2.10
Discount rate - KSA:		
0.5% increase	(1.80)	(1.80)
0.5% decrease	1.90	1.90
Salary increment rate - UAE:		
0.5% increase	2.30	2.30
0.5% decrease	(2.20)	(2.20)
Salary increment rate - KSA:		
0.5% increase	2.20	2.20
0.5% decrease	(2.10)	(2.10)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation from reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The employee benefit plan exposes the Group to the following risks:

Discount risk

A decrease in the discount rate will increase the liability.

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated based on the employee's final salary, the benefit amount increases as salary increases.

Withdrawal risk

Benefits are paid when an employee leaves employment either through resignation or retirement. There is a risk of actual withdrawals being different from assumed withdrawals. The significance of withdrawal risk varies with the age, service and the entitled benefits.



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19 ACCOUNTS AND OTHER PAYABLES

	2024 SAR'000	2023 SAR'000
Accounts payable	4,966	1,328
Contingent consideration (Note 10)	-	32,215
VAT payables, net	2,200	13,194
Accrued profit share	24,562	19,577
Accrued royalty fee	3,100	2,672
Customer deposits	5,446	4,003
Zakat and income tax provision	13,104	2,195
Dividend payable to non-controlling interests	4,000	-
Staff related accruals	6,202	1,316
Other accruals and payables	5,781	5,255
	69,361	81,755

20 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the profit for the year attributable to the equity holders of the Company and weighted average number of ordinary shares issued by the Company applied retrospectively to reflect the effect of the issue of share during the year.

	2024	2023
Profit for the year attributable to the equity holders of the Company (SAR'000)	120,082	44,667
Weighted average number of ordinary shares ('000)	102,401	102,401
Basic and diluted earnings per share (SAR)	1.17	0.44

21 COMMITMENTS AND CONTINGENCIES

21.1 Bank guarantees

	2024 SAR'000	2023 SAR'000
Bank guarantees	3,649	4,881

Banks guarantees are held against cash margins placed with issuing banks amounting to SAR 3,649 thousand as at 31 December 2024 (2023: SAR 4,881 thousand).



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21 COMMITMENTS AND CONTINGENCIES (continued)

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

	2024 SAR'000	2023 SAR'000
Bank guarantees	30,977	37,265

21.2 Litigations

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

21.3 Capital commitments

The Group has capital commitments of SAR 5,963 thousand at 31 December 2024 (2023: Nil) related to projects undertaken in the Kingdom of Saudi Arabia by the Group's subsidiary, HDC.

22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

22.1 Financial assets

	2024 SAR'000	2023 SAR'000
Debt instruments at amortised cost		
Trade and other receivables (excluding prepayments & advances)	145,041	113,628
Due from related parties	8,847	9,283
Total financial assets (current)*	153,888	122,911

*Financial assets, other than cash and bank balances

22.2 Financial liabilities

	2024 SAR'000	2023 SAR'000
Interest-bearing loans and borrowings		
Lease liabilities	103,182	85,352
Financing from banks	62,665	12,029
	165,847	97,381
Financial liabilities at amortised cost		
Accounts and other payables (excluding contingent consideration, staff related accruals and taxes)	47,855	32,835
Due to related parties	2,880	2,295
	50,735	35,130



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22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	2024 SAR'000	2023 SAR'000
Financial liabilities at fair value through profit or loss		
Contingent consideration	-	32,215
Total financial liabilities	216,582	164,726
Total current	126,229	103,795
Total non-current	90,353	60,931

22.3 Fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management assessed that the fair values of cash and bank balances, trade and other receivables, accounts and other payables, financing from banks, and due from related parties approximate their carrying amounts as at each reporting date largely due to the short-term maturities of these instruments.

22.4 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise accounts and other payables, financing from banks, due to related parties, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, due from related parties and bank balances that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk, market risk and operational risk.

The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the shareholders on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information relating to the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions.

The Group manages its credit risk exposure through diversification of deposits to avoid concentration of risk with institutions or group of institutions in specific location or business.



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22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

22.4 Financial instruments risk management objectives and policies (continued)

Credit risk (continued)

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at each reporting date is the carrying amounts of the financial assets disclosed in Note 22.1.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department of each business unit in accordance with set policies.

Exposure to credit risk is monitored on an ongoing basis. Cash balances are held with the banks and financial institutions which are rated A+ to BBB- based on Standard and Poor's credit ratings. The significant portion of the credit exposure of the Group is in the UAE.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Trade receivables relate to amounts receivable by Middlesex University and HDC from students and government ministries for providing academic and special education services, accordingly.

Middlesex extends a credit period of 30 days to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At the reporting dates, there was no concentration risk related to the trade receivables.

HDC extends a credit period of 30 to 90 days to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At 31 December 2024, HDC had 1 customer (2023: 1 customer) that accounted for approximately 95% (2023: 87%) of the total HDC trade receivables outstanding and 78% (2023: 66%) of the Group's trade receivables outstanding.

Impairment

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when considered unrecoverable. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2024

	Days past due					
	Total	Not past	0-60	61-120	121-365	>365
	SAR'000	due	days	days	days	days
		SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Estimated total gross carrying amount at default	139,178	106,289	4,002	1,280	7,872	19,735
Expected credit loss	23,200	-	660	354	4,077	18,109



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22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

22.4 Financial instruments risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables (continued)

Impairment (continued)

31 December 2023

	<i>Total SAR'000</i>	<i>Not past due SAR'000</i>	<i>Days past due</i>			
			<i>0-60 days SAR'000</i>	<i>61-120 days SAR'000</i>	<i>121-365 days SAR'000</i>	<i>>365 days SAR'000</i>
Estimated total gross carrying amount at default	123,781	-	13,676	76,072	13,214	20,819
Expected credit loss	28,563	-	652	2,903	6,787	18,221

Due from related parties

Balances due from related parties are settled on an as requested basis, and accordingly, the Group considers these balances to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2024

	<i>Less than 3 months SAR'000</i>	<i>3 to 12 months SAR'000</i>	<i>1 to 5 years SAR'000</i>	<i>After 5 years SAR'000</i>	<i>Total SAR'000</i>
Accounts and other payables	20,655	27,200	-	-	47,855
Due to related parties	2,880	-	-	-	2,880
Lease liabilities	9,157	24,478	61,127	43,008	137,770
Financing from banks	21,106	27,009	18,734	-	66,849
	53,798	78,687	79,861	43,008	255,354



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22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

22.5 Financial instruments risk management objectives and policies (continued)

Liquidity risk (continued)

31 December 2023

	<i>Less than 3 months SAR'000</i>	<i>3 to 12 months SAR'000</i>	<i>1 to 5 years SAR'000</i>	<i>After 5 years SAR'000</i>	<i>Total SAR'000</i>
Accounts and other payables	25,162	7,873	-	-	33,035
Due to related parties	2,295	-	-	-	2,295
Contingent consideration	-	32,215	-	-	32,215
Lease liabilities	6,125	18,219	57,657	14,262	96,263
Financing from banks	-	23,583	-	-	23,583
	<u>33,582</u>	<u>81,890</u>	<u>57,657</u>	<u>14,262</u>	<u>187,391</u>

Market risk

The Group is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables. Market risk arises from foreign currency products, interest bearing products and equity investments, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as currency rates, interest rates, equity prices and credit spreads.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will change because of changes in foreign exchange rates. The Group's foreign currency exposure arises principally from transactions denominated in Arab Emirates Dirham ("AED"). Since the SAR and AED are pegged to the United State Dollar ("USD"), the Group has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's deposits earn interest/profit at fixed rates, hence any changes in interest/profit rate will not have an impact on the consolidated statement of profit or loss of the Group. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank facilities with floating interest rates.

The interest rate profile of the Group's financial assets and liabilities are shown in the table below:

	2024 SAR'000	2023 SAR'000
<i>Fixed rate instruments – assets</i>		
Term deposits with banks	<u>87,462</u>	<u>80,890</u>
<i>Variable rate instruments – liabilities</i>		
Revolving bank facilities	<u>(45,750)</u>	<u>(12,029)</u>
Term loans	<u>(16,915)</u>	<u>-</u>
	<u>(62,665)</u>	<u>(12,029)</u>



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22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

22.5 Financial instruments risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity

An increase of 0.5% in interest rates with all other variables held constant would not result in any material impact on the consolidated financial statements.

Operational risk

Operational risk is the risk of a direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group has established a framework of policies and procedures to identify, assess, control, manage and report risks. The senior management identifies and manages operational risk to reduce the likelihood of any operational losses. Compliance with policies and procedures is supported by periodic reviews undertaken by the management of the business units to which they relate.

Capital management

The Group's capital management policy is governed by the Board of Directors. The Company's objectives of managing capital are to ensure the Company's ability to continue as a going concern and increase the net worth of the Company and shareholder's interests so as to maintain the confidence of its creditors and the market and to sustain future development of the business. For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to the equity holders of the Company.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. The Group monitors capital using a gearing ratio, which is 'debt' divided by total capital plus debt.

The Group includes within net (cash) / debt, interest bearing loans and borrowings excluding lease liabilities, less cash and bank balances.



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22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

22.5 Financial instruments risk management objectives and policies (continued)

Capital management (continued)

	2024 SAR'000	2023 SAR'000
Interest-bearing loans and borrowings*	62,665	12,029
Less: cash and bank balances	(200,967)	(105,557)
Net cash	(138,302)	(93,528)
Equity	1,222,419	1,098,680
Equity and debt	1,285,084	1,110,709
Gearing ratio	4.88%	1.08%

* excluding lease liabilities (Note 22.2)

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. However, the Group does not have financial covenants attached to interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes during the current and prior periods presented in these consolidated financial statements.

23 MATERIAL PARTLY-OWNED SUBSIDIARY

Financial information of the subsidiary that has material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Non-controlling interests

	2024	2023
Subsidiary		
Human Development Company LLC and its subsidiary	40%	40%

Accumulated balances of non-controlling interests:

	2024 SAR'000	2023 SAR'000
Human Development Company LLC and its subsidiary	64,167	51,581

During the year ended 31 December 2024, a dividend of SAR 40,000 thousand was declared by HDC, out of which SAR 16,000 thousand relates to the non-controlling interests of HDC.



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24 ZAKAT AND INCOME TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law applied to the Group with effect from 1 January 2024. The MoF continues to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Accordingly, the current income taxes are accounted for in the financial statements from the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Consequently, the Group has recorded a deferred tax liability of SAR 51,051 thousand as at 31 December 2023. This relates to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.

Income tax for the current period is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the UAE.

The Company and its subsidiaries in the kingdom of Saudi Arabia are subject to the Regulations of General Authority of Zakat, Tax and Customs Authority ("ZATCA"). Zakat is provided on an accruals basis. The Zakat charge is computed at 2.5% of the Zakat base or the adjusted net income, whichever is higher. Zakat is charged to statement of profit or loss. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

The current income tax and zakat expense arising from the Group pertain to the following regions:

	2024 SAR'000	2023 SAR'000
United Arab Emirates	7,942	-
Kingdom of Saudi Arabia	6,109	2,728
	14,051	2,728

The Company has submitted its Zakat returns since inception up to the year ended 31 December 2023, which are still under review by ZATCA.



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
(Formerly known as Amanat Special Education and Care Investments LLC)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

25 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

(a) Adjusted profit before Tax and Zakat

This APM represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- one-off non-recurring items

(b) Adjusted profit

This APM represents adjusted profit before Tax and Zakat adjusted for Zakat and Income taxes

(c) Adjusted profit attributable to equity holders

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

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

This APM represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- depreciation and amortization;
- purchase price amortisation of associate
- finance costs and income;
- non-controlling interests;
- other one-off non-recurring items

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

This APM represents the reported EBITDA adjusted for income/expenses related to:

- other one-off non-recurring items



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

25 ALTERNATIVE PERFORMANCE MEASURES (continued)

(f) Reconciliation

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

	2024 SAR'000	2023 SAR'000
PROFIT BEFORE TAX AND ZAKAT	162,169	122,669
<i>Add/(deduct):</i>		
One-off non-recurring items	885	2,694
Adjusted Profit before Tax and Zakat	163,054	125,363
<i>Add/(deduct):</i>		
Zakat and Income taxes	(14,051)	(2,728)
Adjusted Profit	149,003	122,635
<i>Add/(deduct):</i>		
Non-controlling interests	(28,036)	(24,223)
Adjusted Profit attributable to Equity holders	120,967	98,412
<i>Add/(deduct):</i>		
Depreciation and amortization	44,831	36,184
Purchase price amortisation of an associate	3,033	3,033
Zakat and Income Taxes	14,051	2,728
Finance income	(3,664)	(1,913)
Finance costs	9,192	8,380
Non-controlling interests	28,036	24,223
One-off non-recurring items	(885)	(2,694)
Earnings before interest, tax, depreciation and amortization	215,561	168,353
<i>Add:</i>		
One-off non-recurring items	885	2,694
Adjusted earnings before interest, tax, depreciation and amortization	216,446	171,047

26 SEGEMENT INFORMATION

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



Almasar Alshamil Education Company
(Single Shareholder Closed Joint Stock Company)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

26 SEGEMENT INFORMATION (continued)

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

	2024 SAR'000	2023 SAR'000
Country		
Kingdom of Saudi Arabia	215,296	165,022
United Arab Emirates	221,769	177,535
Total revenue	437,065	342,557

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

	2024 SAR'000	2023 SAR'000
Country		
Kingdom of Saudi Arabia	394,772	328,702
United Arab Emirates	431,578	440,114
	826,350	768,816

Non-current assets for this purpose consist of property and equipment, right-of-use assets, and goodwill and intangible assets.

The Group makes contributions for a defined contribution retirement benefit plan to the General organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SAR 9,914 thousand (2023: SAR 6,199 thousand).

27 SUBSEQUENT EVENTS

No events have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which require adjustment to, or disclosure, in these consolidated financial statements.

28 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on Ramadan 4, 1446 H (corresponding to March 4, 2025).



Amanat Special Education and
Care Investments LLC
(single shareholder foreign limited liability company)

SPECIAL PURPOSE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2024 AND
2023 AND FOR THE YEARS ENDED 31 DECEMBER 2023,
2022, AND 2021



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INDEPENDENT AUDITOR'S REPORT

To the shareholder of
Amanat Special Education and Care Investments Company
Kingdom of Saudi Arabia

Report on the Audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the special purpose consolidated financial statements of **Amanat Special Education and Care Investments Company** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the special purpose consolidated statement of financial position as at June 30, 2024, June 30, 2023, December 31, 2023, December 31, 2022 and December 31, 2021 and the special purpose consolidated statement of profit or loss, special purpose consolidated comprehensive income, special purpose consolidated statement of changes in equity and statement of cash flows for the six-month periods ended June 30, 2024 and June 30, 2023 and the years ended December 31, 2023, December 31, 2022 and December 31, 2021, and notes to the special purpose consolidated financial statements, which includes material accounting policy information.

In our opinion, the accompanying special purpose consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024, June 30, 2023, December 31, 2023, December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the six-month periods ended June 30, 2024 and June 30, 2023 and the years ended December 31, 2023, December 31, 2022 and December 31, 2021 in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia ("the Code"), that are relevant to our audit of the special purpose consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction of Use

We draw attention to note 2.1 to the accompanying special purpose consolidated financial statements, which describes the basis of accounting. The special purpose consolidated financial statements for the six-month periods ended June 30, 2024 and June 30, 2023 and the years ended December 31, 2023, December 31, 2022 and December 31, 2021 are prepared solely for inclusion in the Company's initial public offering application to be filed with the Capital Market Authority in the Kingdom of Saudi Arabia. As a result, the special purpose consolidated financial statements may not be suitable for another use. Our report is not modified in respect of this matter.

**Independent auditor's report to the shareholder of Amanat Special Education and Care Investments Company (Continued)****Responsibilities of Management and Those Charged with Governance for the Special Purpose Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose consolidated financial statements, including the disclosures, and whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Deloitte.

Deloitte and Touche & Co.
Chartered Accountants

Independent auditor's report to the shareholder of Amanat Special Education and Care Investments Company (Continued)

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the special purpose consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants

Mazen A. Al-Omari
License No. 480
Rabih Al-Awwal 23, 1446
September 26, 2024





Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)
SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six-months ended 30 June		Year ended 31 December		
		2024 SAR'000	2023 SAR'000	2023 SAR'000	2022 SAR'000	2021 SAR'000
Revenue	4	234,534	186,870	342,557	181,011	138,515
Cost of revenue	4	(117,444)	(90,295)	(175,383)	(88,346)	(65,286)
GROSS PROFIT		117,090	96,575	167,174	92,665	73,229
General, selling and administrative expenses	5	(46,779)	(36,367)	(74,814)	(48,134)	(46,726)
Share of results of an associate	11	14,861	9,937	18,080	24,163	38,753
Other operating income	6	13,376	7,274	18,696	3,825	1,185
OPERATING PROFIT		98,548	77,419	129,136	72,519	66,441
Finance income	7	1,911	815	1,913	344	-
Finance costs	7	(3,317)	(4,127)	(8,380)	(2,689)	(770)
PROFIT BEFORE ZAKAT AND INCOME TAX		97,142	74,107	122,669	70,174	65,671
Zakat and income tax	25	(8,450)	(782)	(2,728)	(440)	-
Deferred taxes	25	-	-	(51,051)	-	-
PROFIT FOR THE PERIOD / YEAR		88,692	73,325	68,890	69,734	65,671
Attributable to:						
Equity holders of the Company		78,056	63,115	44,667	64,783	65,671
Non-controlling interests		10,636	10,210	24,223	4,951	-
		88,692	73,325	68,890	69,734	65,671
Basic and diluted earnings per share	21	78.1	63.1	44.7	-	-

The attached notes 1 to 29 form part of these special purpose consolidated financial statements.
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Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)
SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

Alternative Performance Measures (Note 26)	Six-months ended 30 June		Year ended 31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Earnings before interest, tax, depreciation and amortization (EBITDA)	119,090	96,163	168,353	96,718	81,102
Adjusted Profit before Tax and Zakat (Adjusted PBT)	97,142	74,799	125,363	70,174	65,671
Adjusted Profit for the year	88,692	74,017	122,635	69,734	65,671
Attributable to the equity holders of the Company					
Adjusted profit for the year	78,056	63,807	98,412	64,783	65,671





Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)
SPECIAL PURPOSE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six-months ended 30 June		Year ended 31 December	
		2024 SAR'000	2023 SAR'000	2023 SAR'000	2021 SAR'000
PROFIT FOR THE PERIOD / YEAR		88,692	73,325	68,890	65,671
Other comprehensive income/(loss) <i>Items that will not be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement gain / (loss) on employees' benefit obligations		-	-	1,315	(130)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR		88,692	73,325	70,205	65,671
Attributable to:					
Equity holders of the Company		78,056	63,115	45,456	65,671
Non-controlling interests	24	10,636	10,210	24,749	-
		88,692	73,325	70,205	65,671

The attached notes 1 to 29 form part of these special purpose consolidated financial statements.
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Amanat Special Education and Care Investments LLC
(single shareholder foreign limited liability company)

SPECIAL PURPOSE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June		31 December		
	Notes	2024 SAR'000	2023 SAR'000	2023 SAR'000	2022 SAR'000	2021 SAR'000
ASSETS						
Non-current assets						
Property and equipment	8	77,635	51,674	62,814	46,437	7,879
Right-of-use assets	9	74,520	75,616	85,218	85,339	52,438
Goodwill and intangible assets	10	617,909	623,766	620,784	626,738	399,229
Investment in an associate	11	404,563	399,253	389,702	389,316	381,079
Total non-current assets		1,174,627	1,150,309	1,158,518	1,147,830	840,625
Current assets						
Inventories		464	493	907	609	-
Trade and other receivables	12	117,258	104,407	119,812	104,311	15,286
Due from related parties	13	448	3,749	9,283	-	-
Cash and bank balances	14	121,917	71,142	105,557	76,270	43,674
Total current assets		240,087	179,791	235,559	181,190	58,960
TOTAL ASSETS		1,414,714	1,330,100	1,394,077	1,329,020	899,585
EQUITY AND LIABILITIES						
EQUITY						
Share capital	15	10	10	10	10	-
Statutory reserve	15	3	3	3	3	-
Shareholder contributions	16	1,024,003	977,297	991,543	977,297	757,002
Other reserves		(17,841)	(18,630)	(17,841)	(18,630)	(18,551)
Retained earnings		109,226	100,679	73,384	67,898	51,399
Total equity attributable to the equity holders of the Company		1,115,401	1,059,359	1,047,099	1,026,578	789,850
Non-controlling interests	24	62,217	37,042	51,581	26,832	-
Total equity		1,177,618	1,096,401	1,098,680	1,053,410	789,850
LIABILITIES						
Non-current liabilities						
Lease liabilities	9	51,498	63,157	60,931	67,444	38,379
Other long-term payable	18	-	-	-	30,113	-
Deferred tax liability	25	51,051	-	51,051	-	-
Employees' defined benefit obligations	19	18,586	16,699	16,719	15,189	8,087
Total non-current liabilities		121,135	79,856	128,701	112,746	46,466
Current liabilities						
Financing from banks	17	18,142	11,644	12,029	23,583	-
Lease liabilities	9	23,535	13,926	24,421	20,496	13,522
Accounts and other payables	20	59,416	115,814	81,755	82,256	22,918
Contract liabilities	4	14,856	12,459	46,196	36,479	26,829
Due to related parties	13	12	-	2,295	50	-
Total current liabilities		115,961	153,843	166,696	162,864	63,269
Total liabilities		237,096	233,699	295,397	275,610	109,735
TOTAL EQUITY AND LIABILITIES		1,414,714	1,330,100	1,394,077	1,329,020	899,585

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General Manager

The attached notes 1 to 29 form part of these special purpose consolidated financial statements.

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Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)
SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the equity holders of the Company								
	Share capital SAR'000	Statutory reserve SAR'000	Shareholder contributions SAR'000	Other reserves SAR'000	Retained earnings SAR'000	Total SAR'000	Non-controlling interests SAR'000	Total equity SAR'000
As at 1 January 2021	-	-	757,002	-	35,779	792,781	-	792,781
Profit for the year	-	-	-	-	65,671	65,671	-	65,671
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	65,671	65,671	-	65,671
Associate's acquisition of NCI	-	-	-	(18,551)	-	(18,551)	-	(18,551)
Shareholder distributions	-	-	-	-	(50,051)	(50,051)	-	(50,051)
As at 31 December 2021	-	-	757,002	(18,551)	51,399	789,850	-	789,850
Profit for the year	-	-	-	-	64,783	64,783	4,951	69,734
Other comprehensive loss	-	-	-	(79)	-	(79)	(51)	(130)
Total comprehensive (loss)/income	-	-	-	(79)	64,783	64,704	4,900	69,604
Transfer to statutory reserve (Note 15)	-	3	-	-	(3)	-	-	-
Issuance of share capital	10	-	(10)	-	-	-	-	-
Shareholder distributions	-	-	-	-	(48,281)	(48,281)	-	(48,281)
Acquisition of a subsidiary (Note 10)	-	-	220,305	-	-	220,305	21,932	242,237
As at 31 December 2022	10	3	977,297	(18,630)	67,898	1,026,578	26,832	1,053,410
Profit for the period	-	-	-	-	63,115	63,115	10,210	73,325
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	63,115	63,115	10,210	73,325
Shareholder distributions	-	-	-	-	(30,334)	(30,334)	-	(30,334)
As at 30 June 2023	10	3	977,297	(18,630)	100,679	1,059,359	37,042	1,096,401

The attached notes 1 to 29 form part of these special purpose consolidated financial statements.

The attached notes 1 to 29 form part of these special purpose consolidated financial statements.



Amanat Special Education and Care Investments LLC
(single shareholder foreign limited liability company)

SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 30 June		Year ended 31 December		
	Notes	2024 SAR'000	2023 SAR'000	2023 SAR'000	2022 SAR'000	2021 SAR'000
OPERATING ACTIVITIES						
Profit before zakat and income tax		97,142	74,107	122,669	70,174	65,671
Adjustments:						
Share of results of an associate	11	(14,861)	(9,937)	(18,080)	(24,163)	(38,753)
Depreciation of property and equipment	8	4,998	4,532	8,797	3,319	2,190
Depreciation of right-of-use assets	9	11,152	9,723	21,433	13,297	4,887
Amortization of intangible assets	10	2,875	2,972	5,954	4,550	4,550
Loss on disposal and write-off of property and equipment		-	-	11	256	-
Gain on modification and termination of leases		-	-	-	(402)	-
Allowance for expected credit losses, net	12	3,876	2,396	7,174	1,867	5,977
Provision for employees' defined benefit obligations	19	3,141	2,693	4,729	2,659	1,476
Finance income	7	(1,911)	(815)	(1,913)	(344)	-
Finance costs	7	3,317	4,127	8,380	2,689	770
		109,729	89,798	159,154	73,902	46,768
Movements in working capital:						
Inventories		443	116	(298)	(52)	-
Trade and other receivables		(1,322)	(2,492)	(22,675)	(12,369)	(3,975)
Due from related parties		(12)	(3,749)	(436)	-	1,134
Accounts and other payables and contract liabilities		(29,669)	(21,357)	(11,184)	2,965	3,778
Due to related parties		(2,283)	(50)	2,245	50	(3,285)
Cash from operations		76,886	62,266	126,806	64,496	44,420
Employees' defined benefit obligations paid	19	(1,274)	(1,183)	(1,884)	(724)	(733)
Lease liabilities paid	9	(13,257)	(13,210)	(29,378)	(12,074)	(6,194)
Net cash flows from operating activities		62,355	47,873	95,544	51,698	37,493
INVESTING ACTIVITIES						
Additions to property and equipment	8	(19,819)	(9,769)	(25,185)	(6,725)	(4,188)
Cash acquired on acquisition of a subsidiary	10	-	-	-	11,572	-
Changes in bank term deposits		(45,501)	10,111	10,111	(10,111)	-
Interest received on bank term deposits		1,911	815	1,913	344	-
Net cash flows (used in) / from investing activities		(63,409)	1,157	(13,161)	(4,920)	(4,188)
FINANCING ACTIVITIES						
Movements in financing from banks, net		6,113	(11,939)	(11,554)	8,250	-
Shareholder distributions		(33,367)	(30,334)	(30,334)	(32,355)	(32,357)
Finance costs paid		(833)	(1,774)	(1,097)	(188)	-
Net cash flows used in financing activities		(28,087)	(44,047)	(42,985)	(24,293)	(32,357)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS						
		(29,141)	4,983	39,398	22,485	948
Cash and cash equivalents at 1 January		105,557	66,159	66,159	43,674	42,726
CASH AND CASH EQUIVALENTS AT 30 JUNE / 31 DECEMBER						
	14	76,416	71,142	105,557	66,159	43,674
Non-cash transactions						
Additions to right-of-use assets	9	841	-	21,312	27,119	57,325
Additions to lease liabilities	9	841	-	21,312	27,119	57,325
Settlement of contingent consideration	10	32,460	-	14,246	-	-
Acquisition of a subsidiary	10	-	-	-	220,305	-
Dividend from an associate	11	8,847	-	8,847	15,926	17,694

The attached notes 1 to 29 form part of these special purpose consolidated financial statements.

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Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)

NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Amanat Special Education and Care Investments LLC (the "Company") is a single shareholder foreign limited liability company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010831769 dated 10 Rabih Al-Awal 1444H (corresponding to 6 October 2022) and under Saudi Arabian Ministry of Investment license number 102114402166741 dated 4 Safar 1444H (corresponding to 1 September 2022).

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

The principal activities of the Company are to invest in companies and enterprises in the fields of education as well as managing, developing and operating such companies and enterprises. The registered address of the Company is 7534 King Abdulaziz Road, 4672 Al Ghadeer District, 13311 Riyadh, Kingdom of Saudi Arabia.

These are the first set of consolidated financial statements prepared for the Company and its subsidiaries (listed below) (together the "Group") for the purpose of filing for an initial public offering ("IPO") of the Company with the Capital Market Authority ("CMA") in the Kingdom of Saudi Arabia on the Tadawul.

The first fiscal period of the Company commenced on the date of its incorporation as per the commercial registration (i.e. 6 October 2022) and ended on 31 December 2023. Each subsequent fiscal year thereafter will be for a period of 12 months commencing 1 January.

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

Subsidiaries of the Group

<i>Name</i>	<i>Equity interest</i>		<i>Country of incorporation</i>	<i>Principal activities</i>
	<i>2024</i>	<i>2023</i>		
Middlesex Associates FZ-LLC ("Middlesex University")	100%	100%	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates
Human Development Company LLC ("HDC")	60%	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services
Human Rehabilitation Company LLC*	60%	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services

* Investment held via Human Development Company LLC.



Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)

NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION (continued)

Subsidiaries of the Group (continued)

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

Associate of the Group

<i>Name</i>	<i>Equity interest</i>		<i>Country of incorporation</i>	<i>Principal Activities</i>
	<i>2024</i>	<i>2023</i>		
NEMA Holding Company LLC ("NEMA")*	35%	35%	United Arab Emirates	Leading tertiary education provider

* In 2022, Abu Dhabi University Holding LLC changed its legal name to NEMA Holding Company LLC.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The special purpose consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS endorsed in the Kingdom of Saudi Arabia").

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

As this is a business combination under common control, the Group has elected to account for transfer of ownership interests of investees retrospectively for all the periods presented. No change in ownership interests of the investees has occurred since their acquisition by Amanat.

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

These special purpose consolidated financial statements as at and for the six months ended 30 June 2024 and 2023, and as at and for the years ended 31 December 2023, 2022 and 2021, have been prepared solely for the purpose of inclusion in the IPO application of the Company on Tadawul to be filed with the CMA of the Kingdom of Saudi Arabia and do not represent the statutory consolidated financial statements of the Group.

2.2 BASIS OF CONSOLIDATION

The special purpose consolidated financial statements comprise the financial statements of the Company and its subsidiaries (as listed in Note 1) for all periods presented in these special purpose consolidated financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 BASIS OF CONSOLIDATION (continued)

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the special purpose consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The special purpose consolidated statement of profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in special purpose consolidated statement of profit or loss. Any investment retained is recognised at fair value.

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Business combinations under common control

A business combination is a business combination involving entities under common control, if the combining entities are ultimately controlled by the same party (or parties) both before and after the combination and common control is not transitory.

Business combinations involving entities under common control are accounted for using the pooling of interests method. Under this method, assets and liabilities are recognised at carrying values already recorded in the financial statements (i.e. book values) of the acquirees and no fair value adjustments are made therein. Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquirees in accordance with applicable IFRS.

The cost of acquisition is measured as the aggregate of consideration transferred and the value of net assets of the acquirees as at the date of acquisition. Acquisition costs incurred are expensed and included in administrative and general expenses.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Business combinations under common control (continued)

Goodwill is not recognised at acquisition and the difference between the acquirer's cost of investment and the acquiree's equity is presented as adjustment within equity on consolidation.

Non-controlling interests, if any, are measured as a proportionate share of the book values of the related assets and liabilities. Profit or loss includes results of the acquirees for the period from the first day of the year in which acquisition occurs till the reporting date.

b) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The special purpose consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the special purpose consolidated statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are generally prepared for the same reporting period as the Group, when necessary, adjustments are made to bring the accounting period and policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of results of associates' in the special purpose consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in special purpose consolidated statement of profit or loss.

c) Current versus non-current classification

The Group presents assets and liabilities in the special purpose consolidated statement of financial position based on current/non-current classification. An asset is current when it is:



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c) Current versus non-current classification (continued)

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Fair value measurement

The Group measures financial instruments such as financial assets at FVOCI, derivative financial instruments and contingent consideration at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's 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 asset in its highest and best use.

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



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the special purpose consolidated financial statements are categorised 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 or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the special purpose 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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

e) Revenue

The Group provides education services. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Tuition fees

Revenue from tuition fees is recognised over the period of each academic term and is reduced by scholarships awarded to students during that period.

Special Care and Education service fees

Revenue from special care and education services is recognized over the period of the academic term in which the services are provided, net of any discounts, as the customer simultaneously receives and consumes the benefits provided by the Group.

Administrative and other service fees from students

Administrative and other service fees from students are recognized either at a point in time when the services have been rendered to the students or over time when the students simultaneously receive and consume the benefits provided by the Group, net of any discounts.

Joint services agreements (Schools)

Share of revenue from joint services agreements is recognized on a straight-line basis over the period of each academic term.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Revenue (continued)

Contract balances (continued)

Contract assets (continued)

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f) Government grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received. Grants are recognised in the special purpose consolidated statement of profit or loss over the period necessary to match them with the expense that they are intended to compensate.

g) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the special purpose consolidated financial statements.

h) Foreign currencies

The Group's special purpose consolidated financial statements are presented in SAR, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to special purpose consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Foreign currencies (continued)

Differences arising on settlement or translation of monetary items are recognised in the special purpose consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to special purpose consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into SAR at the rate of exchange prevailing at the reporting date and their special purpose consolidated statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to special purpose consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

i) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Saudi Arabia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in special purpose consolidated statement of profit or loss as incurred.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

j) Property and equipment (continued)

Construction in progress is stated at cost, net of accumulated impairment losses, if any. No depreciation is charged on capital work in progress.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

➤ Leasehold improvements	Shorter of asset life and lease term
➤ Academic equipment	3 to 6 years
➤ Medical equipment	6 years
➤ Furniture and fixtures	6 to 10 years
➤ Other assets	3 to 10 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the special purpose consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

➤ Buildings and offices	3 to 10 years
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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Leases (continued)

Group as a lessee (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (e) Revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables and due from related parties.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's special purpose consolidated statement of financial position) when:

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



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Derecognition (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

Initial recognition and measurement (continued)

The Group's financial liabilities include accounts and other payables, lease liabilities, due to related parties, loans and borrowings and other long-term liabilities.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the special purpose consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated a contingent consideration for the acquisition of a subsidiary as a financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in special purpose consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities at amortised cost (loans and borrowings) (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the special purpose consolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the special purpose consolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the special purpose consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the special purpose consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the special purpose consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average basis. Net realisable value is the estimated selling price for inventories less estimated costs of completion and cost necessary to make the sale. Write-down of inventories to net realisable value is recognised in the special purpose consolidated statement of profit or loss and other comprehensive income.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

p) Cash and bank balances

Cash and bank balances in the special purpose consolidated statement of financial position comprise cash at banks and on hand and term deposits.

For the purpose of the special purpose consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an initial maturity of three months or less, net of any outstanding bank overdrafts.

q) Provisions, contingent assets and liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the special purpose consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent assets and liabilities

Contingent liabilities are not recognized in the special purpose consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the special purpose consolidated financial statements but disclosed when an inflow of economic benefits is probable.

r) Employee benefits

Employee defined benefit liabilities

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the special purpose consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and are not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- re-measurements

The Group presents the first two components of defined benefit costs (i.e. service cost and interest expense) in profit or loss in relevant line items.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

r) Employee benefits (continued)

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, and annual leave which are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits

Retirement benefits made to defined contribution plans are expensed when incurred.

s) Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the special purpose consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The Group's intangible assets are amortised on a straight-line basis over useful economic lives of the assets (refer to Note 10 for further details).

➤ Technical expertise	4 years
➤ Expat student relationships	14 years
➤ Licensing and academic services agreement	30 years
➤ Brand names	10 - 25 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the special purpose consolidated statement of profit or loss.

t) Tax and Zakat

Current taxes

The Group is subject to Zakat on the computed Zakat base and income tax in accordance with the regulations of Zakat, Tax and Customs Authority ("Authority" or "ZATCA") in the Kingdom of Saudi Arabia which is subject to interpretations. The Group is also subject to UAE corporate tax. The Group's Tax and Zakat is charged to the special purpose consolidated statement of profit or loss.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

t) Tax and Zakat (continued)

Current taxes (continued)

The Group's management establishes provisions where appropriate on the basis of amounts expected to be paid to the relevant Tax and Zakat authorities and periodically evaluates positions taken in the Tax and Zakat returns with respect to applicable pronouncements and interpretation in subsequent periods.

Deferred taxes

Deferred taxes are amounts payable or recoverable in future periods with respect to taxable temporary differences. The Group recognizes a deferred tax liability / (asset) whenever recovery or settlement of the carrying amount of a liability or an asset would make future tax payments larger / (smaller) than they would be if such recovery or settlement were to have no tax consequences. Any such deferred tax liabilities / (assets) are recorded at the tax rates that are expected to apply when the liability is settled or asset is realized and have been enacted or substantively enacted at the reporting period date. No deferred taxes are recorded on Goodwill acquired in business combinations.

The Group's management also applies judgement in determining the amount of deferred taxes to be recorded based on their understanding of the relevant tax laws and re-evaluates the impact of any subsequent issuance of interpretations and clarifications by the relevant tax authorities.

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's special purpose consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendment to IFRS 21 – Lack of exchangeability (effective 1 January 2025): IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely): partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations, and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.
- IFRS 18, Presentation and Disclosure in Financial Statements (effective 1 January 2027): IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as management-defined performance measures (MPMs). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS (continued)

Standards issued but not yet effective (continued)

- IFRS 19 - Reducing subsidiaries disclosures (effective 1 January 2027): IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.

Standards issued but still subject to the endorsement by SOCPA

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information: This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The standard is effective from 1 January 2024 subject to the endorsement by SOCPA, and accordingly, has not yet adopted by the Group.
- IFRS S2, 'Climate-related disclosures': This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. The standard is effective from 1 January 2024 subject to the endorsement by SOCPA, and accordingly, has not yet been adopted by the Group.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's special purpose consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the special purpose consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Determining the lease term of contracts with renewal and termination options – Group as lessee (continued)

The Group included the renewal periods as part of the lease term for leases of campus building and offices with shorter remaining non-cancellable period (i.e., one year). The Group typically exercises its option to renew these leases because there will be a significant negative effect on the business if a replacement asset is not readily available and with significant costs to be incurred. The renewal periods for leases of land, buildings with longer remaining non-cancellable periods (i.e., 7 to 40 years from the reporting date) are not included part of the lease terms as they are not reasonably certain to be exercised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described on the next page. The Group based its assumptions and estimates on parameters available when the special purpose consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets (including goodwill and intangible asset with indefinite useful life)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the most recent projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purpose. These estimates are most relevant to goodwill and intangible asset with indefinite useful life recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 10.

Fair value measurement of other long-term liabilities

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (refer to Note 10 for details).

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Allowance for expected credit losses of fee receivables

The Group uses a provision matrix to calculate ECLs for fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 23.5.

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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

4 REVENUE & COST OF REVENUE

4.1 Disaggregated revenue and cost information

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

	Six-months ended 30 June		Year ended 31 December	
	2024	2023	2023	2021
	SAR'000	SAR'000	SAR'000	SAR'000
Type of goods or service				
Tuition fees, net of scholarship awarded	142,232	116,305	184,603	136,629
Special education and care needs services	71,582	56,220	127,110	-
Administrative and other service fees from students	13,232	7,694	18,936	1,886
Share of revenue from joint services agreements (Note 4.5)	7,488	6,651	11,908	-
Total revenue	234,534	186,870	342,557	138,515
Timing of revenue recognition				
Services transferred over time	230,602	184,308	336,395	138,033
Services transferred at a point in time	3,932	2,562	6,162	482
Total revenue	234,534	186,870	342,557	138,515
4.2 Contract balances				
	Six-months ended 30 June		Year ended 31 December	
	2024	2023	2023	2021
	SAR'000	SAR'000	SAR'000	SAR'000
Trade receivables, net (Note 12)	86,560	78,481	95,218	9,263
Contract liabilities (see below)	14,856	12,459	46,196	26,829
Accrued share of revenue from joint services agreements (Note 12)	11,498	10,350	7,809	-
Amounts due under joint services agreements (Note 12)	3,769	3,823	2,337	-





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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

4 REVENUE & COST OF REVENUE (continued)

4.2 Contract balances (continued)

Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days from the date of service. For the six-month period ended 30 June 2024, SAR 3,931 thousand (refer to Notes 5 and 12 for comparative information) was recognised as allowance for expected credit losses on trade receivables in the special purpose consolidated statement of profit or loss.

Contract liabilities

Contract liabilities comprise of fees collected in advance from students and deferred revenue in relation to educational services that are short-term in nature.

4.3 Performance obligations

The performance obligation of most the Group's revenue is satisfied over time on a straight-line basis over the academic period of the course or program that students are enrolled in, and payment is generally due between 30 and 180 days of the invoice or based on an agreed payment plan.

4.4 Cost of Revenue

	Six-months ended 30 June		Year ended 31 December	
	2024	2023	2023	2021
	SAR'000	SAR'000	SAR'000	SAR'000
Salaries and employees' related costs	69,846	51,556	98,379	32,980
Royalty and profit-sharing arrangements for academic services	22,594	19,172	24,261	18,301
Depreciation of right-of-use assets (Note 9)	11,152	9,723	21,433	4,887
Student related expenses	5,799	4,723	13,316	2,141
Share of direct costs from joint services agreements (Note 4.5)	2,702	1,657	6,135	-
Depreciation of property and equipment (Note 8)	3,130	2,142	4,935	-
Short-term leases (Note 9)	588	99	299	6,977
Other direct costs	1,633	1,223	6,625	-
	117,444	90,295	175,383	65,286

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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

4 REVENUE & COST OF REVENUE (continued)

4.5 Joint operations

During the normal course of business, the Group enters into third party joint operations agreements to jointly operate and manage educational service centres for special care and needs students. Revenues and associated costs derived from these joint operations are allocated to the Group at contractually agreed percentages and the related amounts are disclosed in Notes 4.1 and 4.4, respectively.

5 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

General, selling and administrative expenses comprise the following:

	Six-months ended 30 June		Year ended 31 December	
	2024	2023	2023	2022
	SAR'000	SAR'000	SAR'000	SAR'000
Salaries and employees' related expenses	18,754	14,653	31,191	17,775
Amortization of intangible assets (Note 10)	2,875	2,972	5,954	4,550
Marketing and communications	3,665	2,775	5,654	3,677
Expected credit losses on trade receivables (Note 12)	3,876	2,396	7,174	1,867
Depreciation of property and equipment (Note 8)	1,868	2,390	3,862	2,477
IT expenses	1,694	1,593	3,251	2,658
Legal and professional fees	1,614	830	2,397	1,628
Leases (Note 9)	899	950	1,336	679
Other expenses*	11,534	7,808	13,995	12,823
	46,779	36,367	74,814	48,134
				46,726

* Other expenses mainly include third-party service charges, insurance expense and bank charges.





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6 OTHER OPERATING INCOME

	<i>Six-months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Grant income*	12,048	6,000	15,645	1,737	-
Other income	1,328	1,274	3,051	2,088	1,185
	13,376	7,274	18,696	3,825	1,185

* Represents contribution received by the Group's subsidiary, Human Development Company LLC, from the Ministry of Human Resources and Social Development of the Kingdom of Saudi Arabia in relation to Saudization initiatives.

7 FINANCE INCOME AND FINANCE COSTS

7.1 Finance income

	<i>Six-months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Interest on term deposits	1,911	815	1,913	344	-

NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

7 FINANCE INCOME AND FINANCE COSTS (continued)

7.2 Finance costs

	Six-months ended 30 June		Year ended 31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Finance costs on financing from banks	833	719	1,097	188	-
Finance costs on lease liabilities (Note 9)	2,484	2,353	5,478	2,501	770
Others	-	1,055	1,805	-	-
	3,317	4,127	8,380	2,689	770





Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)

NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

8 PROPERTY AND EQUIPMENT

Cost:	<i>Leasehold improvements SAR'000</i>	<i>Medical equipment SAR'000</i>	<i>Academic equipment SAR'000</i>	<i>Furniture and fixtures SAR'000</i>	<i>Other assets* SAR'000</i>	<i>Capital work in progress (1) SAR'000</i>	<i>Total SAR'000</i>
At 1 January 2021	4,817	-	7,743	1,509	2,455	-	16,524
Additions	2,754	-	889	301	244	-	4,188
At 31 December 2021	7,571	-	8,632	1,810	2,699	-	20,712
Additions	3,510	109	688	842	170	1,406	6,725
Acquisition of a subsidiary (Note 10)	14,740	5,367	-	9,569	12,979	17,567	60,222
Write-offs	(1,602)	-	(5)	(337)	-	-	(1,944)
At 31 December 2022	24,219	5,476	9,315	11,884	15,848	18,973	85,715
Additions	1,883	-	702	900	2,953	18,747	25,185
Transfers	7,165	434	-	3,502	20	(11,121)	-
Write-offs	-	-	(18)	-	-	-	(18)
At 31 December 2023	33,267	5,910	9,999	16,286	18,821	26,599	110,882
Additions	144	-	495	168	98	18,914	19,819
Transfers	602	14	-	287	-	(903)	-
At 30 June 2024	34,013	5,924	10,494	16,741	18,919	44,610	130,701
At 1 January 2023	24,219	5,476	9,315	11,884	15,848	18,973	85,715
Additions	311	-	505	387	488	8,078	9,769
Transfers	3,087	187	-	1,509	9	(4,792)	-
At 30 June 2023	27,617	5,663	9,820	13,780	16,345	22,259	95,484

* Other assets mainly comprise office equipment and vehicles.



Amanat Special Education and Care Investments LLC (single shareholder foreign limited liability company)

NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

8 PROPERTY AND EQUIPMENT (continued)

Accumulated depreciation:

	Leasehold improvements SAR'000	Medical equipment SAR'000	Academic equipment SAR'000	Furniture and fixtures SAR'000	Other assets SAR'000	Capital work in progress (1) SAR'000	Total SAR'000
At 1 January 2021	3,065	-	5,167	771	1,640	-	10,643
Charge for the year (2)	889	-	889	175	237	-	2,190
At 31 December 2021	3,954	-	6,056	946	1,877	-	12,833
Acquisition of a subsidiary (Note 10)	7,334	1,758	-	6,365	9,357	-	24,814
Charge for the year (2)	1,502	131	863	401	422	-	3,319
Write-offs	(1,453)	-	(5)	(230)	-	-	(1,688)
At 31 December 2022	11,337	1,889	6,914	7,482	11,656	-	39,278
Charge for the period (2)	3,692	746	937	2,029	1,393	-	8,797
Write-off	-	-	(7)	-	-	-	(7)
At 31 December 2023	15,029	2,635	7,844	9,511	13,049	-	48,068
Charge for the period (2)	2,262	379	463	1,116	778	-	4,998
At 30 June 2024	17,291	3,014	8,307	10,627	13,827	-	53,066
At 1 January 2023	11,337	1,889	6,914	7,482	11,656	-	39,278
Charge for the period (2)	1,904	397	498	1,064	669	-	4,532
At 30 June 2023	13,241	2,286	7,412	8,546	12,325	-	43,810
Net carrying amounts:							
At 30 June 2024	16,722	2,910	2,187	6,114	5,092	44,610	77,635
At 31 December 2023	18,238	3,275	2,155	6,775	5,772	26,599	62,814
At 30 June 2023	14,376	3,377	2,408	5,234	4,020	22,259	51,674
At 31 December 2022	12,882	3,587	2,401	4,402	4,192	18,973	46,437
At 31 December 2021	3,617	-	2,576	864	822	-	7,879



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

8 PROPERTY AND EQUIPMENT (continued)

- (1) Capital work in progress includes expenditure related to projects undertaken by the Group's subsidiary, HDC, in the Kingdom of Saudi Arabia.
- (2) Depreciation charge for the year has been allocated to the special purpose consolidated statement of profit or loss as follows:

	<i>Six months ended 30 June</i>		<i>Year ended 31 December</i>		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Direct costs (Note 4.4)	3,130	2,142	4,935	842	-
General, selling and administrative expenses (Note 5)	1,868	2,390	3,862	2,477	2,190
	4,998	4,532	8,797	3,319	2,190

The cost of fully depreciated assets still in use as at 30 June 2024 is SAR 21,375 thousand (31 December 2023: SAR 19,558 thousand, 30 June 2023 SAR 20,285 thousand, and 31 December 2022 SAR 13,536 thousand).

9 LEASES

The Group has lease contracts for buildings and offices. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of residential units and offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period/year:

	<i>Six months ended 30 June</i>		<i>Year ended 31 December</i>		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
As at 1 January	85,218	85,339	85,339	52,438	-
Additions*	841	-	21,312	27,119	57,325
Depreciation	(11,152)	(9,723)	(21,433)	(13,297)	(4,887)
Acquisition of a subsidiary (Note 10)	-	-	-	38,581	-
Termination (1)	-	-	-	(17,948)	-
Modification	(387)	-	-	(1,554)	-
As at 30 June / 31 December	74,520	75,616	85,218	85,339	52,438



Amanat Special Education and Care Investments LLC
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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

9 LEASES (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	<i>Six months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>	<i>2023 SAR'000</i>	<i>2022 SAR'000</i>	<i>2021 SAR'000</i>
As at 1 January	85,352	87,940	87,940	51,901	-
Acquisition of a subsidiary (Note 10)	-	-	-	38,397	-
Additions*	841	-	21,312	27,119	57,325
Accretion of interest (Note 7.2)	2,484	2,353	5,478	2,501	770
Termination (1)	-	-	-	(18,260)	-
Modification	(387)	-	-	(1,644)	-
Payments**	(13,257)	(13,210)	(29,378)	(12,074)	(6,194)
	75,033	77,083	85,352	87,940	51,901
Current	23,535	13,926	24,421	20,496	13,522
Non-current	51,498	63,157	60,931	67,444	38,379

* Represents total cash outflows for leases

** Represents total non-cash additions to right-of-use assets and lease liabilities

- (1) During the year ended 31 December 2022, a subsidiary of the Group, Middlesex Associates FZ-L.L.C., renegotiated its existing lease agreements in relation to the University's campus, consequently entering into new and amended lease agreements and recognizing the associated right-of-use assets and lease liabilities, while also terminating certain of the existing agreements and derecognizing the associated right-of-use assets and lease liabilities. In addition, for a limited number of leases, the Group has adjusted for lease modifications.

The maturity analysis of lease liabilities is disclosed in Note 23.5.

The following are the amounts recognised in the special purpose consolidated statement of profit or loss with respect to leases:

	<i>Six months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>	<i>2023 SAR'000</i>	<i>2022 SAR'000</i>	<i>2021 SAR'000</i>
Depreciation - direct (Note 4.4)	11,152	9,723	21,433	13,297	4,887
Interest expense (Note 7.2)	2,484	2,353	5,478	2,501	770
Short-term leases – direct (Note 4.4)	588	99	299	347	6,977
Short-term leases – indirect (Note 5)	899	950	1,336	679	418
Total amount recognised in profit or loss	15,123	13,125	28,546	16,824	13,052

There are no leases that have not yet commenced at the reporting date. The Group does not have lease contracts that contain variable payments.

The Group's lease contracts contain extension and termination options, which are further discussed in Note 3.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

10 BUSINESS COMBINATIONS

The following intangible assets of the Group have been acquired through business combinations made by Amanat and transferred to the Company as part of business combination of entities under common control (refer Notes 1 & 2.1):

	<i>Goodwill</i> <i>SAR'000</i>	<i>Agreements and student relationship with definite useful lives</i> <i>SAR'000</i>	<i>Brand names with definite useful lives</i> <i>SAR'000</i>	<i>Total</i> <i>SAR'000</i>
Cost:				
At 1 January 2021 & 31 December 2021	279,848	134,783	-	414,631
Acquisition of a subsidiary (2)	220,419	7,800	3,840	232,059
At 31 December 2022, 30 June 2023 31 December 2023, & 30 June 2024	500,267	142,583	3,840	646,690
Amortisation:				
At 1 January 2021	-	10,852	-	10,852
Amortisation (Note 5)	-	4,550	-	4,550
At 31 December 2021	-	15,402	-	15,402
Amortisation (Note 5)	-	4,550	-	4,550
At 31 December 2022	-	19,952	-	19,952
Amortisation (Note 5)	-	5,730	224	5,954
At 31 December 2023	-	25,682	224	25,906
Amortisation (Note 5)	-	2,763	112	2,875
At 30 June 2024	-	28,445	336	28,781
At 1 January 2023	-	19,952	-	19,952
Amortisation (Note 5)	-	2,863	109	2,972
At 30 June 2023	-	22,815	109	22,924
<i>Carrying amounts</i>				
At 30 June 2024	500,267	114,138	3,504	617,909
At 31 December 2023	500,267	116,901	3,616	620,784
At 30 June 2023	500,267	119,768	3,731	623,766
At 31 December 2022	500,267	122,631	3,840	626,738
At 31 December 2021	279,848	119,381	-	399,229



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

10 BUSINESS COMBINATIONS (continued)

Goodwill arising on business combinations is related to the following cash generating units:

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Middlesex University (1)	279,848	279,848	279,848	279,848	279,848
Human Development Company (2)	220,419	220,419	220,419	220,419	-
	500,267	500,267	500,267	500,267	279,848

(1) Middlesex Associates FZ-LLC

On 2 August 2018, the Group acquired 100% of the shares and voting interests in Middlesex Associates FZ-LLC ("Middlesex University") for a total consideration of SAR 423,561 thousand.

Fair value measurement

The Group engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby a separately identifiable intangible asset was identified in relation to an agreement the subsidiary has entered into with Middlesex UK, which was estimated to have a fair value of SAR 134,783 thousand at the acquisition date and a useful life of 30 years from the date of acquisition. Accordingly, SAR 134,783 thousand was reduced from the initially recognised amount of goodwill resulting in adjusted goodwill of SAR 279,848 thousand at acquisition.

(2) Human Development Company LLC

On 27 October 2022, the Group acquired 60% of the voting shares of Human Development Company LLC ("HDC"), an unlisted holding company based in the Kingdom of Saudi Arabia and its 100% owned subsidiary, Human Rehabilitation Company LLC, both of which are engaged in the provision of special education and care needs services, for a total cash consideration of SAR 220,305 thousand in addition to contingent consideration of up to SAR 47,120 thousand payable in two tranches of SAR 14,660 thousand and SAR 32,460 thousand in 2023 and 2024, respectively, and dependent on financial performance. The fair value of the contingent consideration at acquisition was estimated to be SAR 46,514 thousand on an undiscounted basis or SAR 44,656 thousand on a discounted basis and was calculated based on a probability assessment utilizing multiple performance scenarios over the performance period, which was fully settled as of 30 June 2024.

The acquisition was accounted for using the acquisition method under IFRS 3 Business Combinations. During the year ended 31 December 2022, the special purpose consolidated financial statements include the results of HDC and its subsidiary from 1 November 2022 to 31 December 2022. Transactions between 27 October 2022 and 31 October 2022 were not material to the Group.

Fair value measurement

The Group engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby separately identifiable intangible assets have been identified in relation to agreements with joint ventures, expat student relationships and brand name with acquisition-date estimated fair values of SAR 2,520 thousand, SAR 5,280 thousand and SAR 3,840 thousand, respectively, and estimated useful lives of 4 years, 14 years and 25 years, respectively. As a result, the initial goodwill at acquisition amounted to SAR 220,419 thousand.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

10 BUSINESS COMBINATIONS (continued)

(2) Human Development Company LLC (continued)

The fair values of the identifiable assets and liabilities as at the deemed date of acquisition were as follows:

	<i>1 November 2022 SAR'000</i>
Assets	
Property and equipment	35,408
Right-of-use assets (Note 9)	38,581
Cash and bank	11,572
Inventories	557
Due from related parties	1,634
Trade and other receivables	76,889
	164,641
Liabilities	
Accounts and other payables	(51,039)
Lease liabilities (Note 9)	(38,397)
Financing from banks	(15,334)
Provision for employees' end of service benefits	(5,037)
	(109,807)
Total identifiable net assets at fair value	54,834
Non-controlling interests at the proportionate share of the identifiable net assets	(21,932)
Goodwill and other intangible assets arising on acquisition	232,059
Contingent consideration (discounted)	(44,656)
Purchase consideration transferred	220,305
Analysis of cash flows on acquisition:	
	<i>1 November 2022 SAR'000</i>
Net cash acquired with the subsidiary (included in cash flows from investing activities)	11,572
Consideration paid by the Ultimate Parent Company as shareholder contribution	(220,305)

(3) Goodwill impairment assessment

The Group performs its annual impairment test at year-end and when circumstances indicate that the carrying value may be impaired, whereby the impairment test is based on value-in-use calculations.

Middlesex Associates FZ-LLC

The Group performed an impairment test on goodwill as at 31 December 2023. The recoverable amount of the CGU has been determined at 31 December 2023 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

10 BUSINESS COMBINATIONS (continued)

(3) Goodwill impairment assessment (continued)

Middlesex Associates FZ-LLC (continued)

The pre-tax discount rate applied to the cash flow projections is 10.9% (2022: 11.4%). Based on the analysis performed, no impairment to goodwill has been identified.

As at 30 June 2024, management has not identified any circumstances that may indicate that the carrying value of goodwill and agreement with an indefinite useful life may be impaired, therefore; no impairment assessment as at 30 June 2024 was performed.

Human Development Company LLC

The Group has performed an impairment test on goodwill as at 31 December 2023. The recoverable amount of the CGU has been determined at 31 December 2023 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates. The pre-tax discount rate applied to the cash flow projections is 12.2% (2022: n/a). Based on the analysis performed, no impairment to goodwill has been identified.

As at 30 June 2024, the Group has not identified any circumstances that may indicate that the carrying value of goodwill and agreement with an indefinite useful life may be impaired, therefore; no impairment assessment as at 30 June 2024 was performed. The calculation of value in use is most sensitive to the following assumptions:

Revenue

Middlesex Associates FZ-LLC

Revenue is mainly determined based on the number of students enrolled at the university. Management took into consideration the growth in the student numbers in the past 3 years and applied estimates for future enrolments based on expected demand for the university's offerings and programs, both locally and internationally. A reasonable decrease of 5% in the expected number of students is not expected to result in any impairment to goodwill.

Human Development Company LLC

Revenue is mainly determined based on the number of students enrolled at the special care and rehabilitation centers. Management took into consideration the historical growth in student numbers and applied estimates for future growth in number of rehabilitation centers and underlying student enrolments. A reasonable decrease of 5% in the expected number of students is not expected to result in any impairment to goodwill.

Discount rate

The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from the weighted average cost of capital (WACC) of each individual CGU. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment from a willing market participant and the cost of debt is based on an estimate of debt available to willing market participants. Segment-specific risk is incorporated by applying individual beta factors.

Any reasonable rise of 0.25% in the discount rate is not expected to result in any impairment to goodwill related to Middlesex Associates FZ-LLC or Human Development Company LLC.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

10 BUSINESS COMBINATIONS (continued)

(3) Goodwill impairment assessment (continued)

Growth Rate

The growth rate represents management's best estimate of the applicable market growth rate for the industry segments in which it operates. In 2023 and 2022, management utilized growth rates ranging between 2% and 3%. Any reasonable decrease in the growth rate by 0.5% is not expected to result in any impairment to goodwill related to Middlesex Associates FZ-LLC and Human Development Company LLC.

11 INVESTMENT IN AN ASSOCIATE

The movement in the investment in an associate during the period/year and the carrying value at the period/year end are as follows:

	Six months ended 30 June		Year ended 31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
At 1 January	389,702	389,316	389,316	381,079	378,571
Share of results	16,378	11,454	21,113	27,196	41,786
Amortization of PPA assets	(1,517)	(1,517)	(3,033)	(3,033)	(3,033)
Share of results in profit or loss	14,861	9,937	18,080	24,163	38,753
Dividends*	-	-	(17,694)	(15,926)	(17,694)
Acquisition of non-controlling interests	-	-	-	-	(18,551)
At 30 June / 31 December	404,563	399,253	389,702	389,316	381,079

* Dividend payments by NEMA have been made directly to Amanat, and accordingly, they have been accounted for directly in equity being a transaction with the Ultimate Parent Company.

The Group has a 35% interest in NEMA Holding Company LLC, acquired on 6 March 2018. NEMA is involved in the provision of tertiary education and vocational services in Abu Dhabi, United Arab Emirates. NEMA is a private entity that is not listed on any public exchange. The Group's interest in NEMA is accounted for using the equity method in the special purpose consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investment in NEMA as at and for the six months ended 30 June:

	2024	2023
	SAR'000	SAR'000
Current assets	191,559	185,283
Non-current assets	1,155,351	1,169,947
Current liabilities	(183,552)	(135,414)
Non-current liabilities	(360,033)	(440,329)
Equity attributable to the equity holders of NEMA	803,325	779,487



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENT IN AN ASSOCIATE (continued)

	2024 SAR'000	2023 SAR'000
Group's share in net assets at 35%	281,164	272,821
Goodwill and intangibles at acquisition	132,653	132,653
Costs of acquisition capitalised	9,484	9,484
Amortization of PPA assets	(18,738)	(15,705)
Group's carrying amount of the investment	404,563	399,253
Revenue	273,770	250,286
Profit	46,793	32,726
Group's share of profit at 35%	16,378	11,454

The following tables illustrate the summarised financial information of the Group's investment in NEMA as at and for the years ended 31 December:

	2023 SAR'000	2022 SAR'000	2021 SAR'000
Current assets	205,363	215,672	218,959
Non-current assets	1,161,818	1,176,960	934,909
Current liabilities	(186,861)	(174,805)	(193,607)
Non-current liabilities	(423,789)	(471,066)	(245,702)
Equity attributable to the equity holders of NEMA	756,531	746,761	714,559
Group's share in net assets at 35%	264,786	261,367	250,097
Goodwill and intangibles at acquisition	132,653	132,653	132,653
Costs of acquisition capitalised	9,484	9,484	9,484
Amortization of PPA assets	(17,221)	(14,188)	(11,155)
Group's carrying amount of the investment	389,702	389,316	381,079
Revenue	514,927	487,081	539,532
Profit	60,325	77,702	119,390
Group's share of profit at 35%*	21,113	27,196	41,786

* 2022 includes the Group's share of transaction costs amounting to SAR 1,716 thousand in relation to the acquisition of a 100% stake in LIWA College of Technology by NEMA.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES

	30 June		31 December	
	2024	2023	2023	2021
	SAR'000	SAR'000	SAR'000	SAR'000
Trade receivables	112,941	105,522	123,781	21,577
Less: allowance for expected credit losses	(26,381)	(27,041)	(28,563)	(12,314)
	86,560	78,481	95,218	9,263
Prepayments	4,961	2,428	3,611	2,880
Refundable deposits	6,031	5,194	5,201	297
Accrued share of revenue from joint services agreements	11,498	10,350	7,809	-
Advances to suppliers	2,894	1,553	2,573	2,153
Amounts due under joint operations agreements	3,769	3,823	2,337	-
Other receivables	1,545	2,578	3,063	693
	117,258	104,407	119,812	15,286

The movement in the allowance for expected credit losses is as follows:

	30 June		31 December	
	2024	2023	2023	2021
	SAR'000	SAR'000	SAR'000	SAR'000
At 1 January	28,563	24,645	24,645	8,849
Acquired through business combination (Note 10)	-	-	-	-
Charge for the year (Note 5)	3,876	2,396	7,956	5,977
Reversal (Note 5)	-	-	(782)	-
Write-offs	(6,058)	-	(3,256)	(2,512)
At 30 June / 31 December	26,381	27,041	28,563	12,314

Information regarding the Group's credit exposures is disclosed in Note 23.



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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

13 RELATED PARTY TRANSACTIONS

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

Balances with related parties

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Due from related parties					
Associate	-	-	8,847	-	-
Other related parties	448	3,749	436	-	-
	<u>448</u>	<u>3,749</u>	<u>9,283</u>	<u>-</u>	<u>-</u>
Due to related parties					
Other related parties	12	-	2,295	50	-
	<u>12</u>	<u>-</u>	<u>2,295</u>	<u>50</u>	<u>-</u>
	Six months ended 30 June		Year ended 31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Transactions with related parties					
<i>Management fee</i>					
Ultimate Parent Company (Note 5)	1,264	1,264	2,528	2,528	2,528
Key management personnel*	1,533	938	2,287	2,583	4,115
<i>Rent</i>					
Other related party	2,300	2,300	4,600	-	-
	<u>2,300</u>	<u>2,300</u>	<u>4,600</u>	<u>-</u>	<u>-</u>

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

Other transactions with other related parties comprise payments made on behalf of related parties. There were no other material transactions with related parties during the periods presented above. Dividend received from the associate is disclosed in Note 11.

Key management personnel remunerations

Group key management personnel compensation disclosed in Note 5, comprise the following:

	Six months ended 30 June		Year ended 31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Short-term benefits	3,144	2,655	6,530	5,369	4,567
Post-employment benefits	117	109	331	417	167
	<u>3,144</u>	<u>2,655</u>	<u>6,530</u>	<u>5,369</u>	<u>4,567</u>



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13 RELATED PARTY TRANSACTIONS (continued)

Key management personnel remunerations (continued)

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

14 CASH AND BANK BALANCES

Cash and bank balances in the special purpose consolidated statement of financial position comprise the following:

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Cash on hand	378	197	5,018	2,619	8
Current accounts with banks	35,594	40,611	19,649	33,206	43,666
Bank term deposits	85,945	30,334	80,890	40,445	-
Cash and bank balances	121,917	71,142	105,557	76,270	43,674

Cash and cash equivalents in the special purpose consolidated statement of cash flows comprise the following:

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Cash and bank balances	121,917	71,142	105,557	76,270	43,674
Less:					
Bank term deposits (with initial maturity of more than 3 months)	(45,501)	-	-	(10,111)	-
Cash and cash equivalents	76,416	71,142	105,557	66,159	43,674

Refer to note 7.1 for information about the aggregate profit/interest earned by the Group on bank term deposits.

15 SHARE CAPITAL AND STATUTORY RESERVE

15.1 Share capital

The share capital of the Company is SAR 10 thousand represented by 1,000 ordinary shares in issuance of SAR 10 each which were fully paid up.

15.2 Statutory reserve

As required by the Companies Law and the Articles of Association of the Company, a minimum of 10% of the profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 30% of the nominal value of the paid-up share capital.

16 SHAREHOLDER CONTRIBUTIONS

The shareholder contributions represent equity contribution made by Amanat to the Company by way of transfer of investees owned by Amanat to the Company in addition to settlement of the related contingent consideration made on behalf of the Company.



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17 FINANCING FROM BANKS

	<i>30 June</i>		<i>31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revolving bank facilities	18,142	11,644	12,029	23,583	-

The carrying amounts above represent revolving bank facilities utilized by the Group's subsidiary, HDC, to finance short-term working capital requirements, where required. The loan facilities have a maturity ranging between 6 to 12 months and accrue profit at competitive market rates.

18 OTHER LONG-TERM PAYABLE

The other long-term payable at 31 December 2022 represents the non-current portion of the contingent consideration related to the acquisition of a subsidiary (refer note 10 for details).

19 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	<i>Six months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Balance as at 1 January	16,719	15,189	15,189	8,087	7,344
Acquisition of a subsidiary (Note 10)	-	-	-	5,037	-
Charge for the year	3,141	2,693	4,729	2,659	1,476
Remeasurement	-	-	(1,315)	130	-
Payments made during the year	(1,274)	(1,183)	(1,884)	(724)	(733)
Balance as at 30 June / 31 December	18,586	16,699	16,719	15,189	8,087

20 ACCOUNTS AND OTHER PAYABLES

	<i>30 June</i>		<i>31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Accounts payable	2,088	370	1,328	3,509	1,924
Contingent consideration (Note 10)	-	45,712	32,215	14,543	-
VAT payables	7,007	15,730	13,194	16,584	-
Accrued profit share	21,097	17,194	19,577	15,355	13,940
Accrued royalty fee	8,560	7,437	2,672	2,235	2,212
Customer deposits	4,026	3,012	4,003	3,010	2,066
Zakat and income tax provision	7,765	3,552	2,195	1,956	-
Staff related accruals	3,769	-	1,316	3,915	-
Other accruals and payables	5,104	22,807	5,255	21,149	2,776
	59,416	115,814	81,755	82,256	22,918



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21 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to the equity holders of the Company for the year and the weighted average number of ordinary shares outstanding during the year.

	<i>Six months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
Profit for the year attributable to equity holders of the Company (SAR'000)	<u>78,056</u>	<u>63,115</u>	<u>44,667</u>	<u>64,783</u>	<u>65,671</u>
Weighted average number of ordinary shares ('000)	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Basic and diluted earnings per share (SAR'000)	<u>78.1</u>	<u>63.1</u>	<u>44.7</u>	<u>-</u>	<u>-</u>

The calculations of basic and diluted earnings per share for the years ended 31 December 2022 and 2021 are not disclosed as the weighted average number of shares was insignificant during those years given the Company was incorporated on 6 October 2022 and there were no issued shares prior to that date.

22 CONTINGENCIES

22.1 Bank guarantees

	<i>30 June</i>		<i>31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Bank guarantees	<u>5,904</u>	<u>4,874</u>	<u>4,881</u>	<u>4,060</u>	<u>-</u>

Banks guarantees are held against cash margins placed with issuing banks amounting to SAR 5,774 thousand as at 30 June 2024 (31 December 2023: SAR 4,881 thousand, 30 June 2023: SAR 4,874 thousand, 31 December 2022: SAR 4,060 thousand, and 31 December 2021: Nil).

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

	<i>30 June</i>		<i>31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Bank guarantees	<u>37,160</u>	<u>34,557</u>	<u>37,265</u>	<u>21,131</u>	<u>-</u>

22.2 Litigations

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

22.3 Capital commitments

The Group has capital commitments of SAR 37 million at 30 June 2024 related to projects undertaken in the Kingdom of Saudi Arabia by the Group's subsidiary, HDC.

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23 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

23.1 Financial assets

	30 June		31 December	
	2024	2023	2023	2021
	SAR'000	SAR'000	SAR'000	SAR'000
Debt instruments at amortised cost				
Trade and other receivables (excluding prepayments & advances)	109,403	100,426	113,628	10,253
Due from related parties	448	3,749	9,283	-
Total financial assets (current)	109,851	104,175	122,911	10,253

* Financial assets, other than cash and bank balances

23.2 Financial liabilities

Interest-bearing loans and borrowings

Lease liabilities	75,033	77,083	85,352	51,901
Financing from banks	18,142	11,644	12,029	-
	93,175	88,727	97,381	51,901

Financial liabilities at amortised cost

Accounts and other payables (excluding contingent consideration, staff related accruals and taxes)	40,875	50,820	32,835	22,918
Due to related parties	12	-	2,295	-
	40,887	50,820	35,130	22,918

Financial liabilities at fair value through profit or loss

Contingent consideration	-	45,712	32,215	-
Total financial liabilities	134,062	185,259	164,726	74,819
Total current	82,564	122,102	103,795	36,440
Total non-current	51,498	63,157	60,931	38,379





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NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

23 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

23.3 Fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management assessed that the fair values of cash and bank balances, trade and other receivables, accounts and other payables, financing from banks, and due from related parties approximate their carrying amounts as at each reporting date largely due to the short-term maturities of these instruments.

23.4 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise accounts and other payables, financing from banks, due to related parties, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, due from related parties and bank balances that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk, market risk and operational risk.

The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the shareholders on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information relating to the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions.

The Group manages its credit risk exposure through diversification of deposits to avoid concentration of risk with institutions or group of institutions in specific location or business.

The Group's maximum exposure to credit risk for the components of the special purpose consolidated statement of financial position at each reporting date is the carrying amounts of the financial assets disclosed in Note 23.1.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department of each business unit in accordance with set policies.

Exposure to credit risk is monitored on an ongoing basis. Cash balances are held with the banks and financial institutions which are rated A+ to BBB- based on Standard and Poor's credit ratings. The significant portion of the credit exposure of the Group is in the UAE.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.



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23 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

23.4 Financial instruments risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables (continued)

Trade receivables relate to amounts receivable by Middlesex University and HDC from students and government ministries for providing academic and special education services, accordingly.

Middlesex extends a credit period of 30 days to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At the reporting dates, there was no concentration risk related to the trade receivables.

HDC extends a credit period of 45 to 180 days to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At 30 June 2024, HDC had 1 customer (31 December 2023: 1 customer, 30 June 2023: 1 customer, and 31 December 2022: 3 customers) that accounted for approximately 95% (31 December 2023: 87%, 30 June 2023: 82%, and 31 December 2022: 93%) of the total HDC trade receivables outstanding and 69% (31 December 2023: 28%, 30 June 2023: 59%, and 31 December 2022: 41%) of the Group's trade receivables outstanding.

Impairment

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when considered unrecoverable. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

30 June 2024

			Days past due			
	<i>Total SAR'000</i>	<i>Not past due SAR'000</i>	<i>0-60 days SAR'000</i>	<i>61-120 days SAR'000</i>	<i>121-365 days SAR'000</i>	<i>>365 days SAR'000</i>
Estimated total gross carrying amount at default	112,941	76,280	2,261	3,985	14,856	15,559
Expected credit loss	26,381	-	624	1,001	9,914	14,842

30 June 2023

			Days past due			
	<i>Total SAR'000</i>	<i>Not past due SAR'000</i>	<i>0-60 days SAR'000</i>	<i>61-120 days SAR'000</i>	<i>121-365 days SAR'000</i>	<i>>365 days SAR'000</i>
Estimated total gross carrying amount at default	105,522	13,817	2,733	2,816	61,590	24,566
Expected credit loss	27,041	-	520	730	8,792	16,999



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23 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

23.4 Financial instruments risk management objectives and policies (continued)

31 December 2023

	<i>Total SAR'000</i>	<i>Not past due SAR'000</i>	<i>Days past due</i>			
			<i>0-60 days SAR'000</i>	<i>61-120 days SAR'000</i>	<i>121-365 days SAR'000</i>	<i>>365 days SAR'000</i>
Estimated total gross carrying amount at default	123,781	-	13,676	76,072	13,214	20,819
Expected credit loss	28,563	-	652	2,903	6,787	18,221

31 December 2022

	<i>Total SAR'000</i>	<i>Not past due SAR'000</i>	<i>Days past due</i>			
			<i>0-60 days SAR'000</i>	<i>61-120 days SAR'000</i>	<i>121-365 days SAR'000</i>	<i>>365 days SAR'000</i>
Estimated total gross carrying amount at default	100,291	-	8,288	63,296	11,077	17,630
Expected credit loss	24,645	-	729	3,622	6,783	13,511

31 December 2021

	<i>Total SAR'000</i>	<i>Not past due SAR'000</i>	<i>Days past due</i>			
			<i>0-60 days SAR'000</i>	<i>61-120 days SAR'000</i>	<i>121-365 days SAR'000</i>	<i>>365 days SAR'000</i>
Estimated total gross carrying amount at default	21,577	-	5,578	3,763	2,583	9,653
Expected credit loss	12,314	-	1,395	1,539	1,847	7,533

Due from related parties

Balances due from related parties are settled on an as requested basis, and accordingly, the Group considers these balances to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

30 June 2024

	<i>Less than 3 months SAR'000</i>	<i>3 to 12 months SAR'000</i>	<i>1 to 5 years SAR'000</i>	<i>After 5 years SAR'000</i>	<i>Total SAR'000</i>
Accounts and other payables	20,240	20,635	-	-	40,875
Due to related parties	12	-	-	-	12
Lease liabilities	6,125	18,219	57,657	1,005	83,006
Financing from banks	-	18,142	-	-	18,142
	26,377	56,996	57,657	1,005	142,035



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23 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

23.4 Financial instruments risk management objectives and policies (continued)

Liquidity risk (continued)

30 June 2023

	<i>Less than 3 months SAR'000</i>	<i>3 to 12 months SAR'000</i>	<i>1 to 5 years SAR'000</i>	<i>After 5 years SAR'000</i>	<i>Total SAR'000</i>
Accounts and other payables	50,820	-	-	-	50,820
Contingent consideration	-	14,543	32,208	-	46,751
Lease liabilities	1,996	9,712	42,342	38,953	93,003
Financing from banks	-	11,644	-	-	11,644
	<u>52,816</u>	<u>35,899</u>	<u>74,550</u>	<u>38,953</u>	<u>202,218</u>

31 December 2023

	<i>Less than 3 months SAR'000</i>	<i>3 to 12 months SAR'000</i>	<i>1 to 5 years SAR'000</i>	<i>After 5 years SAR'000</i>	<i>Total SAR'000</i>
Accounts and other payables	25,162	7,873	-	-	33,035
Due to related parties	2,295	-	-	-	2,295
Contingent consideration	-	32,215	-	-	32,215
Lease liabilities	6,125	18,219	57,657	14,262	96,263
Financing from banks	-	23,583	-	-	23,583
	<u>33,582</u>	<u>81,890</u>	<u>57,657</u>	<u>14,262</u>	<u>187,391</u>

31 December 2022

	<i>Less than 3 months SAR'000</i>	<i>3 to 12 months SAR'000</i>	<i>1 to 5 years SAR'000</i>	<i>After 5 years SAR'000</i>	<i>Total SAR'000</i>
Accounts and other payables	42,193	3,065	-	-	45,258
Due to related parties	50	-	-	-	50
Contingent consideration	-	14,543	32,208	-	46,751
Lease liabilities	1,996	9,712	42,342	52,163	106,213
Financing from banks	-	23,583	-	-	23,583
	<u>44,239</u>	<u>50,903</u>	<u>74,550</u>	<u>52,163</u>	<u>221,855</u>

31 December 2021

	<i>Less than 3 months SAR'000</i>	<i>3 to 12 months SAR'000</i>	<i>1 to 5 years SAR'000</i>	<i>After 5 years SAR'000</i>	<i>Total SAR'000</i>
Accounts and other payables	20,000	2,918	-	-	22,918
Lease liabilities	3,156	9,489	45,698	-	58,343
	<u>23,156</u>	<u>12,407</u>	<u>45,698</u>	<u>-</u>	<u>81,261</u>



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23 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

23.5 Financial instruments risk management objectives and policies (continued)

Market risk

The Group is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables. Market risk arises from foreign currency products, interest bearing products and equity investments, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as currency rates, interest rates, equity prices and credit spreads.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will change because of changes in foreign exchange rates. The Group's foreign currency exposure arises principally from transactions denominated in Arab Emirates Dirham ("AED"). Since the SAR and AED are pegged to the United State Dollar ("USD"), the Group has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's deposits earn interest/profit at fixed rates, hence any changes in interest/profit rate will not have an impact on the special purpose consolidated statement of profit or loss of the Group. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank facilities with floating interest rates.

The interest rate profile of the Group's financial assets and liabilities are shown in the table below:

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
<i>Fixed rate instruments – assets</i>					
Term deposits with banks	85,945	30,334	80,890	40,445	-
<i>Variable rate instruments – liabilities</i>					
Revolving bank facilities	(18,142)	(11,644)	(12,029)	(23,583)	-

Interest rate sensitivity

An increase of 0.5% in interest rates with all other variables held constant would not result in any material impact on the special purpose consolidated financial statements.

Operational risk

Operational risk is the risk of a direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group has established a framework of policies and procedures to identify, assess, control, manage and report risks. The senior management identifies and manages operational risk to reduce the likelihood of any operational losses. Compliance with policies and procedures is supported by periodic reviews undertaken by the management of the business units to which they relate.



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23 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

23.5 Financial instruments risk management objectives and policies (continued)

Capital management

The Group's capital management policy is governed by the Board of Managers. The Company's objectives of managing capital are to ensure the Company's ability to continue as a going concern and increase the net worth of the Company and shareholder's interests so as to maintain the confidence of its creditors and the market and to sustain future development of the business. For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to the equity holders of the Company.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. The Group monitors capital using a gearing ratio, which is 'debt' divided by total capital plus debt.

The Group includes within net (cash) / debt, interest bearing loans and borrowings excluding lease liabilities, less cash and bank balances.

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Interest-bearing loans & borrowings*	18,142	11,644	12,029	23,583	-
Less: cash and bank balances	(121,917)	(71,142)	(105,557)	(76,270)	(43,674)
Net cash	(103,775)	(59,498)	(93,528)	(52,687)	(43,674)
Equity	1,177,618	1,096,401	1,098,680	1,053,410	789,850
Equity and debt	1,195,760	1,108,045	1,110,709	1,076,993	789,850
Gearing ratio	1.52%	1.05%	1.08%	2.19%	-

* excluding lease liabilities (Note 23.2)

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. However, the Group does not have financial covenants attached to interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes during the current and prior periods presented in these special purpose consolidated financial statements.



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24 MATERIAL PARTLY-OWNED SUBSIDIARY

Financial information of the subsidiary that has material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Non-controlling interests

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Subsidiary					
Human Development Company LLC	40%	40%	40%	40%	40%

Accumulated balances of non-controlling interests:

	30 June		31 December		
	2024	2023	2023	2022	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
Human Development Company LLC	62,217	37,042	51,581	26,832	-

25 ZAKAT AND INCOME TAX

The deferred tax expense for the year ended 31 December 2023 of SAR 51,051 thousand relates to the initial recognition of a deferred tax liability (DTL) in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's special purpose consolidated statement of financial position and attributable to the UAE-based Group entities. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to substantial enactment of UAE Corporate Tax Law in the UAE during January 2023 and subsequent issuance of further clarifications during the second half of 2023, on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to the UAE Corporate Tax in the future. The DTL is non-cash in nature and no cash liability is expected to crystallize in the future.

In addition to UAE Corporate Tax, the Group's subsidiary in the Kingdom of Saudi Arabia is subject to Zakat. Zakat and Income taxes for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting dates, applicable in the respective countries where the Company and the subsidiaries operate and any adjustment to tax in respect of previous years.

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

	Six months ended 30 June		Year ended 31 December		
	2024	2023	2023	2022*	2021
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
United Arab Emirates	6,571	-	-	-	-
Kingdom of Saudi Arabia	1,879	782	2,728	440	-
	8,450	782	2,728	440	-

The Company has submitted its Zakat returns since inception up to the year ended 31 December 2023, which are still under review by ZATCA.



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26 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

(a) Adjusted profit before Tax and Zakat

This APM represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- one-off non-recurring items

(b) Adjusted profit

This APM represents adjusted profit before Tax and Zakat adjusted for Zakat and Income taxes

(c) Adjusted profit attributable to equity holders

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

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

This APM represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- depreciation and amortization;
- purchase price amortisation of associate
- finance costs and income;
- non-controlling interests;
- other one-off non-recurring items



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26 ALTERNATIVE PERFORMANCE MEASURES (continued)

(e) Reconciliation

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

	<i>Six months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>	<i>2023 SAR'000</i>	<i>2022 SAR'000</i>	<i>2021 SAR'000</i>
Profit before tax and Zakat	97,142	74,107	122,669	70,174	65,671
<i>Adjusted for:</i>					
One-off non-recurring items	-	692	2,694	-	-
Adjusted profit before tax and Zakat	97,142	74,799	125,363	70,174	65,671
<i>Add/(deduct):</i>					
Zakat and Income taxes*	(8,450)	(782)	(2,728)	(440)	-
Adjusted profit	88,692	74,017	122,635	69,734	65,671
<i>Add/(deduct):</i>					
Non-controlling interests	(10,636)	(10,210)	(24,223)	(4,951)	-
Adjusted profit attributable to equity holders	78,056	63,807	98,412	64,783	65,671
<i>Add/(deduct):</i>					
Depreciation and amortization	19,025	17,227	36,184	21,166	11,628
Purchase price amortisation of an associate	1,517	1,517	3,033	3,033	3,033
Zakat and Income Taxes	8,450	782	2,728	440	-
Finance income	(1,911)	(815)	(1,913)	(344)	-
Finance costs	3,317	4,127	8,380	2,689	770
Non-controlling interests	10,636	10,210	24,223	4,951	-
One-off non-recurring items	-	(692)	(2,694)	-	-
Earning before interest, tax, depreciation and amortization	119,090	96,163	168,353	96,718	81,102

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27 SEGMENT INFORMATION

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

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

	<i>Six-months ended 30 June</i>		<i>Year ended 31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Country					
Kingdom of Saudi Arabia	95,380	74,875	165,022	31,300	-
United Arab Emirates	139,154	111,995	177,535	149,711	138,515
Total revenue	234,534	186,870	342,557	181,011	138,515

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

	<i>30 June</i>		<i>31 December</i>		
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Country					
Kingdom of Saudi Arabia	340,825	308,197	328,701	306,848	-
United Arab Emirates	429,239	442,859	440,115	451,666	459,546
	770,064	751,056	768,816	758,514	459,546

Non-current assets for this purpose consist of property and equipment, right-of-use assets, and goodwill and intangible assets.





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28 SUBSEQUENT EVENTS

Subsequent to the period ended 30 June 2024, the Shareholder of the Company resolved the following and is in the process of getting the required regulatory approvals in the Kingdom of Saudi Arabia :

- 1 Convert the shareholder contribution balance amounting to SAR 1,024 million as of 30 June 2024 to Share Capital
- 2 Change the legal name of the Company to "AlMasar AlShamel Education Company" and convert the legal status of the Company from a single shareholder foreign limited liability company to an Unlisted one-person Joint Stock Company "

No further events have occurred subsequent to the reporting date and before the issuance of these special purpose consolidated financial statements which require adjustment to, or disclosure, in these special purpose consolidated financial statements.

29 APPROVAL OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

These special purpose consolidated financial statements were approved and authorized for issuance by the Directors on 26 September 2024.

SHAPING FUTURES

