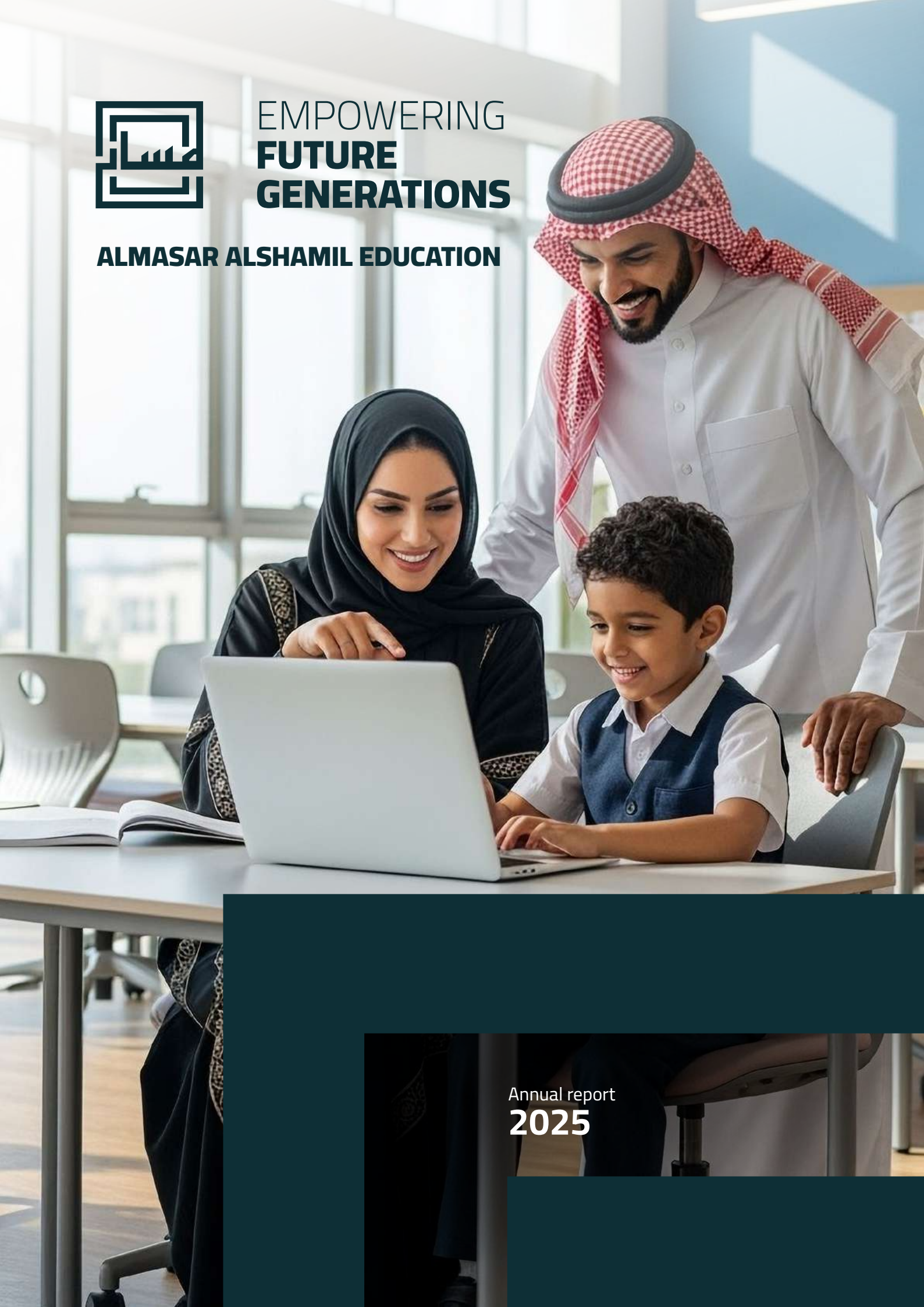




# EMPOWERING **FUTURE GENERATIONS**

**ALMASAR ALSHAMIL EDUCATION**



Annual report  
**2025**



IN THE NAME OF ALLAH,  
THE MOST GRACIOUS,  
THE MOST MERCIFUL



Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al-Saud**



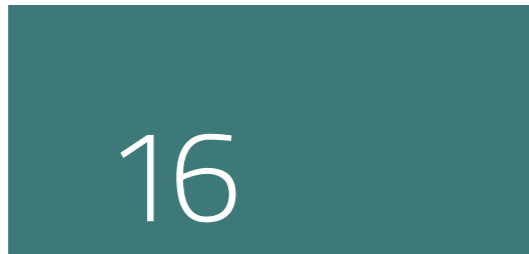
Crown Prince and Prime Minister

**Prince Mohammed bin Salman bin Abdulaziz Al-Saud**



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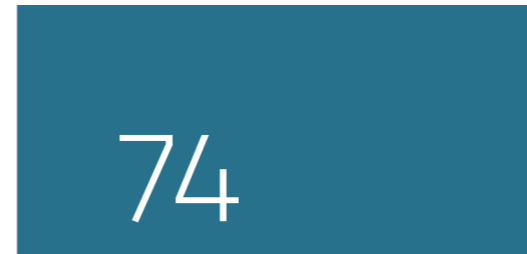
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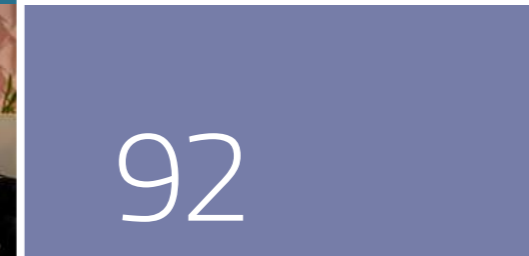
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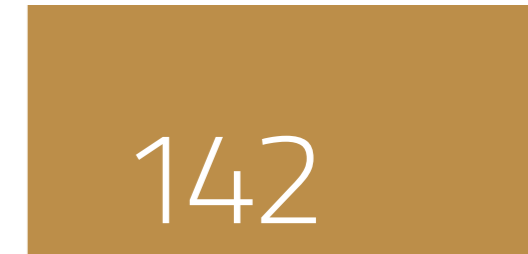
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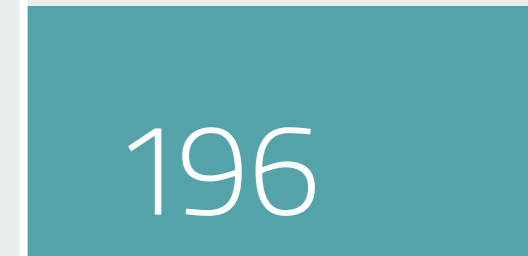
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# INTRODUCTION

## Education shapes every future

We are a specialized education group, comprising the top Special Needs Education and Care (SEC) provider in Saudi Arabia and the largest private provider of Higher Education in the UAE. We are committed to delivering high-quality education services that empower future generations and enable them to reach their full potential, fostering more inclusive and sustainable societies.

### Supporting learners across every stage of life

Our model is designed to support learners across evolving stages of life, responding to their changing needs, abilities, and aspirations. Through our growth strategy, we seek to expand the reach and breadth of our offering across new markets and segments, with the ultimate objective of serving an ever-growing population of students and beneficiaries in the GCC. We champion inclusive education, ensuring everyone has access to high-quality learning, regardless of their ability or background.

### Building future-ready skills aligned with national priorities

By equipping students with the skills and mindset needed for a rapidly evolving, technology-driven regional economy, we help every learner become a productive, responsible member of society. Our work aligns with Saudi Vision 2030 and UAE Vision 2031, contributing to national priorities through stronger educational foundations, wider participation, and measurable impact. With a long-term focus and disciplined expansion, we aim to expand access to education and care and support national priorities, shaping the future of learning across the region.





# ABOUT THE REPORT

The inaugural Almasar Alshamil Education's annual report for the year ended 31 December 2025 aims to provide a clear account of the Group's financial and operational performance and outline the strategic priorities that guided the Group during the year.

## The Group

Almasar Alshamil Education Company (the "Company") is a Saudi 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 the Saudi Arabian

Ministry of Investment license number 102114402166741 dated 4 Safar 1444H (corresponding to 1 September 2022). The registered address of the Company is Altawuniya Tower, 17th Floor, North Building, King Fahad Road, Al Olaya Dist., Building No. 6897, postal code: 12211 - 3388, Riyadh, Saudi Arabia.

The principal activities of the Company are managing, developing, and operating companies and enterprises in the education sector. Together with its subsidiaries, the Company forms the Group.

## Report Boundaries and Standards

All financial data of this Report correspond to the consolidated financial statements of Almasar Alshamil Education Company SJSC, including activities and results of its subsidiaries and share of the results of an associate (NEMA Holding, in which the Company holds 35%), for the calendar year from January 1 to December 31, 2025, unless stated otherwise. Selected operational data, such as the number of students and facilities, are disclosed on a business line basis, including the results of NEMA Holding.

The Report is based on applicable regulations and standards, including the Corporate Governance Regulations<sup>1</sup>, the Companies Law<sup>2</sup>, and the Capital Market Authority's (CMA) Listed Companies Guide.

The sustainability information is disclosed following the guidance of the Saudi Exchange (Tadawul) ESG Disclosure Guidelines, and with reference to the GRI 2021 Standards. The consolidated financial statements comply with International Financial Reporting

Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, along with standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

All figures presented are subject to rounding. As a result, totals may not always precisely match the sum of individual values, and minor discrepancies may occur. These variations do not affect the overall accuracy or interpretation of the data.



## Forward-Looking Statements

This document is not intended to, and should not be interpreted as, a forecast of future performance. It may contain forward-looking statements based on current expectations and assumptions regarding future events. Such statements may be identified by

words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can," "likely," "should," "would," "could," "continue," "forward," or similar expressions. Forward-looking statements involve risks, uncertainties,

and other factors beyond the Company's control that may cause actual results, performance, or achievements to differ materially from those expressed or implied in these statements.

## Contacts and Feedback

We value your feedback and welcome any comments, suggestions, or inquiries regarding this Report. Please feel free to contact us at [info@masareducation.com](mailto:info@masareducation.com)

<sup>1</sup> The Capital Market Authority Corporate Governance Regulations (English Translation of the Official Arabic Text issued by the Board of the Capital Market Authority pursuant to Resolution Number 8-16-2017 dated 16/5/1438H, Corresponding to 13/2/2017G, based on the Companies Law issued by Royal Decree No M/3 dated 28/1/1437H, amended by Resolution of the Board of the Capital Market Authority Number 8-5-2023 dated 25/6/1444H, corresponding to 18/1/2023 G, based on the Companies Law Issued by Royal Decree No. M/132 dated 1/12/1443H).

<sup>2</sup> The Companies Law issued by Royal Decree No. M/132 dated 1/12/1443H (corresponding to 30/06/2022G).



# CHAIRMAN'S MESSAGE

Dear shareholders,

It is my privilege to present Almasar Alshamil Education's inaugural Annual Report for the year ended December 31, 2025. This report marks our first release as a publicly listed company following our successful initial public offering (IPO) on the Saudi Exchange in December 2025. This milestone marks the start of a new chapter in our journey, reflecting our strong commitment to creating long-term value for our shareholders and the communities we serve.



## Building on a Strong Foundation

Almasar Alshamil Education is the premier specialized education provider in the GCC, delivering excellence across the learning journey. Whether in Higher Education, Special Needs Education and Care, or Corporate Training, our education institutions invest in, create, and provide access to knowledge and life experiences.

Our model is a connected ecosystem designed to expand access and create pathways that respond to the evolving needs of modern nations. We believe that every individual has the potential to grow and succeed when learning is shaped around their strengths and aspirations, and outcomes are aligned with

the realities of the current and future job market. Our services and programmes are grounded in modern, evidence-based educational and psychological principles, proprietary digital technologies, a fully inclusive approach, and a focus on learning outcomes and usable skills.

## Moving Ahead with Confidence

The IPO was a defining moment for the Company. On behalf of the Board of Directors, I extend our sincere appreciation to our shareholders for their trust.

At this new stage of our journey as a listed company, transparent corporate governance remains central

to our identity. We operate under a robust governance framework aligned with the Corporate Governance Regulations and applicable laws in the Kingdom of Saudi Arabia and the UAE. Through a clear Board structure, effective committees, disciplined risk management, and strong internal controls, we ensure accountability, transparency, and protection of shareholder interests.

## Staying True to Our Vision

Since the Group's foundation, we have grown with steady momentum to become the largest private provider of SEC services in Saudi Arabia and the leading private higher education provider in the UAE. The value we're building is

grounded in stability, excellence, and a breadth of knowledge and experience that enable us to deliver the best outcomes for all the learners. Our focus now is to strengthen our core foundation while continuing to expand into new growth areas where we see proven demand, extending access to high-quality, comprehensive lifelong learning across the region.

On behalf of the Board of Directors, I extend my sincere gratitude to our executive leadership, faculty, staff, and partners for their

dedication, professionalism, and hard work throughout this truly transformational year. I also thank our shareholders for their confidence in our vision and direction. Together, we look ahead with clarity and determination, with the desire to keep growing sustainably, deliver educational excellence, and empower the generations to come.

**Dr. Shamsheer Vayalil**  
Chairman of the Board



# MANAGING DIRECTOR'S MESSAGE

2025 has been a year of disciplined execution, laying the foundations for the next phase of expansion across both of our core verticals—Special Needs Education and Care (SEC) and Higher Education—and into new areas of growth.



## Unlocking Market Potential

Our Group operates in sectors benefiting from powerful structural tailwinds. Saudi Arabia and the UAE are among the fastest-growing education markets globally, supported by strong economic growth, favorable demographics, and high government expenditure on education, underpinned by national agendas such as Saudi Vision 2030 and the UAE Vision 2031.

Almasar Alshamil Education is uniquely positioned to benefit from these growth opportunities

as the #1 private SEC provider in Saudi Arabia and the #1 private higher education provider in the UAE. Our scalable, capital-efficient model allows us to grow with discipline, maintaining a strong cash position, with the ability to fund organic growth and execute on attractive M&A opportunities.

## Implementing the Strategy with Precision

Our growth strategy is clear and focused: seizing new growth opportunities while building on Almasar Alshamil Education's

established strengths and leading market positions. Our immediate priorities will be to concentrate on our core markets of Saudi Arabia and the UAE, further consolidating our leadership in our existing segments as well as broadening our presence to other verticals of interest that have a strategic fit with our existing units.

Our mid-term goals include the potential launch of SEC in the UAE, drawing on the expertise we gained in Saudi Arabia, as well as entry into the private higher education market in Saudi Arabia, building on our success in the UAE. In 2025,

we have already made tangible progress toward these development goals, as evidenced in this Annual Report. In 2026, we will seek to further deliver on our strategic targets and move forward with the execution of the Company's vision.

## Exploring New Opportunities

As part of our playbook, we are constantly exploring opportunities to expand our offering across the full education spectrum. To

do so, we leverage our extensive experience in education to identify and execute on opportunities across the education landscape.

Beyond our core markets, we see potential across the wider GCC. However, expansion will remain selective and measured. Any move into new geographies or segments is preceded by rigorous research into demand, regulatory readiness, financial feasibility, and the long-term relevance to Almasar Alshamil Education's broader strategy.

As we move forward, we remain committed to creating long-term value for our shareholders while expanding access to high-quality education across the region.

Thank you for your continued trust and support as we embark on this next phase of Almasar Alshamil Education's growth journey.

**Fadi Habib**  
Managing Director



# CEO'S MESSAGE

2025 has been a defining year for Almasar Alshamil Education. It was the year we became a publicly listed company, and we approached it with a clear mandate: deliver growth, maintain financial discipline, and reinforce our position as the leading specialized education platform in the region.

Our IPO attracted exceptional investor demand. The institutional tranche generated an order book of approximately AED 62 billion, representing a 103x oversubscription, while the retail tranche attracted nearly 95,700 investors and was 1.21x oversubscribed. This level of demand reflected confidence in our strategy, our market positioning, and the long-term structural growth of the education sector in Saudi Arabia and the UAE.

As management, we see our IPO not as an endpoint, but as the beginning of a new level of responsibility calling for the utmost transparency, strict capital discipline, and consistent strategy execution. As the CEO, I am greatly honored to present the results of our work in 2025 to our investors and other stakeholders.

## Expanding Our Outreach

Operationally, 2025 was a year of tangible expansion. As of December 31, 2025, the Group served c. 28,000 students and beneficiaries, representing a 20% increase year-on-year. Even more encouragingly, this growth was generated across both of our core pillars—Special Needs Education and Care (SEC) and Higher Education—demonstrating the strength of our diversified model.

In SEC, where the Group constitutes the #1 private provider in Saudi Arabia, we opened 4 new daycare centers and 4 schools in 2025, increasing the total number of facilities to 39 daycare centers and 14 schools. Total beneficiaries in this segment reached 7,748, up 19% from 2024. Demand remains structurally strong, supported by demographics, increasing societal awareness, and regulatory support.

A major strategic milestone was the licensing of 2 residential SEC centers in Saudi Arabia, positioning us to launch 24/7 long-term specialized care services. These centers will address higher-acuity needs and extend our continuum of care beyond daycare and school-based provision. This step strengthens both our social impact and our revenue diversification.

In the Higher Education vertical, Almasar Alshamil Education leads the private segment in the UAE through our two major institutions: Middlesex University Dubai, the largest UK university in Dubai, and NEMA Holding, operating Abu Dhabi University and Liwa University. In 2025, we further consolidated our leadership position, with total student enrollment increasing by 21% year-on-year, overall surpassing the 20,000 mark. One of the important results was the success of the international student recruitment engine at MDX Dubai, with international students now representing over half of the university's total student

base. This reflects the relevance of our modern, employment-focused academic programmes, paired with the UAE's growing attractiveness as a global higher education destination, bolstered by its safety profile and attractive job market post-graduation.

We also expanded our higher education offering in line with labor market needs, launching new programmes in subject areas such as health sciences, AI, cybersecurity, fintech, and data analytics. The opening of the London Sport Institute at MDX Dubai added further depth to our applied, industry-aligned portfolio. In April 2025, Liwa College successfully transitioned to Liwa University following approval from the UAE Ministry of Higher Education and Scientific Research, marking a significant institutional milestone and reflecting the maturity of our academic platform.

The year 2025 also marked an important milestone in the envisaged expansion of our higher education network into the Kingdom of Saudi Arabia, where we intend to build on the extensive expertise we have developed in the UAE. The Group has signed a non-binding agreement with a UK university to support the establishment of a higher education institution in the Kingdom, with the objective of offering foundation and university programmes comparable to those in place at the partner's home campus.



## Delivering Strong Results

Financially, these operational gains translated into robust outcomes. The Group revenue reached AED 534 million in 2025, up 22% year-on-year, with both business lines contributing almost equally. Adjusted EBITDA<sup>1</sup> increased by 11% to AED 240 million, while adjusted profit<sup>2</sup> rose by 12% to AED 166 million. We closed the year with a cash position of AED 339 million and maintained a conservative leverage profile, ensuring flexibility to fund future growth plans.

This success is underpinned by a unified operating model. While the SEC and Higher Education differ in their service ranges, both verticals are built on the same foundations: academic quality, inclusivity, regulatory alignment, disciplined capital allocation, and strong governance. Shared functions at the Group level—including

finance, strategy, risk management, investor relations, and capital planning—ensure coordination, optimization and control while allowing each vertical to maintain operational autonomy.

## Working Together for Meaningful Progress

What we accomplished in 2025 was a result of a collective effort across the entire Group. Our senior leadership, Board members, operational teams, and academic staff worked diligently to manage the operational expansion while upholding the highest quality standards. I want to express my gratitude to my colleagues for their invaluable contributions and their dedication to serving the best interests of our learners, communities, and investors.

I would also like to express my heartfelt appreciation to our learners and their families. Your trust and unwavering support are at the heart of all our achievements. Last, but not least, our progress would not have been possible without engagement with the government and regulators. Their support has allowed us to grow in a way that is structured, responsible, and aligned with national priorities.

We enter 2026 with strong momentum, a clear roadmap, and the financial strength to execute it. Our commitment is to continue building a lifelong education platform that delivers positive outcomes for learners and sustainable value for all stakeholders.

**Majed Bejed Sudhan**  
**Almutairi**  
CEO

<sup>1</sup> Adjusted for one-off non-recurring items and for the IPO-related expenses.

<sup>2</sup> Adjusted for one-off non-recurring items and for the IPO-related expenses.



# COMPANY OVERVIEW



## Educating Minds. Empowering Lives.

Through our core pillars of Special Needs Education and Care and Higher Education, we empower students and beneficiaries by providing the right support for their needs, whether that means specialized education and care, clear academic progression, or career growth.

All aspects of our past and present work toward this goal.

**~28,000**  
students and beneficiaries  
in 2025

**39**  
SEC daycare  
centers

**14**  
SEC schools

**3**  
universities with  
7 campuses

**3**  
mental health  
clinics



# DISCOVER ALMASAR ALSHAMIL EDUCATION

We are a specialized education group, comprising the top Special Needs Education and Care (SEC) private provider in Saudi Arabia and the largest private provider of Higher Education in the UAE. We are committed to delivering high-quality education services that empower future generations and enable them to reach their full potential, fostering more inclusive and sustainable societies.

We are fortunate to be working at a moment of real change in education across the region. In Saudi Arabia and the UAE, education systems are growing in quality and breadth, adopting more inclusive models, and encouraging greater private-sector participation. This shift is being shaped by accommodative

policy reforms, demographic growth, and higher expectations for quality and outcomes.

Against this backdrop, we are building education platforms that support students and beneficiaries and improve their lives while steadily expanding to meet the region's most pressing educational needs. We

remain committed to supporting real people and their lives through our educational offerings, a responsibility we take very seriously, understanding that each person's educational journey requires a tailored approach.

➤ Explore our **business model**

## Our Competitive Advantage

We currently serve c. 28,000 students and beneficiaries across Special Needs Education and Care (SEC) and Higher Education, in the Kingdom of Saudi Arabia and the UAE.

As the largest private provider of SEC in the Kingdom, we operate a high-quality network of 39 daycare centers, all of which are rated A+ by the Ministry of Human Resources and Social Development (MHRSD), as well as 14 schools and 3 clinics, through the Human Development Company (HDC). HDC serves an ever-growing beneficiary population across the whole Kingdom, comprising c. 8,000 children, young people, and adults.

Our business model focuses on mid-sized and smaller facilities, allowing us the flexibility and agility to respond to the evolving needs

of communities across major cities and other provinces. Prevention and early intervention are cornerstones of our SEC offerings. All of HDC's facilities operate under a unified clinical and educational framework, supported by digital platforms that standardize employee training and rehabilitation programmes, track outcomes, and measure progress in real time. Quality is reinforced through centralized governance, continuous and rigorous staff training, and clear performance benchmarks.

We also lead private higher education in the UAE through our two major institutions: Middlesex University Dubai, the largest UK university in Dubai, and NEMA Holding, Abu Dhabi's largest tertiary education group, operating Abu Dhabi University – ranked among the top 250 universities

globally – and Liwa University. We differentiate our offering through outcomes and relevance, providing an integrated, industry-focused approach to higher education that equips individuals with both academic expertise and the practical competencies needed to successfully enter the workforce upon graduation.

➤ Discover our **strategy**

## Student-Centric Philosophy

Our approach starts with the belief that every individual has the potential to grow when learning is shaped around their needs, strengths, and aspirations. Our curricula are designed on modern, evidence-based educational and psychological principles, ensuring that teaching is grounded in research.

Student safety and well-being are fundamental to our approach. We create supportive

environments where all students feel safe, respected, and understood. This philosophy is brought to life through exceptional educators working in well-designed, modern facilities that encourage focus, collaboration, and achievement. By combining high-quality teaching with environments that support both academic and personal development, we help students build the skills, resilience, and adaptability needed to succeed. Our aim is not only to

support an educational path, but also to prepare students to navigate future adult life with confidence and purpose.

➤ Learn more about our **students' experience**

## Market Leadership

We currently serve c. 28,000 students and beneficiaries across SEC and Higher Education, operating a growing network of 39 SEC daycare centers, 14 SEC schools, 3 universities (with a total of 7 campuses), and 3 clinics. Our business model responds to the strong demand across core markets and aligns with regional demographic trends, rising expectations for quality and inclusion, and an accelerating shift toward

private-sector participation. Overall, our geographic reach and diversified exposure provides a solid foundation for continued operational and geographical expansion across both existing verticals and new market segments.

➤ View our **market insights**

**#1**  
private SEC provider  
in KSA

**#1**  
private higher education  
provider in the UAE<sup>1</sup>



## Vision

Empower future generations, enabling them to reach their full potential.



## Values

- Inclusivity
- Innovation
- Excellence
- Responsibility
- Commitment



## Mission

Provide high-quality education across the learning continuum for students and beneficiaries of all ages and needs.



**LEADING  
INTEGRATED  
EDUCATION  
PROVIDER**



▶ We are redefining education (video)



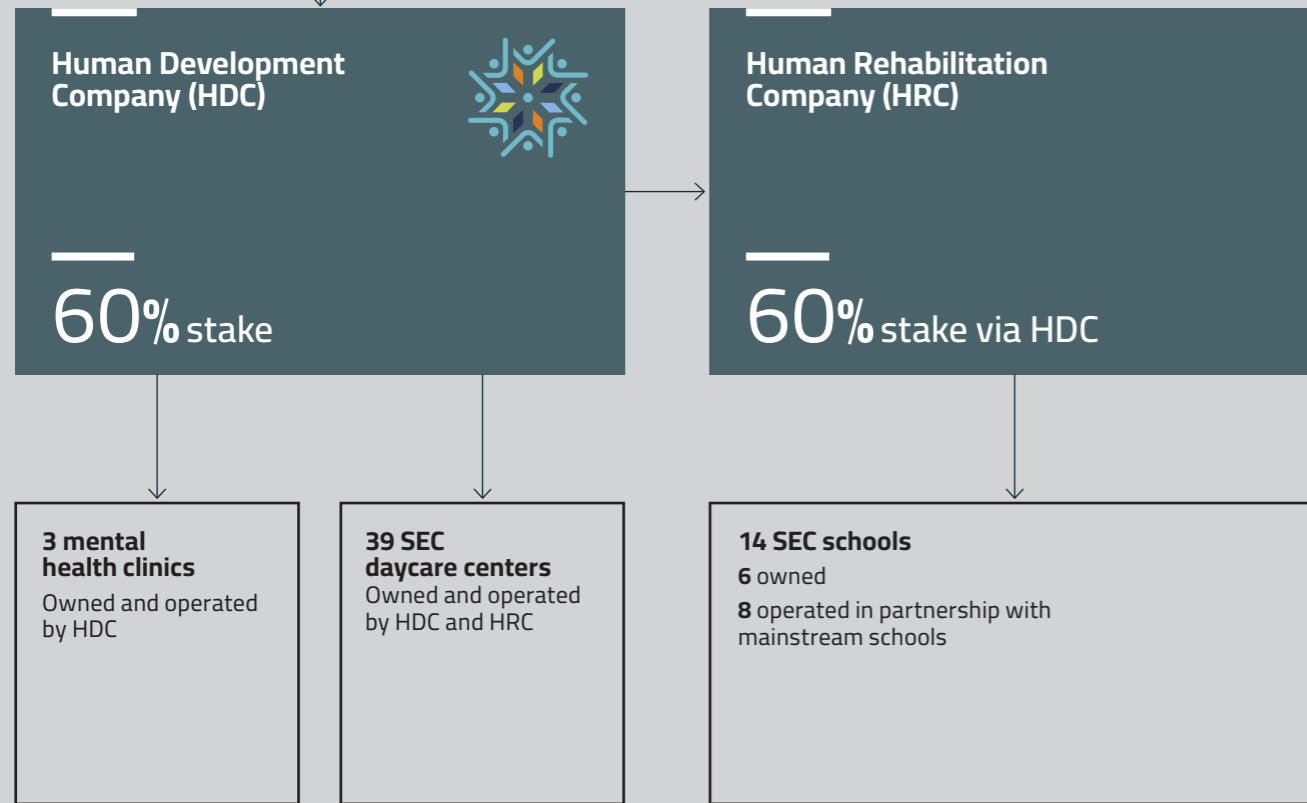
# BUSINESS LINES

Our diverse portfolio of education and care services is thoughtfully designed to meet the distinct needs of different learner groups, while operating together as a comprehensive platform that supports the best outcomes at every stage of learning.

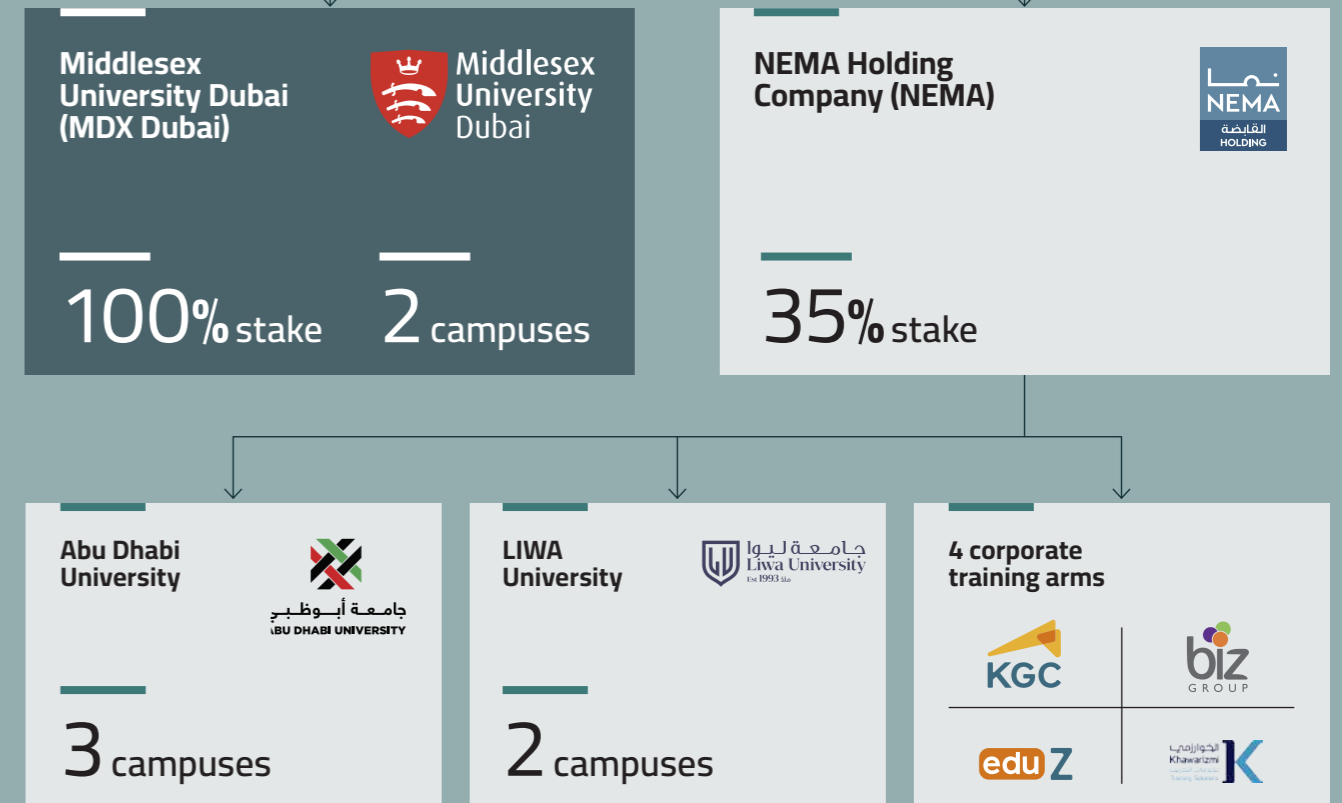
## The Group's business lines



### Almasar Alshamil Education Company ("the Company")



Special needs education and care (SEC)



Higher education

- Controlled subsidiaries
- Affiliates
- Facilities
- Special needs education and care (SEC)
- Higher education



## Special Needs Education and Care (SEC)

The Group operates in the SEC space through Human Development Company (HDC), a leading national platform that delivers special-needs education, care, rehabilitation, and psychological treatment services, through a network of daycare centers, schools, and clinics.

HDC's service range is designed to address a diverse range of acuity of special needs, with a traditional focus on mild-to-moderate cases, with further expansion on higher acuity through residential service.

HDC's network operates in a highly-integrated way, designed to help parents and beneficiaries and achieve the best possible outcomes. The mental health clinics operated by the company, for example, support daycare centers and schools through

additional support services. All of HDC's daycare centers hold an A+ rating from the Ministry of Human Resources and Social Development (MHRSD), the highest rating for educational and care quality.

The operating model is built on a methodological, evidence-based approach that combines in-house staff training and continuous monitoring of individual progress. Technology plays a central role in service delivery, with tools such as virtual reality, learning games, neurofeedback systems, and robotics integrated into programmes to enhance engagement and outcomes. Proprietary academic software tracks children's progress and standardizes learning plans across locations.

**#1** private SEC provider in KSA

**10.4%** of the Saudi private SEC services market<sup>1</sup>

**100%** of HDC daycare centers hold an A+ rating by the MHRSD

Human Development Company (HDC)

### Brands

Daycare centers ("Obour")



SEC schools ("Makan"/"Bridge")



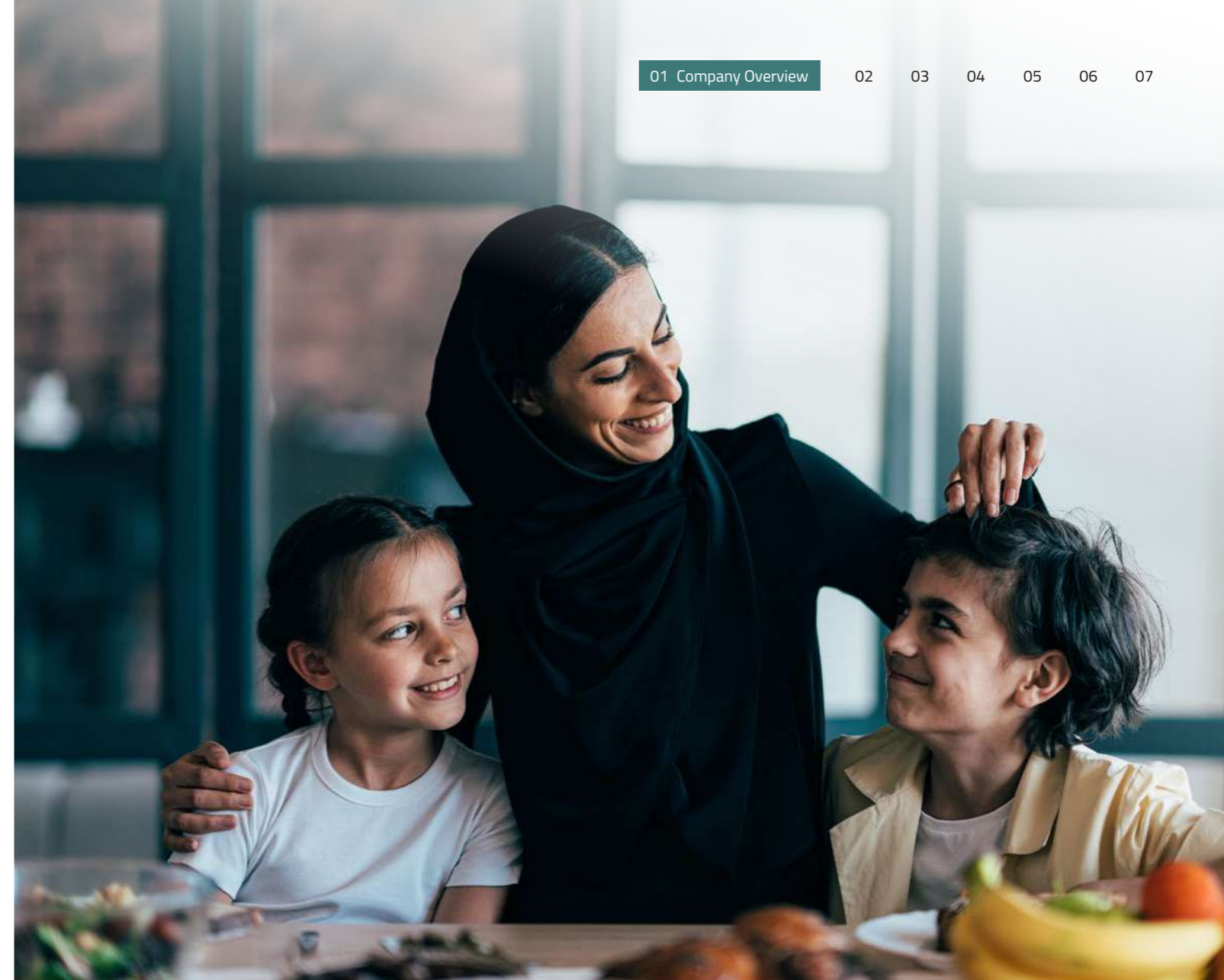
Mental health clinics ("Bridge")



	Daycare centers ("Obour")	SEC schools ("Makan"/"Bridge")	Mental health clinics ("Bridge")
<b>Age</b>	1-12+ years	5-18 years	1-14 years
<b>Special needs level</b>	Mild to moderate	Mild	Severe
<b>Services</b>	Education, rehabilitation, and clinical services to children who require specialized support for gaining greater independence and, where appropriate, integration into mainstream education settings.	SEC education within an inclusive school environment, with classrooms and learning conditions adapted to support students with special needs who are capable of following the KSA national K-12 curriculum with additional support.	Diagnostic, therapeutic, and psychological services to children, adolescents, and adults.
<b>Number of facilities</b>	39 (15 more under development)	14 (6 owned SEC schools <sup>2</sup> and 8 SEC schools operating under JV agreements)	3 clinics operate under the Ministry of Health's regulations
<b>Number of specialists (2025)</b>	2,228	164	c.30
<b>Number of students/beneficiaries (2025)</b>	6,377	1,371	536
<b>Total capacity</b>	9,848	800 (owned schools)	N/A
<b>Capacity utilization (2025)</b>	65%	47% (owned schools)	N/A

<sup>1</sup> The Company's estimate.

<sup>2</sup> Including a school operated under the brand name Bridge School, providing specialized education, care, and therapeutic support.



## Residential Centers

In 2025, we licensed our first 2 residential centers. They are located in the Eastern and Southern regions of the Kingdom, selected in response to growing regional demand for specialized education and rehabilitation services.

Residential centers are designed to complement the existing SEC ecosystem by providing structured, 24-hour care and supervision for individuals who require more intensive and sustained support compared to daycare or school-based services. The

residential facilities will extend HDC's traditional model, primarily focused on daytime education, therapy, and rehabilitation.

From an operational and financial perspective, residential services will represent a new revenue stream for the Group and will broaden the scope of our offering within Saudi Arabia. From a system perspective, they strengthen the intensity and continuity of care and reduce pressure on families who require additional professional support for more complex cases. The

residential centers will also align with national priorities to expand access to specialized education and increase enrollment of students with disabilities under the National Transformation Program.

Find a detailed review of our SEC programs in [Student Experience](#)



## Higher Education

Our Higher Education business line is a cornerstone of the Group’s lifelong learning model, connecting academic achievements with employability and career readiness, and aligned with national priorities around human capital development in Saudi Arabia and the UAE. Via a combination of direct operations and strategic investments, we operate leading institutions with a strong reputation, both locally and internationally. The Group offers a career-oriented, industry-focused approach to higher education, equipping individuals with both academic expertise and the practical skillset required to successfully enter the workforce.



The Group owns Middlesex Associates, which manages and holds 100% of the economic interest in Middlesex University Dubai (MDX Dubai), as well as a 35% strategic

interest in NEMA Holding, the largest private higher education group in Abu Dhabi. MDX Dubai and NEMA Holding are the #1 players in private higher education in Dubai

and Abu Dhabi, respectively, jointly serving more than 20,000 students across 7 campuses in the UAE.



## Middlesex University Dubai (MDX Dubai)



[www.mdx.ac.ae](http://www.mdx.ac.ae)



The Global Body for Analytics

MDX Dubai's Executive MBA and Daytime Delivery MBA in AI and Business Analytics are the only MBA programmes in the UAE to be officially recognized by the Institute of Analytics (IoA)

# #1

UK university in Dubai

# 7.4%

of the UAE private higher education market<sup>1</sup>

# 6,454

▲ 14% students in 2025

MDX Dubai was established in 2005 as the first overseas campus of Middlesex University London, a globally respected higher education institution dating back to 1880. The university is operated by our subsidiary Middlesex Associates, under the framework of an agreement with Middlesex University London. In 2025, for the 5<sup>th</sup> consecutive year, Middlesex University Dubai remained the largest UK private university in Dubai.

MDX Dubai offers exceptional value to students, providing access to a high-quality UK degree at an appropriate price, complemented by vibrant campus life and an international atmosphere. Programmes follow the same curriculum and academic standards as Middlesex University London, providing students with globally recognized qualifications while studying in the heart of Dubai.

International recruitment has been key to MDX Dubai's rapidly growing student base. The number of international students has been growing at a strong 36% CAGR in 2022-2025, representing over 50% of the university's total student base today. Students and parents from more than 120 countries are selecting MDX Dubai, attracted

by the opportunity to receive a high-quality, employment-focused education, paired with access to a safe destination with strong post-graduation career prospects and superior return on their educational investment.

MDX Dubai operates a unique dual-campus model, with presence across both of the two main academic hubs in Dubai. The main campus is located in Dubai Knowledge Park, whilst selected courses are run from the Dubai International Academic City campus, conveniently located near the student accommodations. A flexible model based on progressive leasing of additional campus space allows the university to scale capacity extremely efficiently as enrollment grows, whilst minimizing capital intensity.

### Academic rankings and ratings



#34 in the UAE (2026)

Institutional licensure from the Ministry of Higher Education and Scientific Research



5★ (the highest possible rating) by KHDA<sup>2</sup>

<sup>1</sup> Euromonitor International estimates based on enrollment numbers for 2023.  
<sup>2</sup> The rating was developed in partnership with QS Quacquarelli Symonds based on the QS Star methodology that the Knowledge and Human Development Authority has tailored to universities in Dubai in 2022 (the latest available data).

## Programme Portfolio

### International Foundation Programme (IFP)

A one-year pathway designed to prepare students who do not yet meet direct entry requirements to undergraduate programmes. The programme offers six academic pathways, including Business, Psychology, Law and Politics, Media and Film, Art and Design, and Computer Science and Engineering, along with a focus on university readiness and English language.



### Center of Continuous Learning and Outreach

This platform delivers vocational training, professional development courses, language programmes, and short-term learning opportunities, supporting lifelong learning and skills development beyond traditional degree pathways. Recent programme additions in areas such as legal technology, fintech, and sports performance reflect our strong focus on employability, career development, and alignment with emerging economic needs.



### Undergraduate programmes

Three-year Bachelor's degrees are offered across six departments—Business, Science and Technology, Law, Health and Education, Media, and Art and Design—for a total of 38 programmes.



### Postgraduate programmes

One-year Master's degrees, Executive MBAs, and the highly-popular Daytime MBA.



### London Sport Institute

NEW

The London Sport Institute (LSI) was launched in 2025, offering cutting-edge education, professional training, and applied research in Sports Science. With world-class faculty, state-of-the-art facilities, and Dubai's growing sports ecosystem, we are at the forefront of advancing the region's sports ambitions.





## Associate



35% stake

### NEMA Holding Company

The Group holds a 35% stake in NEMA Holding, a leading higher-education and training group in the GCC region, headquartered in Abu Dhabi. Through this strategic investment, the Group gains exposure to private higher education in Abu Dhabi and to the regional vocational and corporate training markets. NEMA Holding is the #1 player in the higher education space in Abu Dhabi; it operates Abu Dhabi University and Liwa University,

serving over 13,500 students across 5 campuses, as well as provides corporate and vocational training.

NEMA's operations are also supported by a substantial portfolio of real estate assets. These assets provide long-term operational stability to NEMA Holdings, offer growth opportunities, and enable the generation of ancillary income streams.



4,387 ▲ 33% students in 2025

5.3% of the UAE private higher education market<sup>1</sup>

Liwa University

### Liwa University

Liwa University, operated by NEMA Holding, complements Abu Dhabi University in terms of target market and programme offering. The university operates across 2 campuses: one in downtown Abu Dhabi and a new, state-of-the-art campus in Al Ain, launched in academic year 2025/26. Liwa University currently offers over 30 degree programmes in business administration, media and communication, health sciences, and engineering. A major milestone in 2025 was the official institutional transition from a college to a university, reflected in the rebranding from Liwa College to Liwa University.

### Academic rankings 2026



#36 in the UAE



9,350 ▲ 21% students in 2025

#1 private university in Abu Dhabi

13.5% of the UAE private higher education market<sup>1</sup>

Abu Dhabi University

### Abu Dhabi University

Abu Dhabi University, operated by NEMA Holding, is a private research university with a strong academic standing and international recognition, ranked among the top universities in the UAE and the Arab world. With 3 campuses in Abu Dhabi, Al Ain, and Dubai, it offers 65 undergraduate and graduate programmes across a broad range of disciplines. ADU holds institutional accreditation from the US-based Western Association of Schools and Colleges' Senior College and University Commission (WASC), as well as strong accreditations for its business programmes, like AACSB (US) and EQUIS (Belgium).

### Academic rankings 2026



#6 in the UAE



#7 in the Arab Universities Ranking

#81 in Business and Economics

#201-250 in the World University Rankings

<sup>1</sup> Euromonitor International estimates based on enrollment numbers for 2023.



Khawarizmi Training Solutions

Knowledge Group

### Corporate and Vocational Training

Beyond degree programmes, NEMA's portfolio includes Knowledge Group, a well-established corporate training player serving premier clients in Saudi Arabia and the UAE. They offer a full range of training and professional solutions (including talent assessment, strategy consulting, and professional development) to both public- and private-sector clients across the GCC. The company's service quality is supported by partnerships with leading global institutions, including Columbia Business School and The Wharton School of the University of Pennsylvania.

In 2023, Knowledge Group has also launched EduZ, its ed-tech arm, to digitize its offerings and expand into high-quality online and blended training programmes. In 2025, Knowledge Group acquired 51% of Biz Group, one of the region's

most respected and innovative providers of corporate training, digital learning, and team building, further bolstering its offering.

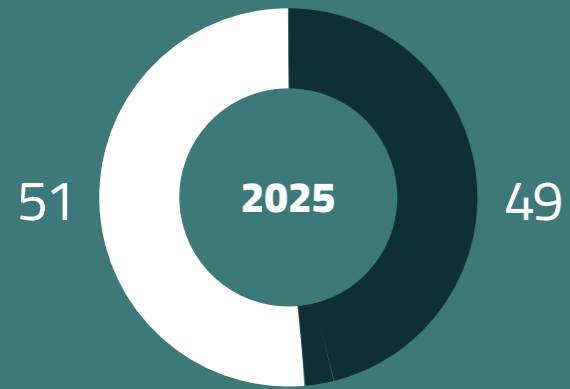
Khawarizmi Training Solutions is a leading provider of training and professional development programmes for individuals and corporate groups in information technology, business, English language skills, and other foreign languages, as well as study programmes designed to meet the needs of government and private organizations. It is accredited by the Abu Dhabi Center for Technical and Vocational Education and Training (ACTVET) and licensed to deliver national qualifications accredited in the United Arab Emirates by the National Qualifications Center (NQC).



## Geographical Footprint

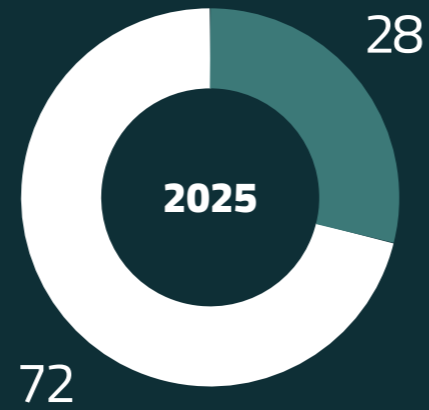
Our revenue is almost evenly distributed between the Kingdom of Saudi Arabia and the United Arab Emirates.

Revenue by country, %



■ KSA  
■ UAE

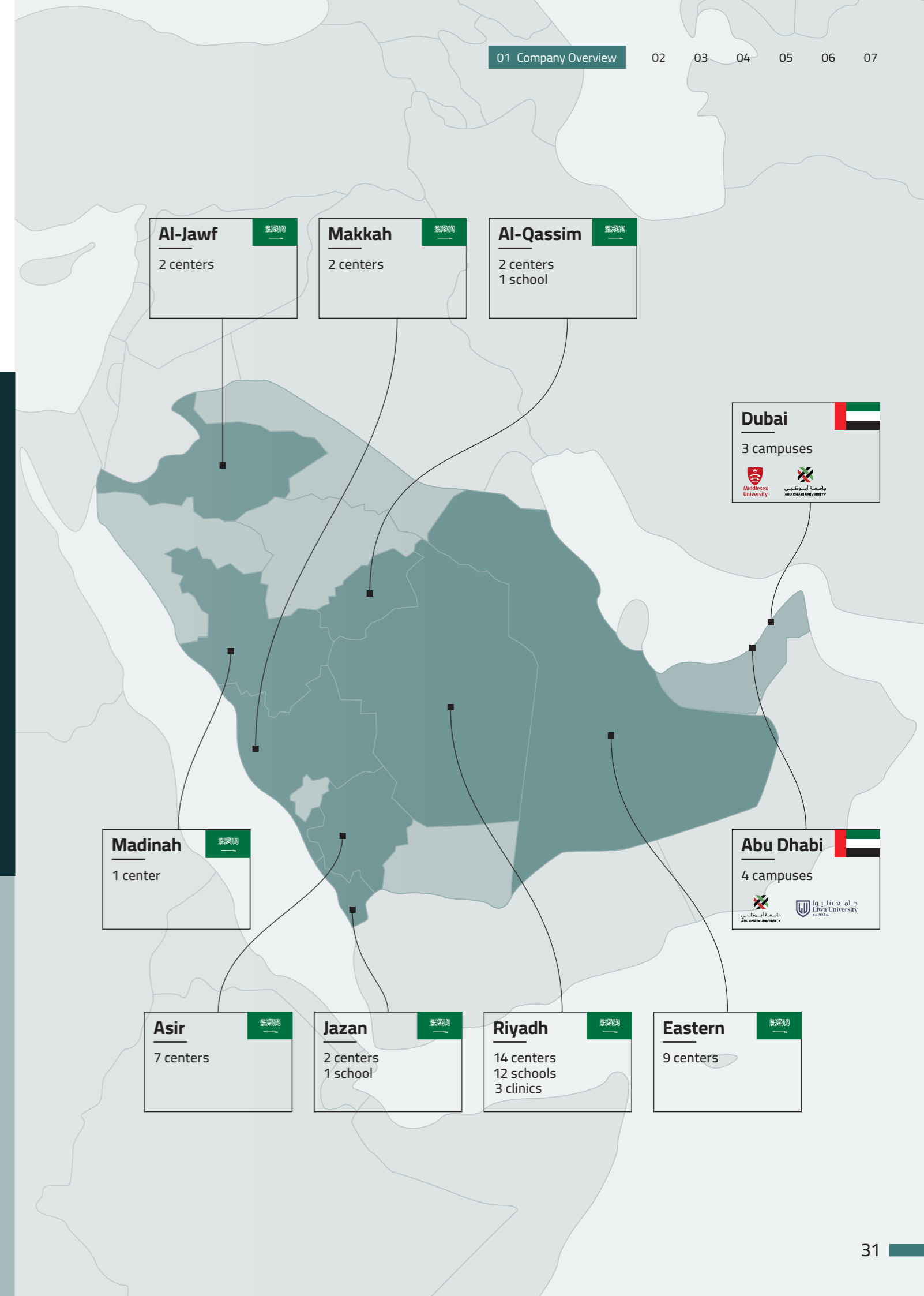
Students and beneficiaries by country, %



■ KSA  
■ UAE



Our network of education and care facilities is distributed across both countries and multiple provinces, allowing us to serve a wide range of communities.





# OUR BUSINESS MODEL: A LIFELONG EDUCATION PLATFORM

Almasar Alshamil Education operates a scalable, diversified education platform that supports learners across multiple life stages. It is anchored by two core pillars—Special Needs Education (SEC) and Higher Education—and will be complemented at the next stage by early years, K-12 school education, and lifelong learning offerings. Our cross-pollination approach enables us to leverage insights from one region to scale our offering in others.

## EARLY YEARS

## CHILDREN & TEENAGERS

## YOUNG ADULTS

## ADULTS

Education is a lifelong journey.

As learners evolve, so does our Group.

### Our Portfolio Today

Well-established, profitable education and care businesses across core markets

### Platform Expansion Over Time

Organic expansion, complemented by selective partnerships and M&A



#### Special Needs Education and Care KSA

- SEC daycare centers
- Mental health clinics
- Residential centers



Specialized services delivering education, care, and therapeutic support



#### Special Needs Education and Care UAE



#### Early Years Education and Care

Day care centers supporting early foundational development



#### Special Needs Education KSA

- SEC schools



Specialized schooling for learners requiring tailored educational pathways



#### Special Needs Education UAE



#### School Education

K-12 schools serving primary and secondary learners



#### Higher education UAE

- Universities



Degree and postgraduate education focused on employability and career opportunities



#### Higher education KSA

- Universities

A non-binding HoT agreement signed with Heriot Watt University subject to entry into a definitive agreement and obtaining the requisite regulatory approvals



#### Corporate training and professional learning UAE

- Corporate training arms



Professional and lifelong learning for corporate and institutional clients



### Future growth opportunities

### Integrated Approach

- A comprehensive quality and governance framework
- An in-house employee training and development program
- Proprietary software supporting personalized learning and outcomes
- A capital-efficient model for scalable capacity growth
- A robust and proven student acquisition and enrolment funnel



# OUR JOURNEY

Evolving into a leading integrated education platform Almasar Alshamil Education has followed a strategic programme of acquisitions and institutional launches, with key milestones charting the Company's progress.

## FOUNDATIONS AND EARLY GROWTH



### 2003

The Group's origins date back to the establishment of Abu Dhabi University (ADU) in the UAE.

### 2005

MDX launched as the first international campus of London-based Middlesex University.

### 2007

**Human Development Company (HDC) was founded by Dr. Omar Al-Mudaifer, opening its first rehabilitation center in Saudi Arabia.**



## STRATEGIC CONSOLIDATION



### 2018

**The Group acquired 100% of MDX Associates and a 35% stake in NEMA Holding Company.**

### 2022

Almasar Alshamil Education (previously known as Amanat Special Education & Care Investments LLC) was established. During the year, the Group acquired a 60% stake in HDC, while NEMA Holding acquired the remaining minority interests in Khawarizmi Holding and full ownership of Liwa College of Technology.

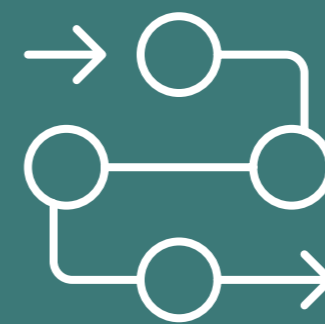


## RESTRUCTURING AND RELOCATION



### 2024

The Group completed a major restructuring, transferring ownership of all education-related subsidiaries from Amanat Holdings to Almasar Alshamil Education, and relocated its headquarters to Riyadh, Saudi Arabia.



## PUBLIC LISTING



### December 2, 2025

**Almasar Alshamil Education successfully listed 30% of its share capital on the Main Market of the Saudi Exchange (Tadawul)**





# 2025 HIGHLIGHTS

2025 marked a year of strong progress for Almasar Alshamil Education, with continued growth across both core pillars and important steps taken to strengthen the Group's scale, resilience, and long-term positioning.

## Financial Performance

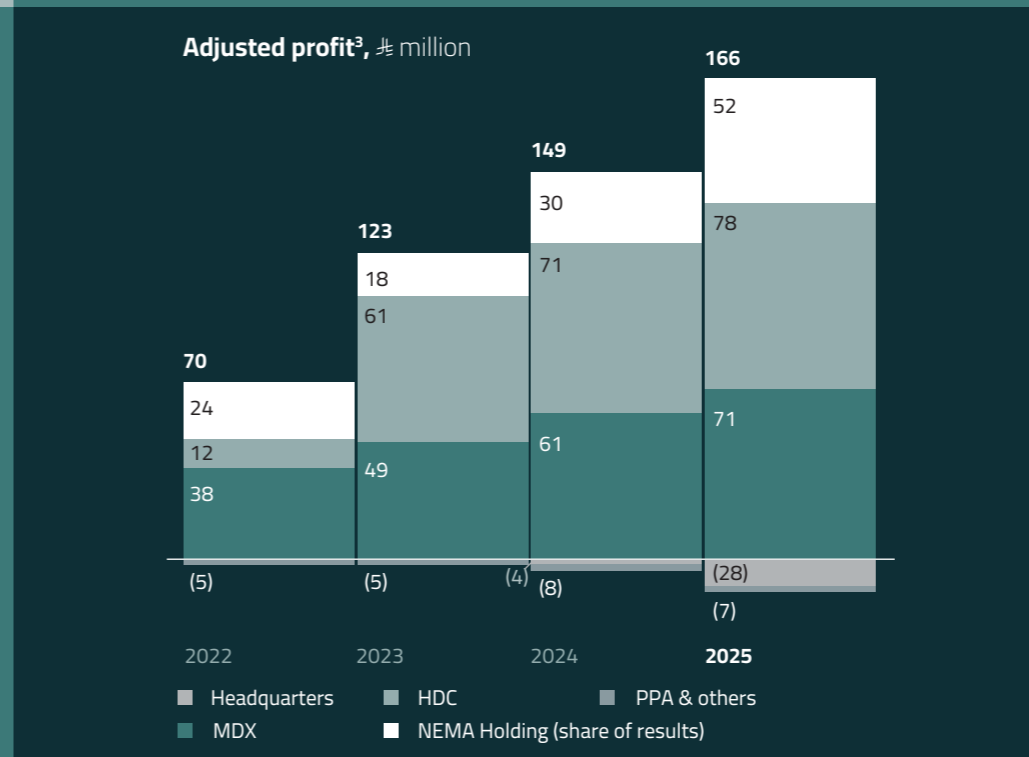
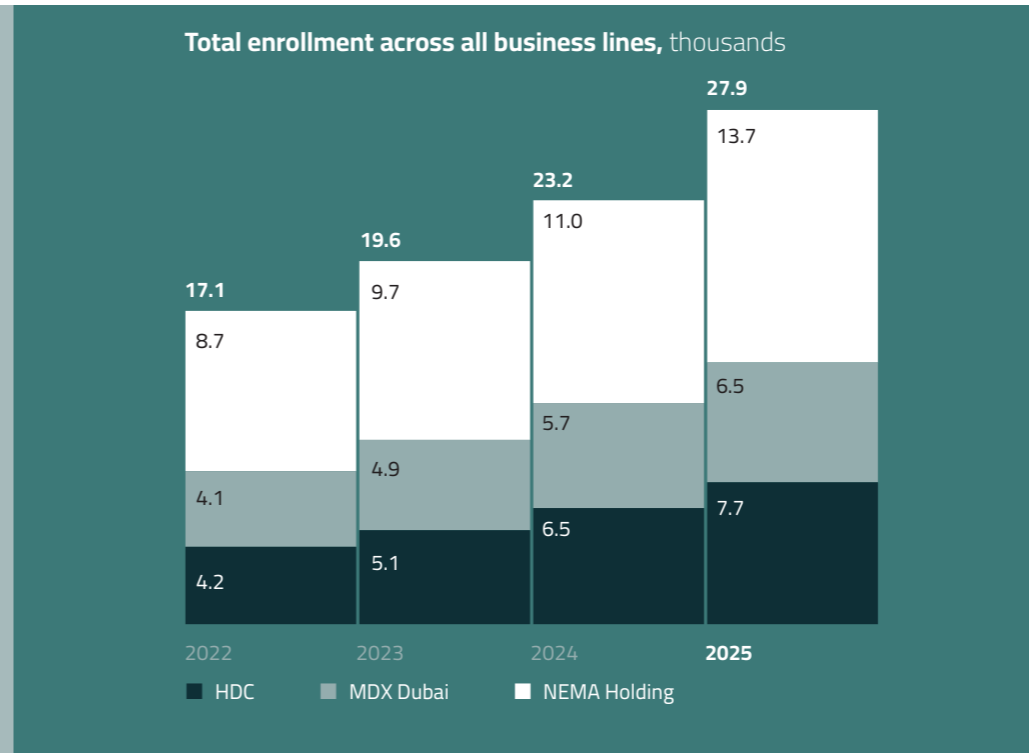
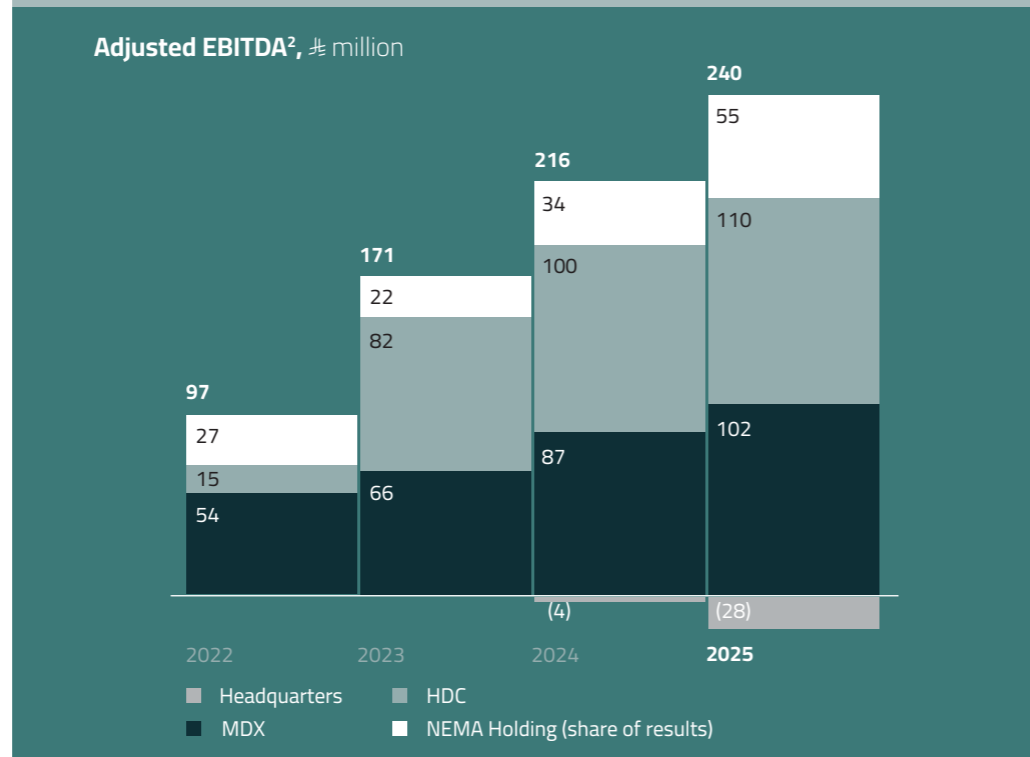
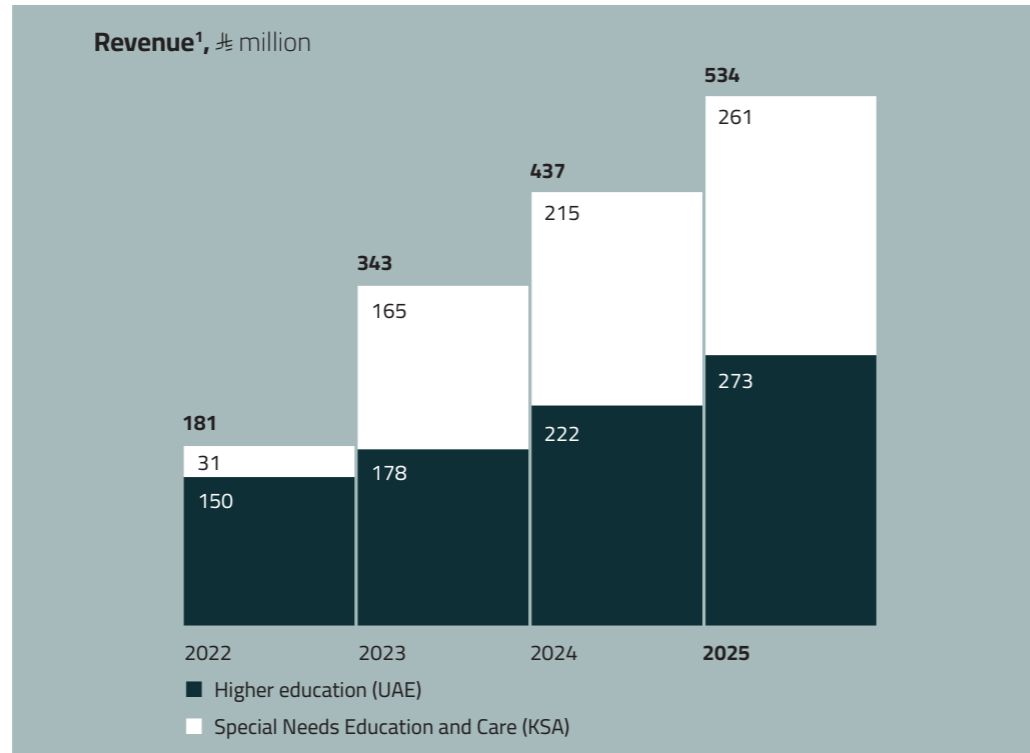
In 2025, the Group's revenue increased by 22% year over year, maintaining a strong growth trajectory. This increase was primarily driven by continued expansion in both core business lines, supported by sustained enrollment growth, international student growth at MDX Dubai, SEC network expansion, and ramp-up of existing facilities. Both Business lines, Higher Education and SEC, contributed almost equally to revenue, with a 49% and 51% share, respectively.

Adjusted EBITDA<sup>1</sup> increased by 11% year on year, driven by strong performance across all business lines, including an increase of 62% in the share of profit from NEMA. Adjusted EBITDA growth was partially offset by the establishment of the new Riyadh HQ.

Adjusted profit increased by 12% year over year, driven by the strong performance across all business lines and partially offset by the establishment of the new Riyadh HQ.

[Learn more in Financial Review](#)

<sup>1</sup> The HDC financial results are consolidated post completion of acquisition in October 2022. Accordingly, 2022 Consolidated Financial results include HDC financial results for November and December 2022.  
<sup>2</sup> Earnings before interest, tax, depreciation and amortization adjusted for the share of non-controlling interests in one-off non-recurring items and for the IPO-related expenses.  
<sup>3</sup> Net profit adjusted for the share of non-controlling interests in one-off non-recurring items and for the IPO-related expenses.

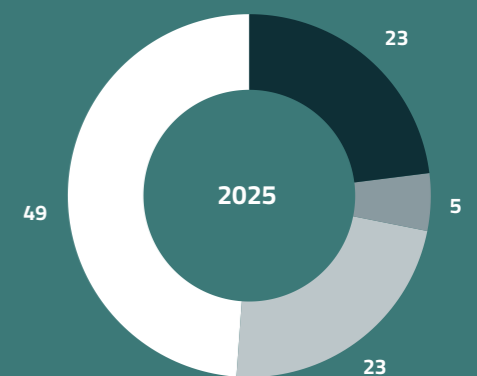


## Operational Performance

As of December 31, 2025, the total number of students and beneficiaries across the Group reached c.28,000, an increase of 20% from the previous year. The most significant contributions to this growth came from HDC Group, which experienced a year-on-year increase of 19%, and NEMA Holding, which saw a remarkable rise of 24%.

[Learn more in Operational Review](#)

Total learners' composition, %



■ HDC: SEC daycare centers  
 ■ HDC: SEC schools  
 ■ MDX Dubai  
 ■ NEMA Holding



# MAJOR EVENTS

2025 was a year of significant operational growth and academic expansion for Almasar Alshamil Education across the KSA and UAE.

## Successful IPO on the Saudi Exchange

On December 2, 2025, Almasar Alshamil Education successfully listed 30% of its share capital on the Main Market of the Saudi Exchange (Tadawul) following its initial public offering. The IPO was priced at the top end of the range at ₪ 19.5 per share, with an institutional oversubscription rate of 103x.

At the time of the listing:

- The Company achieved a market capitalization of ₪ 1,997 million at listing day
- Gross proceeds of approximately ₪ 599 million were raised through the offering, paid in its entirety to the selling shareholder, Amanat Special Education and Care Holdings Ltd and ultimately Amanat Holdings PJSC ("Amanat")

[Learn more in Shareholders' Information](#)

## Biz Group Acquisition

Knowledge Group, the learning and development arm of NEMA Education, has acquired 51% of Biz Group, a well-established UAE learning and development firm, to strengthen its regional presence and expand data-driven training and consulting solutions across the region. The acquisition enhanced offerings in digital learning and the integration of advanced technologies such as AI and virtual reality, while both companies will keep operating under their respective brands to ensure continuity for clients and partners.



## Partnership Agreement with Heriot-Watt University

In October 2025, Almasar Alshamil Education signed a Heads of Terms agreement<sup>1</sup> with Heriot-Watt University, headquartered in Edinburgh, one of the UK's leading institutions. Heriot-Watt ranks first in Scotland and second in the United Kingdom for employability and is internationally recognized for its pioneering research in robotics and AI, energy, and health and care technologies.

Under the agreed terms, Almasar Alshamil Education will serve as the financial and strategic partner in establishing Heriot-Watt University Saudi Arabia, while Heriot-Watt University will provide academic and institutional expertise. The partnership aims to deliver world-class higher education, foster innovation and research, and actively contribute to Saudi Arabia's Vision 2030 ambitions.

## Licensing of New Residential Centers

HDC obtained licenses for 2 residential centers for special education and care in Saudi Arabia, marking a significant step toward broadening its service offerings beyond daycare and school-based support. These licensed facilities will enable the Group to provide 24/7 long-term, intensive support for individuals with higher-acuity special needs, enhancing continuity of care and meeting growing demand for specialized services.

<sup>1</sup> The HoT agreement is non-binding and subject to entering into definitive agreements and obtaining the requisite regulatory approvals.

## Liwa College's Transition to Liwa University

In April 2025, Liwa College, a subsidiary of NEMA Holding, successfully transitioned to Liwa University after receiving approval from the UAE Ministry of Higher Education and Scientific Research. The transition reflected the institution's expanded academic portfolio and strengthened research capabilities. Liwa University offers over 30 programmes across business, engineering, media, and health sciences, aligned with national workforce needs and UAE higher-education priorities.

## Opening of the London Sport Institute

Middlesex University's London Sport Institute (LSI) is globally recognized as a leader in sport, exercise, and health science. Building on this legacy, the London Sport Institute in Dubai, which opened in 2025, offers cutting-edge education, professional training, and applied research in sport science. Its specialized programmes in performance analysis, strength and conditioning, and exercise science, will contribute to Dubai's sporting ambitions.

[Learn more about London Sport Institute in Dubai](#)

## Expanded AI Integration in Learning

The MDX Dubai Innovation Hub—an industry-academia collaboration platform that brings together students and enterprises to work on real-world projects in AI, data science, and digital transformation—signed a Memorandum of Understanding (MoU) with Redbrick, a leading provider of innovative software education services. The partners will collaborate on AI education and research, including internships, workshops, and hackathons. Redbrick will support MDX Dubai students in participating in real-world projects by leveraging its proprietary AI content creation platform and educational AI agent technology.



## Institutional Licensure for MDX Dubai

Middlesex University Dubai received an additional institutional licensure from the Commission for Academic Accreditation of the UAE's Ministry of Higher Education and Scientific Research, which formally recognized the campus as a higher-education institution in accordance with federal standards, while already being licensed and accredited by the Knowledge and Development Authority (KHDA) of Dubai. This milestone is a testament to the university's academic quality and alignment to the national academic quality benchmarks.





# BOARD OF DIRECTORS

➤ Refer to the **Corporate Governance** section for full biographies

The Group's Board of Directors comprises nine members with extensive experience in strategy, investment, project management, and financial control, as well as academic affairs. Its composition spans a wide range of skills and backgrounds, with the presence of three independent directors reinforcing the Group's commitment to transparent corporate governance.

**Dr. Shamsheer Vayalil**  
Chairman, Non-Executive



A physician by training with an MBBS and a PhD in Radiology, Dr. Vayalil is the founder and Chairman of Burjeel Holdings. His contributions focus on large-scale strategic leadership and institutional growth in the regional education sector.

**Kamal Abdullah Salem Bahamdan**  
Vice Chairman, Non-Executive



A Boston University graduate in Manufacturing Engineering, Mr. Bahamdan brings deep industry expertise in K-12 education and regional investment strategy.

**Dr. Ali Saeed Sultan Aldhaferi**  
Non-Executive



Holding a PhD in Business Administration from Durham University, Dr. Aldhaferi is the CEO of NEMA Holding and the Chairman of Abu Dhabi University. His expertise is critical for maintaining academic quality and managing the Group's higher education interests in the UAE.

**Dhafer Sahmi Jaber Al Ahabbi**  
Non-Executive



An economics graduate from the United Arab Emirates University, Mr. Al Ahabbi possesses extensive experience in the financial services and banking sectors across the UAE.

**Barton John Ireland**  
Non-Executive



Holding an ACA from the Institute of Chartered Accountants in Britain and Wales, Mr. Ireland currently serves as the CEO of Amanat Holdings, contributing to the Board's overall vision and strategic planning capabilities.

**Muhannad Mohammed Saud Aldawood**  
Independent



Holding an MBA from Prince Sultan University, Mr. Aldawood provides independent oversight with a focus on strategic alignment with Saudi Vision 2030.

**Fawaz Talal Abdelqadr Goth**  
Independent



An engineer and Chief Development Officer for the Saudi Events Investment Fund, Mr. Abdelqadr brings extensive expertise in large-scale project management and infrastructure development.

**Abdulwahab Al-Halabi**  
Independent



A Fellow of the Institute of Chartered Accountants in England and Wales, Mr. Al-Halabi provides the Board with independent expertise in audit, financial integrity, and risk management.

**Fadi Habib**  
Managing Director, Executive



A Chartered Financial Analyst (CFA) with a Master's in Financial Business Administration, Mr. Habib is responsible for managing the Company's day-to-day operations, ensuring disciplined strategy implementation, and strong financial oversight.



# EXECUTIVE TEAM

Almasar Alshamil Education is led by a seasoned senior executive team with a strong track record of strategic planning and execution. The leadership combines deep regional industry expertise with management skills that have consistently delivered growth outpacing the market.

## Almasar Alshamil Education



**Fadi Habib**  
Managing Director

Mr. Habib previously served as Chief Investments Officer at Amanat Holdings, where he oversaw the health and education portfolios that now form the core of the Group.

20+ years of experience



**Majed Bejed Sudhan Almutairi**  
Chief Executive Officer

Mr. Almutairi brings significant leadership depth from his time as CEO of CareTech (SEC sector), GEMS MENASA Education, and Maarif Education. His result-oriented approach is further evidenced by his former role as Director General of Saudization at Saudi Aramco, where he managed large-scale human capital initiatives.

30+ years of experience



**Khalid Mohammed Abdullah Alsubaie**  
Head of Internal Audit

Mr. Alsubaie has over 10 years of experience in internal audit, risk management, and regulatory compliance, having held senior roles at American Express Saudi Arabia, SPARK, Deloitte, and Johns Hopkins Aramco Healthcare, where he led audit functions and strengthened governance and control frameworks.

10+ years of experience



**Dr. Omar Ibrahim Abdullah Al-Mudaifer**  
Chairman and CEO of HDC and HRC

A senior consultant psychiatrist and the founder of HDC, Dr. Al-Mudaifer has made an invaluable contribution to the Group's SEC operations. His expertise in child psychiatry and family therapy laid the foundation for Human Development Company (HDC) and continues to drive the Group's leadership in specialized care.

35+ years of experience



**Prof. Cedwyn Joseph Fernandes**  
Pro-Vice Chancellor, Middlesex University; Director, Middlesex University Dubai

Prof. Fernandes is a Pro-Vice Chancellor of Middlesex University Dubai. He is credited with playing a pivotal role in expanding MDX Dubai into the largest UK university in the Emirate, with a focus on international student recruitment and academic excellence.

35+ years of experience



**Ahmad Gamal Eldin**  
Chief Financial Officer

A fellow of the American Association of Management Accountants, Mr. Ahmad has served as CFO at Magrabi Healthcare, Cleopatra Hospitals Group, and Egypt Foods, demonstrating a consistent focus on financial integrity and operational efficiency in complex B2C sectors.

30+ years of experience



**Abdullah Alsaeed**  
Investor Relations Director

Mr. Alsaeed is a capital markets and investor relations professional with extensive experience in engaging institutional investors across listed companies in Saudi Arabia. He brings deep expertise in market communication, governance, and stakeholder transparency, supporting Almasar Alshamil Education in strengthening its relationship with the investment community.

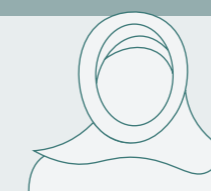
15+ years of experience



**Akram Elsayed Aly Abdel Razek**  
General Counsel

Mr. Abdel Razek has long-standing legal experience, including serving as Legal Counsel at Astellas Pharma and Director of Legal Affairs at PepsiCo. His expertise ensures that the Group successfully navigates complex regulatory environments across multiple GCC jurisdictions.

18+ years of experience



**Safia AlDayel**  
HR Director

Ms. AlDayel is an experienced HR leader with over 10 years of expertise in organizational development, talent management, performance management, and Saudization compliance, having held senior roles across leading education and corporate organizations in the Kingdom.

10+ years of experience



**Felicity Preston**  
Chief Operating Officer, Middlesex University Dubai

A professional senior Chartered Marketer, higher education marketing expert, strategist, and operations leader, Ms. Preston brings extensive leadership experience across public and private sector institutions, driving strategic growth, institutional positioning, and operational excellence in international higher education.

18+ years of experience



**Prof. Ghassan Aouad**  
Chancellor, Abu Dhabi University

The Chancellor of Abu Dhabi University, with extensive experience governing academic bodies in the United Kingdom and the GCC, Prof. Aouad is one of the top academic leaders shaping higher education in the Middle East.

30+ years of experience

## Verticals



# INVESTMENT CASE

Almasar Alshamil Education is an integrated specialized education platform in the Gulf region, offering investors exposure to high-growth business lines through a disciplined, scalable, and capital-efficient business model.

## Operating in high-growth, underserved education segments

The Group operates in sectors benefiting from powerful structural tailwinds. The GCC is among the fastest-growing education markets globally, supported by strong economic growth, favorable demographics, and high government expenditure on education, underpinned by national agendas such as Saudi Vision 2030 and the UAE Vision 2031. Almasar Education is uniquely positioned to benefit from these growth opportunities as the largest private SEC operator in KSA, tapping into a large market of almost 100,000 underserved SEC beneficiaries and a potential market of 1.5 million learners<sup>1</sup>.

The Company is also the largest private higher education provider in the UAE, where the number of higher education students is projected to grow at a CAGR of 6% to reach 240,000 by 2028.

## Market leader in its target segments

The Group operates a diversified portfolio of 39 SEC daycare centers, 14 SEC schools, 3 universities, and 3 clinics, serving c. 28,000 students and beneficiaries in 2025. It owns the clear market leaders in the attractive segments it operates in. All these factors support the Group's leading position and ability to consolidate market share over time.

[Learn more in Market Review](#)

## Strong focus on inclusive, high-quality education and human capital development

The Group's approach is built on a student- and beneficiary-centric philosophy, with programmes designed to address individual needs and evolving aspirations. Curricula are continuously updated to reflect international standards, industry requirements, and best practices, while outcomes are closely monitored. The quality of our institutions is evidenced by ratings from national regulators and solid positions in international rankings.

[Learn more in Student Experience](#)

## Strong financial growth with healthy margins and a focus on shareholder value

The Group has delivered strong and consistent financial performance over the years, with rapid revenue growth driven by expansion and rising enrollments (18% CAGR 2022-2025), alongside equally fast adjusted EBITDA growth (35% CAGR 2022-2025). Strong cash position as of year-end (AED 339 million in 2025), along with a conservative leverage profile, enables the Group to fund high ROI growth plans while selectively pursuing value-generating M&A opportunities.

[Learn more in Financial Review](#)

## Scalable, asset-light business model

Almasar Alshamil Education benefits from a scalable, asset-light business model, enabling continuous expansion with limited capital expenditure. Scale is supported by a comprehensive quality governance and operational management framework that ensures consistent, high-quality project delivery across all locations within each business line.

## Experienced leadership and visionary Board

Almasar Alshamil Education is led by a seasoned executive team with deep expertise and a proven track record. The leadership team is further supported by an experienced Board of Directors with strong regional and industry knowledge, providing effective oversight, strategic guidance, and advocacy as the Group embarks on its new chapter as a publicly listed company.

[Learn more in Corporate Governance](#)

**#1**  
private SEC provider  
in KSA

**#1**  
private provider  
of higher education  
in the UAE

**AED 2.4 billion** <sup>Ⓢ 17% CAGR</sup>  
the projected SEC market  
in KSA by 2028<sup>2</sup>

**AED 10.7 billion** <sup>Ⓢ 11% CAGR</sup>  
the projected higher  
education market  
in the UAE by 2028

**39 A+**  
MHRSD-rated  
HDC daycare centers

**5★**  
MDX Dubai's rating<sup>3</sup>

**+22%**  
revenue growth in 2025

**58%**  
dividend payout (2025)<sup>4</sup>

**4** daycare centers  
and **4** schools  
opened in 2025

**2** residential centers  
were licensed

**33%**  
of the Board are  
independent directors

**20+** years  
average executive team  
experience

<sup>1</sup> Source: Euromonitor International estimates based on disability prevalence data.  
<sup>2</sup> Source: Euromonitor International estimates.

<sup>3</sup> The KHDA Rating of International Higher Education Institutions (2022).

<sup>4</sup> Based on the dividend amount for 2025 proposed by the Board of Directors to be approved at the General Assembly of Shareholders, as a percentage of the profit attributable to shareholders.



# SHAREHOLDERS' INFORMATION

Almasar Alshamil Education's successful initial public offering (IPO) on the Saudi Exchange (Tadawul) marked a major milestone in the Company's evolution. The listing reflected the Company's scale and long-term growth ambitions, opening its value creation journey to a broader investor base.

## The IPO

The IPO consisted of a secondary offering of 30% of the Company's issued share capital, equivalent to 30,720,400 ordinary shares, all sold by the Selling Shareholder, Amanat Special Education and Care Holdings Ltd. As a result of the offering, Almasar Alshamil Education did not receive any of the ₪ 599 million of proceeds generated with net offering proceeds distributed entirely to the Selling Shareholder after deducting offering-related expenses. At listing, the Company achieved a market capitalization of ₪ 1.997 billion, with Amanat Holdings PJSC remaining the majority shareholder with a 70% ownership stake.

The IPO was structured to attract a broad investor base across both institutional and retail segments. Participating parties included institutional investors such as investment funds, corporate entities, Qualified Foreign Investors (QFIs), and foreign strategic investors (FSIs). Individual subscribers comprised retail investors, including Saudi nationals, GCC nationals, and non-Saudi residents in the Kingdom.

Investor demand for the offering was exceptionally strong. The institutional tranche generated an order book of approximately ₪ 62 billion, representing an oversubscription

rate of 103x, while the retail tranche attracted nearly 95,700 individual investors, achieving a 1.21x oversubscription rate.

By December 31, 2025, the Group's share price increased by 28% compared to initial offering of ₪ 19.5, reflecting high investor confidence in Almasar Alshamil Education's business model, market positioning, and long-term growth strategy.

**103<sub>x</sub>**  
institutional tranche oversubscription rate

**95,700**  
individual investors participated in the IPO

### Share Information

**Listing date:**  
December 2, 2025

**Exchange:**  
Saudi Exchange (Tadawul) – Main Exchange

**Symbol:** 6019

**ISIN:** SA56DG9IU1H8

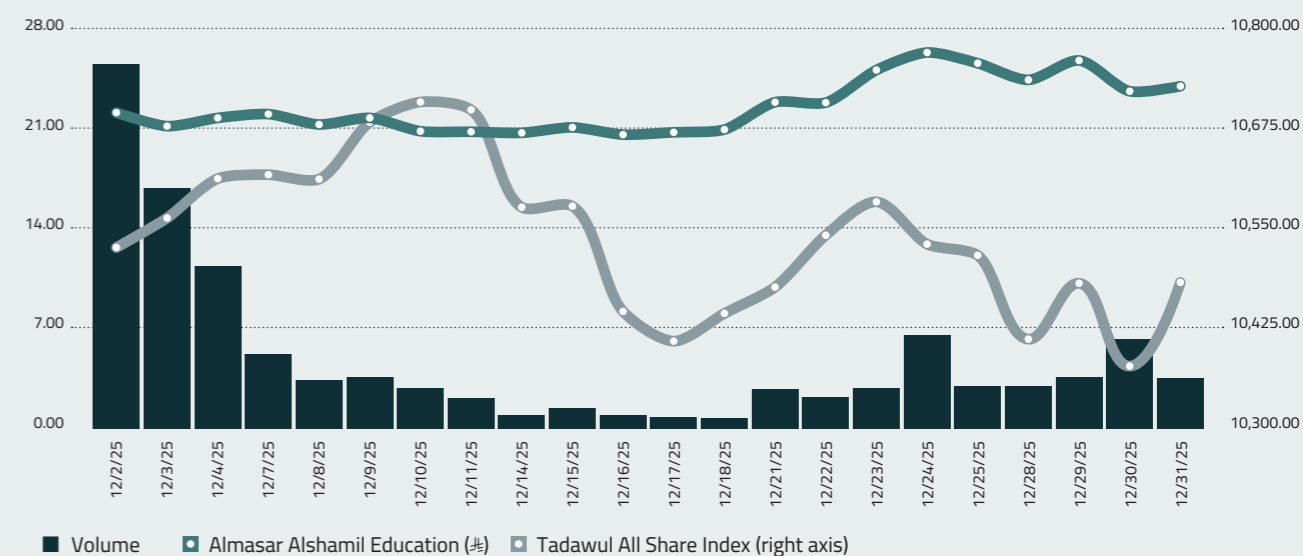
**Number of shares as of December 31, 2025:** 102,401,332

**Closing price as of December 31, 2025:** ₪ 25.02

**Market capitalization as of December 31, 2025:** ₪ 2,562,081,326.64

### Share price

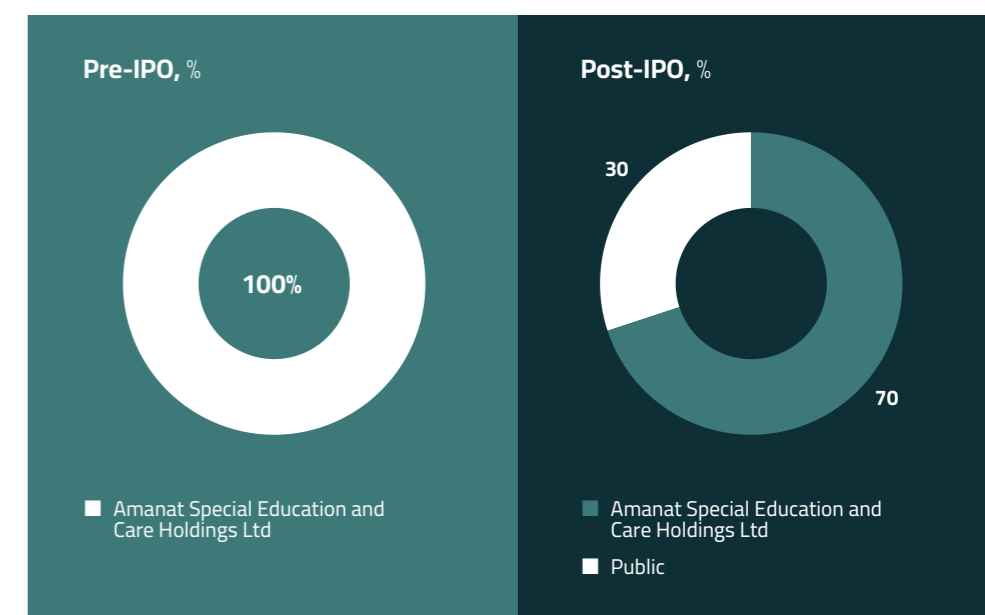
Open 18.40 Close 25.02 High 27.48 Low 21.48



## Share Ownership

Almasar Alshamil Education's ultimate ownership is attributed to Amanat Holdings PJSC (DFM: AMANAT), the GCC region's leading listed operator of healthcare and education assets. Amanat's own shareholder base is diversified across institutional, sovereign, and public investors.

↗ For the full ownership information, refer to **Corporate Governance**



## Dividend Policy

Almasar Alshamil Education follows a balanced dividend policy that supports sustainable growth while creating long-term value for shareholders. In recommending dividends, the Board of Directors considers a range of factors, including historical and projected earnings and cash flow, capital and financing needs for organic

and inorganic expansion, zakat and tax obligations, prevailing market and economic conditions, and restrictions under existing financing arrangements.

The Company did not declare or distribute any dividends for the financial years ended December 31, 2022, 2023, and 2024.

For the financial year ended December 31, 2025, the Board of Directors proposed a cash dividend of ₪ 75 million (58% of the profit attributable to equity shareholders), equivalent to ₪ 0.73 per ordinary share, which is subject to the approval of the shareholders at the forthcoming Annual General Assembly Meeting of the Company.



# STRATEGIC REVIEW



## Planning Precisely. Delivering with Confidence.

Almasar Alshamil Education operates at the intersection of evolving education markets and long-term societal needs. Through a clear understanding of market dynamics, a focused growth strategy, and disciplined execution, the Group strengthens its operations, enhances the student experience, and combines operational excellence with investment in advanced digital solutions.

All aspects of our strategy and operations reflect this approach.

**+20%**  
increase in total  
enrollment in 2025



# MARKET REVIEW<sup>1</sup>

The GCC region is among the most attractive and fastest-growing education markets globally. Supported by national agendas such as Saudi Vision 2030 and the UAE 2031 Vision, as well as government strategies including “Study in Saudi Arabia” and the National Strategy for Higher Education 2030 in the UAE, it is positioned for double-digit growth over the next few years.

## Saudi Arabia

Saudi Arabia’s demographics support long-term growth across all education segments. The country’s population reached 32.7 million in 2023, representing more than half of the GCC total, and remains notably young, with 44% under 30 (above the GCC average). Demand is reinforced by rising female workforce participation (35% in 2023) and a high urbanization rate (87% in 2023), both of which increase household investment in education.

### Special Needs Education and Care

The Special Needs Education and Care (SEC) sector is one of the fastest-growing segments in Saudi Arabia’s education sector. It spans two main areas:

- Full-integration education in SEC schools (mild cases).
- Daycare centers (mild-to-moderate cases).

Inclusivity is a national priority under Saudi Vision 2030, which is supported by initiatives such as the “Inclusive Learning Journey” and partnerships focused on early detection and treatment. It is guided by the Human Capability Development Program, alongside the Education Strategy and the National Transformation Program, which aims to expand the number of students receiving special education services.

Despite this, there is still a significant unmet demand. Out of a potential base of nearly 1.5 million students with disabilities in 2024, only 12% were diagnosed. Of those diagnosed, fewer than half were enrolled in special-needs educational institutions. Overall, only around 6% of individuals estimated to need SEC services were enrolled in institutions (over 93,000 in 2024).

The gap is created by underdiagnosis and cultural stigma. But as awareness campaigns expand and diagnostic tools improve, acceptance is expected to increase, and the share of students enrolled in special needs education among those diagnosed is projected to rise to 64% by 2028.

Public SEC institutions provide services free of charge to Saudis and some eligible non-Saudis. Private institutions, which account for nearly 40% of total SEC enrollment (primarily daycare centers), charge fees that vary by disability type and service intensity. These costs are largely supported by government subsidies,

with additional reimbursements for specialized services such as speech and occupational therapy. Reimbursement levels are linked to the government’s quality rating framework, encouraging providers to invest in facilities and specialized staff. The highest-rated institutions (A+ grade) can charge the highest reimbursable fees.

SEC enrollments are forecast to grow at a 9% CAGR from 2023 to 2028. Such growth is led by the private daycare center segment, which is expected to expand at a 13% CAGR. Overall, the private sector is projected to account for 47% of total SEC enrollment by 2028.

A crucial development is the government’s initiative to privatize the special education sector by transferring 8,000 SEC beneficiaries from the public sector. The strategy aligns with the Saudi government’s broader aim of expanding privatization across both special and mainstream education to enhance quality and accessibility. New regulations are being finalized, creating a \$1 billion opportunity for the private sector.

Over the medium term, privatization may extend to residential care units, where industry experts estimate potential annual value pools up to 6x the per-resident reimbursable fee compared with other SEC segments. These centers offer 24-hour residential services for beneficiaries

with higher acuity, addressing a variety of complex special needs requiring inpatient residential care.

### The Group’s Positioning

Saudi Arabia’s SEC market is highly fragmented, consisting primarily of government-run schools and numerous small private operators with a single branch each. In this landscape, the Group’s Human Development Company (HDC) is the only large-scale private operator and the clear market leader in Saudi Arabia’s SEC sector.

HDC serves approximately 10.4% of all enrolled students with disabilities and accounts for over 10% of the tuition revenue of private SEC institutions. Its high ratings (A+) enable the Group to maximize reimbursement under the subsidy system while meeting parents’ increasing expectations for high-quality, outcomes-driven care.

The Group plans to capitalize on opportunities in this growing market and the upcoming privatization. The latter creates opportunities for skilled operators to take on management roles, expand services in underserved regions, and enhance quality standards in areas where HDC has a proven track record and established infrastructure to respond effectively. Also, the Group intends to further expand in the residential center segment, with the first two centers already licensed in 2025.



<sup>1</sup> All the data in this section are based on the Euromonitor International independent market study, commissioned by the Company, unless stated otherwise.



## Mainstream School Education (K-12)

In 2023, the teen and young adult cohort in KSA totaled 8.2 million (more than half of this age group across the GCC). Saudi Arabia's school system is highly centralized and largely public, regulated by the Ministry of Education (MoE). The Kingdom has approximately 30,000 schools, and the government provides free education, along with stipends, subsidies, and student benefits. Public schools continue to dominate, accounting for 90% of the student base. Private schools are growing in popularity but remain a smaller part of the system.

Under Vision 2030, the K-12 sector<sup>2</sup> is undergoing reforms focused on quality and modernization. Key initiatives include teaching English from first grade, introducing new subjects, and strengthening assessment through national frameworks such as the National Assessment of Educational Progress. In parallel, the MoE is implementing an Independent Schools model, granting public schools greater autonomy in management and decision-making to improve performance and open the path for private investment.

### The Group's Positioning

Saudi Arabia presents a significant opportunity for the private sector to enhance its role in K-12 education.

The Kingdom has one of the lowest private-school enrollment rates in the Gulf region, with only about 15% of students enrolled. An expected increase in private-sector penetration, along with an influx of expatriates and the Kingdom's goal of becoming a hub for international students, could be key growth drivers in this segment. In light of these supportive market trends, Almasar Alshamil Education continues to evaluate opportunities to enter the K-12 market.

### Higher Education

The higher education sector in Saudi Arabia had over 1.7 million enrolled students in 2024, making it the largest in the GCC and nine times the size of the UAE's total student population. That year, Saudi Arabia had 15 private universities and 24 private colleges, accounting for 57% of total higher education institutions (HEIs) but only 15% of total enrollment.

The MoE is actively working to reduce reliance on government-funded studies abroad. The government is also taking steps to privatize and modernize the HEIs. Key initiatives include performance-based teacher career pathways, national evaluation frameworks such as the National Assessment of Educational Progress and the National Assessment Program for University Achievement,

and modernized curricula introducing new subjects aligned with labor market needs.

The Human Capability Development Program reinforces higher education reform through ambitious targets, including placing six Saudi universities among the world's top 200 and increasing Saudization of highly skilled jobs. These opportunities remain prominent in fields like Business, Engineering, and IT, where private institutions compete with public universities through globally accredited programmes. The Saudi government's strategy to transition from a service provider to a regulator in education is also encouraging the private sector, which is projected to grow at 7% CAGR in 2023-2028.

### The Group's Positioning

Almasar Alshamil Education's experience in operating transnational university models in the UAE ideally positions the Group to contribute to this next phase of market development in the Kingdom of Saudi Arabia, with initial steps already underway. In 2025, the Group signed a Heads of Terms agreement with Heriot-Watt University, a leading UK higher education institution, for the opening of Heriot-Watt University Saudi Arabia, subject to entry into definitive agreements and obtaining requisite regulatory approvals.

## The United Arab Emirates

The UAE education market is one of the most attractive and mature in the GCC. The country's population reached 9.7 million in 2023, with young adults aged 18-29 accounting for 18% of the total, creating a robust higher-education pipeline.

More than 40% of UAE residents earn over USD 30,000 annually, creating greater affordability and a stronger willingness to invest in high-quality education. Female workforce participation reached 55% in 2023, among the highest in the GCC region. Increased female representation in business and Science, Technology, Engineering, and Mathematics (STEM), as well as legislative reforms that promote equal pay and corporate governance participation, stimulate women's demand for higher education.

### Special Needs Education and Care

Special needs education and care in the UAE are delivered across both public and private schools and are integrated into the broader K-12 system. While public institutions play a key role, private providers become increasingly important, particularly in delivering specialized services and implementing the best international practices.

Regulatory oversight and quality assurance are strengthening as the UAE moves toward a more unified national framework for education standards, inspection, and monitoring. Recently, the government has sought to encourage more private providers under programmes such as the 2020 Inclusive Education Policy.

### Mainstream School Education (K-12)

The UAE's K-12 education system is delivered through a mix of public and private schools, with both sectors also serving students with special needs. Public schools provide free and compulsory education to Emirati nationals and charge fees to expatriate students. Private schools are the largest segment that dominates the expatriate market and are increasingly attracting Emirati families, offering a wide range of curricula, including British, IB, American, Indian, and other international systems. Private sector participation is actively encouraged as part of the UAE's strategy to become a global education destination. In fact, Dubai's private international school market is one of the largest amongst global cities.



<sup>1</sup> It comprises 12 years of primary and secondary education, typically starting at five or six years.



### The Group's Positioning

Expansion into the SEC sector in the UAE is one of the new growth pathways the Group is exploring (see the Strategy section). The Group believes that HDC can leverage its extensive expertise and proven business model to enhance the scope and effectiveness of the SEC provision in the UAE.

### Higher Education

The UAE is increasingly emerging as an important hub for higher education, both regionally and internationally. The UAE hosts more than 70 higher education institutions, including federal public universities that offer free education to Emirati students (UAE University, Zayed University, and Higher Colleges of Technology), local private institutions, and numerous international branch campuses (IBCs). It is relatively

concentrated, with the top five institutions accounting for over 46% of enrollments in 2023. The Ministry of Higher Education and Scientific Research (MOHESR) oversees the higher education institutions at the federal level, alongside emirate-level authorities such as ADEK (Abu Dhabi Department of Education and Knowledge), KHDA (Knowledge and Human Development Authority – Dubai), and the Dubai Education Council, with quality assurance supported by bodies such as the University Quality Assurance International Board (UQAIB).

Private institutions attract students through flexible admissions, internationally accredited programmes, strong English-language instruction, industry alignment, and global mobility opportunities. The international student cohort is growing fast, especially in Dubai, drawn primarily from Asia and Africa. The UAE's favorable visa regime, safety profile, and strong job market further

support this trend, with international student numbers expected to grow at double-digit rates through 2028.

Private enrollments, which exceeded 74,000 in 2024 (approximately 40% of total enrollment), are expected to grow at a 10% CAGR through 2028, reaching 104,000 students. The private higher education market size over this timeframe is expected to grow at a 10% CAGR, surpassing \$7 billion in 2028.

### The Group's Positioning

Almasar Alshamil Education is a leading player in the UAE's private higher education market through its portfolio of Middlesex University Dubai (MDX Dubai), Abu Dhabi University, and Liwa University. In 2023, the Group accounted for an estimated 26% of private higher education enrollments, making it the largest private higher education provider in the country. The Group's market position was consolidated by a strong track record in international student recruitment—especially at MDX Dubai—which helped broaden the student base, partly reducing reliance on domestic enrollments and delivering superior growth rates relative to the rest of the market.

# STRATEGY

The Group's strategy is grounded in market insight and our understanding of evolving education demands. It is designed to capture new opportunities in attractive, growing segments while building on Almasar Alshamil Education's established strengths and leading market positions.

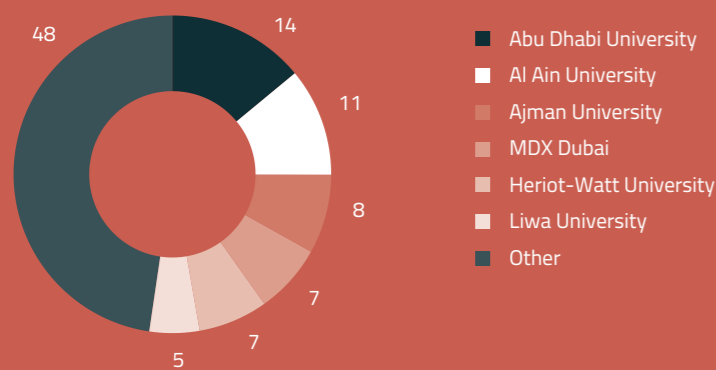
Our strategy is based on four clearly defined pillars. For each strategic pillar, a focused implementation plan was developed, tailored to specific geographic markets and operational

segments. Disciplined, step-by-step strategy execution in 2025 brought us closer to our ultimate goal—to become an end-to-end education

company delivering lifelong learning opportunities and offering special-needs provision across all platforms.



Key private higher education players in the UAE<sup>1</sup>, %



<sup>1</sup> Market shares based on enrollments in 2023.



### 1. Ramp-up of existing facilities

#### Objectives:

Accelerate ramp-up and maximize capacity utilization in our SEC facilities, ensuring consistent quality through an appropriately-trained workforce.

#### Strategy implementation in 2025:

- Ramp-up of existing facilities contributed c. 80% of total growth in beneficiaries in 2025.
- Average capacity utilization improved to c. 65% vs. 57% in 2024 for existing facilities, with a significant potential for further ramp-up.
- New centers typically require an average of 24 months to ramp to a mature level.
- Extensive in-house training system allows for rapid staff increase, access to a wider talent pool, and consistent quality as we scale.
- The proprietary Rehadox software automates programmes and monitors outcomes, ensuring smooth processes and high quality as the network expands.

### 2. Launch of new SEC facilities

#### Objectives:

- Expand the SEC network by launching new daycare centers and schools.
- Focus on underserved locations by replicating a proven, high-quality model, supported by advanced facilities and skilled staff.

#### Strategy implementation in 2025:

- 3 new fully-owned SEC schools, 1 SEC school under JV agreement, and 4 daycare centers were opened.
- 15 new facilities are under development.
- The total number of students and beneficiaries across HDC Group increased by 19%.
- Standardized facilities' roll-out procedure allowed for scalability and created a stable project pipeline.

### 4. New growth initiatives

#### Objectives:

- Expand into 24/7 residential SEC services in KSA.
- Explore expansion to new attractive segments that have a strategic fit with our existing business segments, including early years and K-12.
- Explore opportunities for value-accretive add-on acquisitions within the existing business lines.
- Leverage existing experience to expand into the higher education segment in KSA.
- Use established know-how and business models to further expand into the wider GCC region.

#### Strategy implementation in 2025:

- 2 new residential centers were licensed to pave the way to expanding the residential center segment.
- The Group signed a non-binding Heads of Terms agreement with Heriot-Watt University for the establishment of Heriot-Watt University Saudi Arabia.

### 3. Increasing enrollment in higher education

#### Objectives:

- Further expand and deepen the reach of our international student recruitment engine, through targeted marketing efforts, in-country events, and developing relationships with top-performing agents.
- Drive further growth in the domestic market through early student engagement and effective marketing campaigns.
- Enhance our offering through innovative programmes catering to the future market needs and national economic priorities.

#### Strategy implementation in 2025:

- Total university student enrollment across all institutions, including MDX Dubai, Abu Dhabi University, and Liwa University, grew by 21% year-on-year.
- MDX Dubai continued to successfully execute on its strategy, resulting in a 14% increase in its student base to 6,454 and consolidation of the #1 position in the Dubai private higher education market.
- The number of international students increased by a record 34% in MDX Dubai, to represent 51% of total students in this university (+8% compared to 2024).
- Launch of the London Sport Institute (LSI).
- Launch of new cutting-edge programmes in high-demand fields, such as health sciences, sports, cybersecurity, data analytics, fintech, and legal technology.
- New in-demand courses aligned to regional trends were introduced, mirroring current and future job market needs, such as the MBA and Bachelor of Arts (BA) in Business Management (Tourism and Events).



## Outlook

In the field of **Special Needs Education and Care**, our focus over the next few years will be on building capabilities and ensuring that every beneficiary receives consistent support, regardless of location. We anticipate our development will center on three key areas:

- Expanding access across the Kingdom in response to increasing demand.
- Strengthening specialized expertise in therapy, education, and care.
- Utilizing technology to ensure consistency and measurable outcomes throughout the network.

At the same time, we aim to foster a broader shift in the perception of Special Needs Education and Care. Our goal

is to reduce stigma, promote greater awareness and enhancement of early detection and diagnosis, and establish clearer pathways that help learners advance in education, training, and societal participation.

In the coming years, our priority in the **Higher Education** segment will be to pursue sustainable growth while maintaining academic quality and institutional strength. We will focus on strengthening our existing institutions, expanding programmes with clear demand and job-market relevance, and investing in our faculty, infrastructure, and the overall student experience. Our approach to growth will be ambitious yet disciplined, preserving margins and capital efficiency while focusing on long-term value creation.

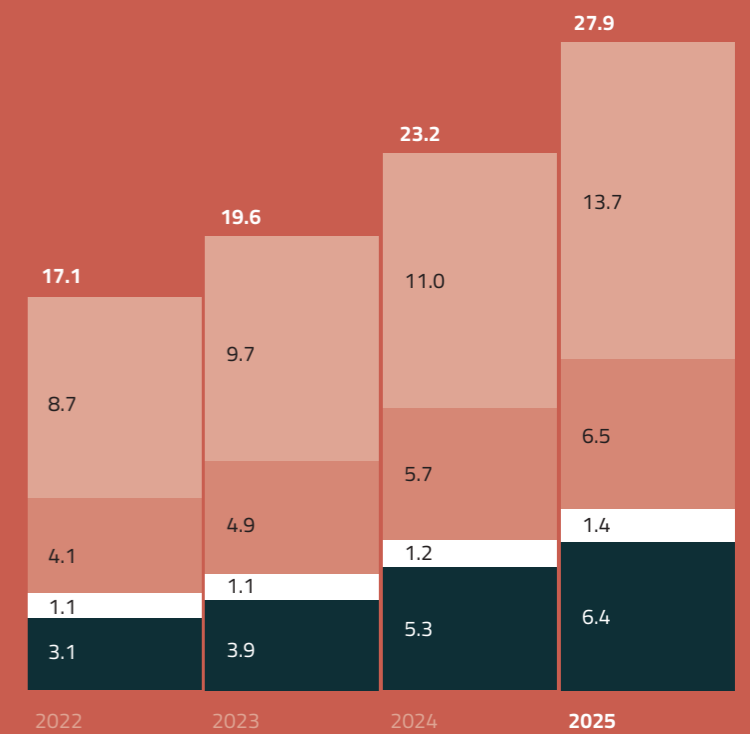
We will continue to align our efforts with national priorities in Saudi Arabia and the UAE, particularly in skills development, employability, and international competitiveness. Our progress is measured not only by enrollment numbers but also by key outcomes, such as the development of transferable and usable skills, graduate success, academic reputation, and the success of our partnerships. When considering expansion into new regions or segments, factors such as demand trends, competitive landscape, regulatory environment, and long-term relevance, will be pivotal in the decision making process.

## OPERATIONAL REVIEW

In 2025, Almasar Alshamil Education expanded its physical footprint, increased enrollment across all business lines, and advanced its strategy of delivering inclusive, high-quality education through a scalable, asset-light operating model.

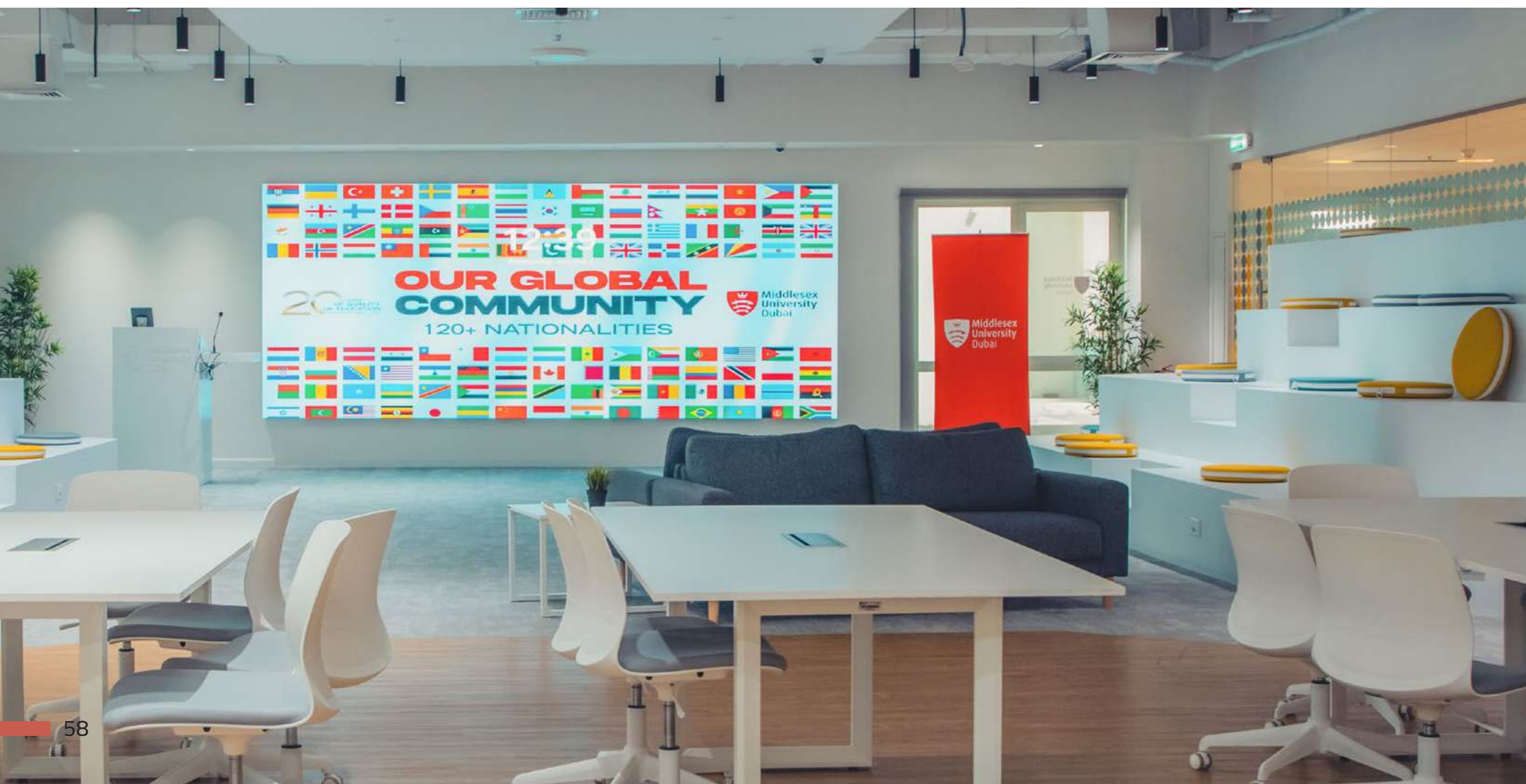
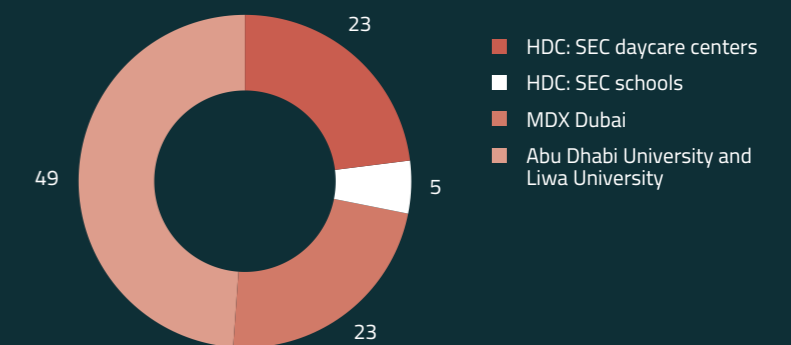
By the end of 2025, Almasar Alshamil Education served nearly 28,000 students and beneficiaries across both Special Needs Education and Care (SEC) and Higher Education business lines, representing a 20% increase from 2024.

Total enrollment, '000



■ Beneficiaries (SEC daycare centers)
 ■ MDX Dubai
 ■ Students (SEC schools)
 ■ NEMA Holding

Learners' composition (2025), %





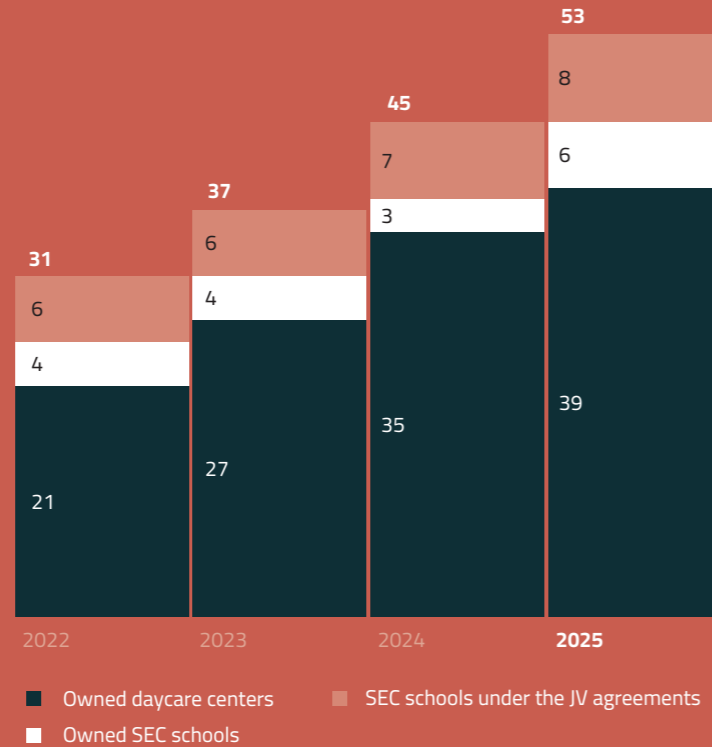
# SEC

In 2025, the Special Needs Education and Care segment continued to pursue a disciplined and scalable approach to expansion. Through its Human Development Company (HDC) subsidiary, the Group opened 4 daycare centers and 4 schools, bringing the total number of facilities to 39 SEC daycare centers, 14 SEC schools, and 3 clinics. This expansion underscored the strength of the Group's highly scalable SEC model, which enables efficient site selection, rapid launches, and a rapid ramp-up of new facilities in response to strong demand.

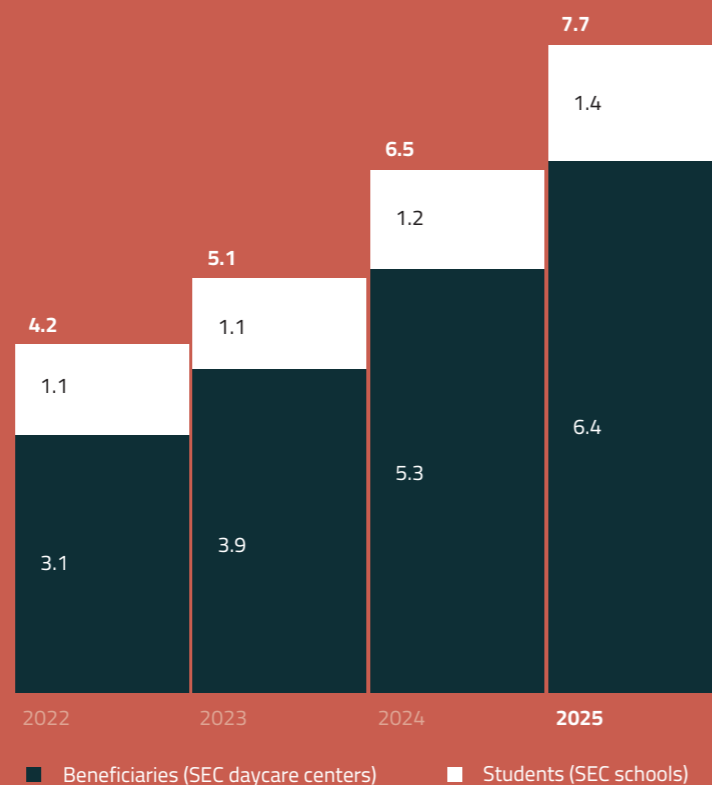
Expansion decisions are based on demonstrated demand-supply gaps in specific locations, with new facilities planned to meet growing needs across the Kingdom's regions. Key factors of HDC's successful expansion include standardization, data-driven operations, and mapping of regional demand. HDC's expansion model is built on repeatable clinical and educational frameworks that enable new centers to open efficiently while maintaining consistent quality.

Digital platforms are crucial as they support effective rehabilitation programmes, real-time outcome measurements, and personalized care. This reduces reliance on fragmented or paper-based systems and allows new centers to integrate quickly into the broader network, ensuring they meet the same benchmarks as existing facilities.

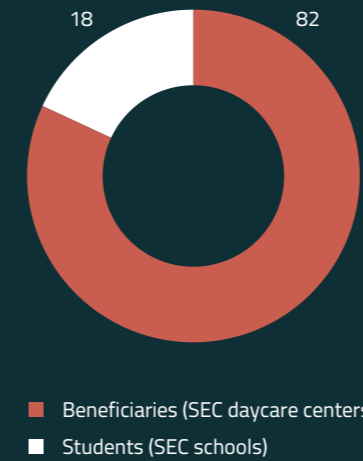
Number of facilities (SEC)



Number of students/beneficiaries (HDC Group), '000



SEC learners' composition 2025, %



Demand for SEC services remained robust, driven by favorable demographic trends, significant unmet needs, and government-backed funding mechanisms. Consequently, the total number of students and beneficiaries across this business line increased by 19%, reaching 7,748 in 2025.

In recent years, the Group has refined its growth strategy by focusing on smaller facilities, enabling a broader, more distributed geographic presence. This shift improves accessibility and allows SEC services to reach more families across the country. The operating model remains flexible and capital-efficient: the facilities are primarily leased, enabling network expansion without significant upfront capital investment.

Standardized operating procedures and centralized governance ensure consistent service quality across all locations. As a testament to the strong demand fundamentals, newly opened centers require, on average, c. 24 months to reach maturity. Performance is closely monitored during the first 12 months to optimize sustainability and utilization.

In 2025, average capacity utilization reached 47% for owned schools and 65% for daycare centers. This rise reflects stronger enrollment and improved capacity absorption. However, this metric varies significantly across the network, as facilities are at different stages of ramp-up. Mature daycare centers operate at nearly 90% capacity utilization.

The average normalized cumulative annual fee per beneficiary increased for both daycare centers and schools due to a stable pricing framework and a growing range of ancillary services.

➤ For a detailed description of SEC daycare centers and schools, refer to **Business Lines**

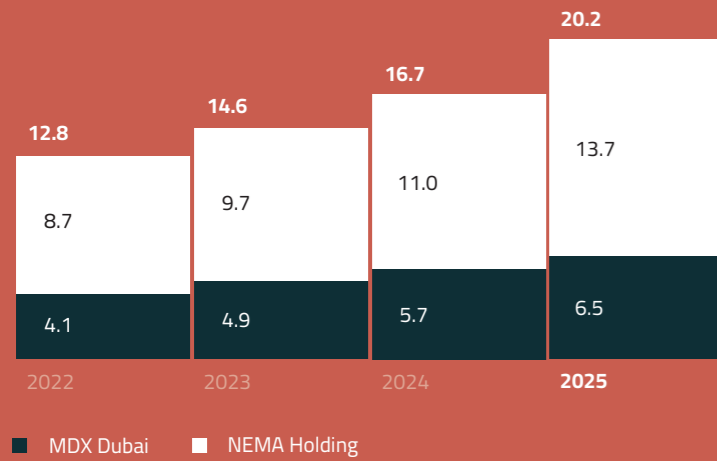


# Higher Education

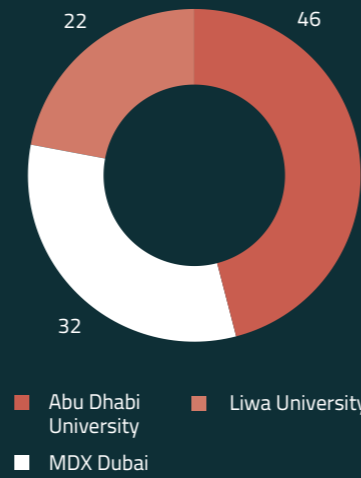
In higher education, Almasar Alshamil Education has established itself as the largest private provider in the UAE. As of December 31, 2025, total university student enrollment across all institutions—including MDX Dubai and NEMA Holding (Abu Dhabi University and Liwa University)—grew by 21% year-on-year, reaching a total of 20,191 students.

In 2025, **MDX Dubai** continued to successfully execute on its recruitment strategy, resulting in a 14% increase in its student base to 6,454 as of December 31, 2025. The number of international students increased particularly rapidly, rising by 34%. This group now constitutes the majority of the university's student population.

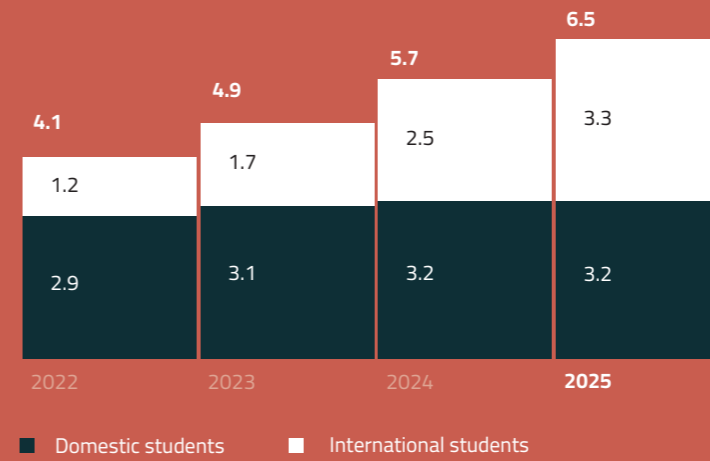
Higher education enrollment, '000



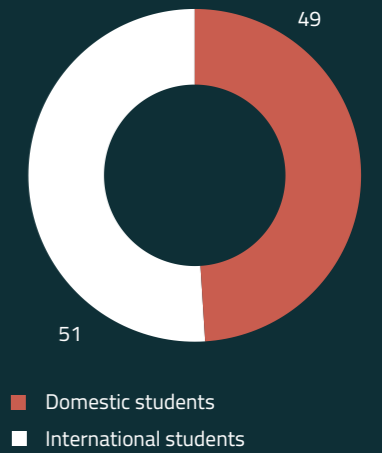
Students' base (2025), %



Number of students (MDX Dubai), '000



Students' composition at MDX Dubai (2025), %



MDX Dubai employs an asset-light approach to campus facilities and has benefited from a flexible leasing model that allows the university to expand within adjacent buildings and floors in both Dubai Knowledge Park and Dubai International Academic City locations as enrollments increase. This real estate strategy accommodates the growing student population while minimizing capital expenditure.

In 2025, the average annual net tuition fees per student at MDX Dubai rose by 6%, reaching c. AED 40,000. Coupled with an increase in student enrollment, this growth contributed to a 23% increase in revenue from this business line (see [Financial Review](#) below).

The number of students at **NEMA Holding**, in which the Group holds a 35% stake, increased by 24% in 2025, reaching 13,737 as of December 31, 2025.

The majority of the student population within the NEMA Holding group is enrolled at Abu Dhabi University, with 9,350 students enrolled as of year-end, representing a 21% increase from 2024.

However, Liwa University experienced higher growth, with a 33% increase in 2025, bringing its total to 4,387 students. This growth was fostered by the university's expanded programme offering and improved campus facilities.

➤ For a detailed description of universities, refer to **Business Lines**



# STUDENT EXPERIENCE

However diverse our learner population may be—spanning lifelong learning from early childhood through university students and adult professionals in corporate training—our core principles remain the same: respecting differences, creating the most supportive environment possible, and using technology and structured processes to achieve the best outcomes.

## Special Needs Education and Care



As the leading private SEC provider in Saudi Arabia, we are deeply connected to communities and design our programmes to align not only with national education standards but also with local specifics and cultural expectations.

### Key features include:

#### Know-how

Developing and delivering SEC services requires specialized, multi-disciplinary knowledge. HDC has in-house expertise that has been used to develop comprehensive programmes and implement the processes and systems needed to scale.

#### Trusted brand

Parents' decisions to trust us with their children depend on a strong brand reputation supported by real-life success stories. HDC's market-leading position and expanding beneficiary base demonstrate the level of trust we have earned. The company offers:

- Rigorous educational programmes designed to unlock the full potential of students and beneficiaries.
- Personalized support to help students overcome learning challenges.
- Appropriately designed facilities that foster an environment of growth and achievement.

#### Access to Human Capital

Recruiting and training qualified, multidisciplinary staff who meet regulatory requirements is essential to establishing and growing SEC operations. HDC's reputation as an employer of choice, supported by a comprehensive in-house training programme, has enabled us to increase our headcount by 2.5 times over three years.

HDC is staffed with professionals with qualifications and experience across various SEC disciplines, including pediatric psychiatry, behavioral disorders, clinical psychology, play therapy, and rehabilitation sciences. All professionals in roles that require regulatory licensing are fully licensed in accordance with applicable laws and regulations.

#### Regulatory compliance

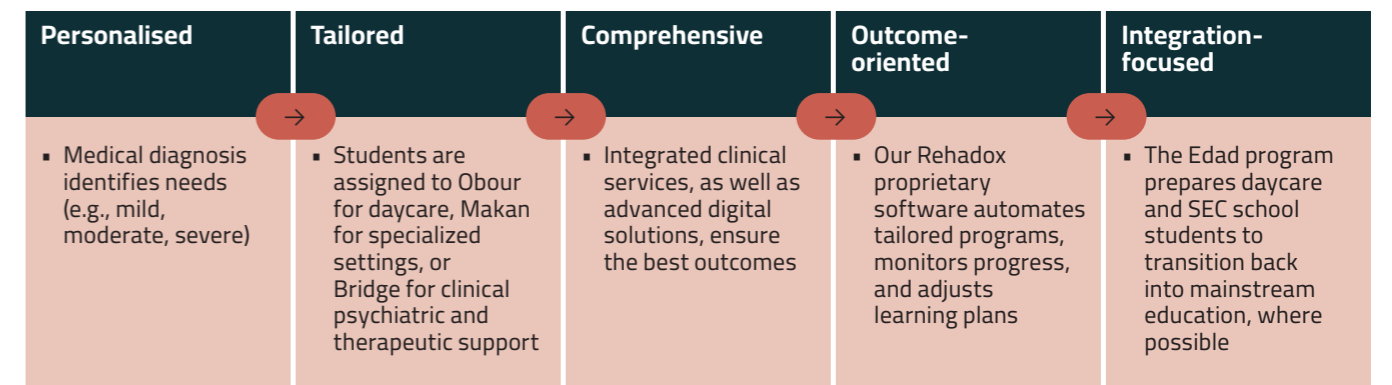
The SEC market is highly regulated, with requirements spanning facility, staffing, delivery, and other aspects. Regular inspections and ratings help to assess quality and compliance. HDC has demonstrated the ability to meet the strictest requirements, as evidenced by an A+ rating across all our daycare centers.

#### Cultural Understanding

Globally, the SEC market varies by country. Strong cultural awareness is required for success. As the local market leader, HDC has a clear advantage over international providers in its deep understanding of all the nuances of the KSA market.

## Learning Pathways

We follow a well-structured approach that enables us to provide the precise level and type of support each child needs.





## Obour (early intervention and daycare centers)

Children typically begin their SEC journey at Obour, HDC's brand for daycare centers, after receiving a diagnosis indicating a need for special needs services. Obour is the first and most foundational stage of support, serving children and adults aged 1 to 45 years with mild to moderate special education needs. The focus is on early development, rehabilitation, and the acquisition of essential life and learning skills.

Where possible, Obour's objective is to prepare learners to transition to mainstream education or to less-intensive support environments. For all other cases, Obour provides a stable, nurturing environment that supports ongoing development, tailored to each learner's abilities and needs.

Each learner enrolled at Obour follows one of eight structured programmes, selected based on an initial assessment and continuously adapted as the child progresses. Progress and outcomes are regularly monitored, and children may transition between pathways as their needs evolve. Each pathway includes a core developmental programme, supplemented by additional therapeutic services as needed. These programmes are:

### Montalaq

Designed for children diagnosed with autism, Montalaq focuses on communication, social interaction, and overall developmental support. The programme integrates speech and language therapy, occupational therapy, and structured social skills training.

### Faal

Targeted at children diagnosed with ADHD, Faal supports attention development, behavioral regulation, emotional control, and foundational learning skills.

### Edad

A preschool preparation pathway is intended for children aged 1–12 who are assessed as high-functioning or who have demonstrated strong progress in other pathways, particularly Montalaq and Faal. Edad focuses on school readiness and, where possible, integration into mainstream educational settings.

### Mental Development

Designed for children with intellectual disabilities, this pathway focuses on cognitive development, emotional well-being, psychological health, and daily functional skills.

### Khuta

A pathway for children with mild motor disabilities, with a strong emphasis on physiotherapy, movement, and physical coordination, supports independence and functional mobility.

### Moltaka Fatayat

Designed for teenage girls aged 12 and above, this programme focuses on life skills, independence, and social participation. It supports girls across a range of diagnoses—including autism, ADHD, intellectual disabilities, and physical impairments—and integrates speech therapy, occupational therapy, behavioral modification, and psychotherapy.

### Male Rehabilitation

Designed for teenage boys aged 12 and above, this pathway mirrors the Moltaka Fatayat's

objectives, focusing on life skills and engagement in real-world environments.

### Fit Five

A fitness and wellbeing programme developed in collaboration with the Saudi Special Olympics Federation, Fit Five promotes physical activity, healthy lifestyles, and weight management through structured daily, weekly, and long-term fitness goals.

In addition to pathway-specific programming, Obour centers provide a holistic range of therapeutic services, delivered wherever possible within the same location. These include:

- Speech therapy
- Physiotherapy
- Occupational therapy
- Psychotherapy
- Social therapy

Centers also offer nursing services, including medication monitoring and family education, ensuring continuity of care and close collaboration with parents and caregivers.

➤ [Our learners make big changes with small steps \(video\)](#)

## Makan (special education within the school environment)

For students capable of integration into formal school settings, Makan schools provide special needs education and care services to students up to 18 years of age, with mild needs, including:

- ADHD and high-functioning autism
- Learning disabilities (such as dyslexia)
- Emotional and behavioral disorders
- Sensory processing difficulties
- Mild intellectual disabilities

Makan's model is designed to ensure that students can progress through their education in line with the Ministry of Education (MOE) national curriculum (K-12), while receiving the specialized support required to build confidence, independence,

and long-term academic success. Makan delivers education through classrooms, tailored to specific learning and developmental needs, and integrated settings within mainstream schools, where students learn alongside their peers in inclusive environments. This dual approach allows for flexibility based on each student's readiness and progress. Where appropriate, students are gradually integrated into mainstream classrooms, supported by individualized academic plans, behavioral interventions, and environmental adaptations.

The Group delivers Makan services through six owned schools<sup>1</sup>, developed and operated solely by HDC. An additional eight schools operate under JV agreements, under which HDC delivers special education services either within mainstream classrooms, supported by in-class arrangements, or in special classrooms located on the partner

school campuses. All programmes deliver the national curriculum, supplemented by individualized support services.

One of Makan's most successful initiatives is its regulated ADHD schooling programme, developed in collaboration with private mainstream schools. This programme provides structured academic and behavioral frameworks that support students with ADHD to succeed in mainstream educational settings—an initiative that has become a cornerstone of Makan's integrated education model.

➤ [The CEO of HDC talks about developing SEC services across the region \(video\)](#)

## Bridge (clinical, diagnostic, and therapeutic services)

The SEC students' and beneficiaries' journey across the Group is supported by Bridge, the Group's network of clinical and diagnostic services. Bridge clinics play a critical role in ensuring continuity of care beyond the classroom.

Operating as an integrated clinical platform, Bridge supports individuals across a wide spectrum of needs, including autism, ADHD, Down syndrome, sensory processing challenges, intellectual disabilities, and emotional or behavioral difficulties. Target beneficiary profiles are broadly aligned with those served by Obour daycare centers and Makan schools, enabling seamless transitions between educational and clinical support when required.



<sup>1</sup> One of the owned schools is operated under the brand name Bridge School, providing specialized education, care, and therapeutic support.



Bridge operates through three independent clinics, purpose-built to deliver comprehensive mental health and therapeutic services. Each clinic offers:

- Therapy rooms for individual, group, and family therapy sessions.
- Private consultation rooms for one-on-one meetings with licensed mental health professionals.
- Speech and language therapy.
- Physiotherapy addressing diagnosis, rehabilitation, and physical development for individuals with movement disorders, including cerebral palsy, Down syndrome, autism, developmental movement disorders, muscular conditions, and other motor disabilities.
- Occupational therapy, which targets sensory, motor, cognitive, and social challenges that impact daily functioning.
- Behavior modification interventions.
- ADHD assessment and treatment programmes.
- Applied Behavior Analysis (ABA) therapy.
- Sensory integration therapy (a specialized form of occupational therapy that helps individuals process and respond to sensory input).
- Nursing services with daily monitoring of vital signs, medication management, and ongoing education and awareness programmes for beneficiaries and their families.

Bridge integrates advanced digital and assistive technologies to enhance diagnostic accuracy and therapeutic effectiveness,

including AI-based ADHD diagnostic tools, multisensory motor-learning platforms, and virtual-reality-based behavioral therapy solutions.

Learn more about our technologies in the **Digital Solutions** section

### Daily Life at SEC Facilities

HDC approaches every aspect with care and intentionality—from center design to programme structure and language used. This philosophy is reflected in the company’s name, Human Development Company, which was deliberately chosen to convey a journey of continuous growth and potential for all individuals, while working to destigmatize psychiatric and developmental conditions.

Our physical infrastructure is designed to facilitate the inclusion of students with diverse physical and cognitive needs. Daycare centers and schools are equipped with physical accessibility features and fitted to accommodate modern assistive technology.

The Obour daycare centers serve children and adults, with services primarily provided during the morning shift from 7:00 AM to 12:00 PM. This remains the most popular option, accounting for 77% of beneficiaries in 2025. To support working parents, an evening shift from 3:00 PM to 8:00 PM is offered in 24 of our centers.

Center size and capacity vary based on location, demand dynamics, and availability. Most centers serve 100 to 200 beneficiaries per morning shift, while those offering an additional evening shift serve 200 to 250 beneficiaries per day. In 2025, the number of beneficiaries per daycare center ranged from 60 to 476<sup>1</sup>.

The quality of inclusive support is underpinned by a robust workforce of specialized professionals, constantly developed through internal training. Overall, the Group’s SEC segment is supported by 2,500 specialists. To ensure consistent quality, the Group operates an in-house employee training programme that equips educators with the skills needed to support students with diverse needs, improving access to talent and scalability.

Parent engagement is a critical component in our SEC programmes. We are increasingly incorporating programmes and online sessions designed specifically for families, to ensure the best possible long-term outcomes.

**HDC represents not just a service model but a shift in mindset—one that refocuses attention from disability to the person and places human potential, progress, and well-being at the center of care.**

<sup>1</sup> The difference is related to centers launched after 2023 still remaining in a ramp-up phase.

## Higher Education

The Group’s higher education vertical serves more than 20,000 students as of December 31, 2025. Our student base is highly diverse and international, including learners from over 120 nationalities, with significant recruitment from India, Pakistan, Africa, and Eastern Europe.

We also support People of Determination by developing accessible campuses and inclusive learning frameworks that enable them to actively participate in university life.

### Campuses

**MDX Dubai** operates from two leased campuses located within both of Dubai’s dedicated higher education hubs: Dubai Knowledge Park (DKP, opened in 2005) and Dubai International Academic City (DIAC, opened in 2021). All campuses benefit from their locations within Dubai’s academic free zones and offer access to shared infrastructure

used by multiple universities, including outdoor spaces and food outlets, in addition to MDX Dubai’s own premier study spaces, leisure, and common areas.

The DKP campus is MDX Dubai’s primary academic hub and accommodates most of the foundation, undergraduate, and postgraduate programmes. It offers state-of-the-art classrooms designed for hybrid learning, along with specialized laboratories supporting disciplines including graphic design, film making, engineering, robotics, virtual reality, cybersecurity, and fashion design.

The DIAC campus, designed specifically for business-focused studies with a capacity of 375 students, complements DKP by providing additional academic facilities, innovation and collaboration areas, business-focused learning spaces, and student support facilities. It is conveniently located near the student

accommodations and is key to supporting students in the Daytime MBA programme.

Across its operations, MDX Dubai adopts a structured approach to campus planning, timetabling, and utilization. Capacity and space requirements are assessed using a range of performance indicators, including enrollment levels, programme mix, course scheduling, and staffing availability. Space planning is based on peak day utilization.

All campuses are owned by TECOM Group PJSC, a publicly listed real estate developer. MDX Dubai operates under a flexible leasing model, allowing it to expand within the same or adjacent buildings as demand increases, enabling asset-light, capital-efficient expansion.

Take a tour of MDX Dubai’s DKP campus





**Abu Dhabi University's** flagship campus is located in Khalifa City, Abu Dhabi. Opened in 2006, it is a purpose-built facility that supports both academic excellence and a rich student life experience. The campus includes more than 150 laboratories and classrooms, male and female dormitories, staff housing, and extensive sports facilities.

In addition to the flagship campus, Abu Dhabi University operates two active additional locations to expand access and serve different communities: the Al Ain Campus and the Dubai Campus.

**Liwa University** is based in Abu Dhabi and expanded in 2025 with a new campus in Al Ain, designed to deliver a modern, integrated

student experience. This campus includes advanced Health Sciences and IT laboratories, a dedicated research lab, and a cutting-edge media studio. It also features vast green spaces, a modern library, multiple recreational areas, and a dedicated student center. The total capacity of the two campuses is designed to accommodate 3,550 students.

### Student Life at MDX Dubai

Beyond academics, MDX Dubai offers students an unparalleled, vibrant campus experience through student associations, countless initiatives and events,

and purpose-built collaboration and leisure spaces. Students engage in teamwork, innovation, and entrepreneurship through hubs such as the Middlesex Innovation Hub, while the Student Think Tank (DIAC campus) provides a dedicated setting for collaborative brainstorming and student-led projects. Student engagement begins even before enrollment through open days and continues through a wide range of activities, such as voluntary initiatives, field trips, and student-led recreational events.

Employability is a key pillar of the MDX Dubai value proposition. The Career and Employability Services provides targeted, results-oriented guidance; it supports

students from academic progression through to workforce transition. This focus translates into strong outcomes, as testified by the 76% graduate employability rate within 6 months of graduation (based on MDX Dubai's 2024 graduate survey).

Students are supported through dedicated careers and employability services, structured internship and placement opportunities, industry-led projects, and regular employer engagement across sectors. The university also works closely with industry partners to provide real-world exposure during study. For instance, the university collaborates with Alibaba Cloud on cloud and AI certifications

and with Dubai Police on applied projects in digital forensics and AI-driven investigation.

The Centre for Academic Success (CAS) at MDX Dubai is a dedicated academic and well-being support hub that helps students succeed throughout their university journey. It provides in-person and online advice, offering personalized academic guidance and psychological support delivered by specialist staff and trained counsellors. CAS also provides confidential inclusion support to ensure that students with learning differences can engage fully and independently in their studies. Its services include:

- One-to-one appointments with learning support, inclusion, and mental health counsellors.

- Development of individual learning support plans.
- Guidance on sheltered or alternative exam arrangements.
- Promotion of a university-wide culture of inclusion through initiatives such as Inclusivity Champions.
- Pastoral care and well-being guidance.
- Student Learning Assistant (SLA) Scheme, under which high-performing students are nominated by lecturers and trained by the CAS team to provide peer support.
- Language and Culture Exchange, a student-led initiative that connects learners from different linguistic and cultural backgrounds.



### Supporting Neurodiversity

University life can amplify challenges for neurodivergent students. Sensory sensitivities may make crowded lecture halls or busy social spaces overwhelming, while traditional assessments can heighten anxiety.

At MDX Dubai, the Centre for Academic Success provides a range of tailored services for neurodivergent students, including one-to-one academic coaching; access to quiet study spaces to reduce distraction and sensory overload; extended exam time or assistive technologies; and workshops focused on time management, stress regulation, and academic writing. When students feel anxious about group projects or presentations, CAS offers practical strategies to break down workloads, improve communication with peers, and build confidence. Students can rehearse speaking in small, supportive settings before moving on to larger group work and are encouraged to engage at their own pace through initiatives such as the Fearless Public Speaking Club.

MDX Dubai nurtures the strengths neurodivergent students bring—such as creativity, attention to detail, resilience, and periods of intense focus that drive exceptional academic output. By combining structured support with an inclusive campus culture, it ensures that neurodiversity is not only accommodated, but also actively valued, empowering every student to succeed academically, socially, and personally.



# DIGITAL SOLUTIONS

Digitalization is a core enabler of the Group's operating model, scalability, and quality assurance across education, special needs services, and clinical care.

At Almasar Alshamil Education, we believe that technology adds real value when it enhances human effort rather than replacing it. The future

of education lies not in automating care but in providing students and beneficiaries, educators, and families with better tools to understand

progress, reduce delays, manage outcomes, and personalize support with greater confidence.

## Special Needs Education and Care

In the SEC segment, at the heart of our digital strategy is **Rehadox**, the Group's proprietary enterprise resource planning (ERP) and rehabilitation management system. Developed to standardize and scale rehabilitation and education pathways, Rehadox enables cloud-based management, real-time progress tracking, individual education plans, and continuous online staff training. All SEC daycare centers,

schools, and clinics use Rehadox to tailor learning and rehabilitation programmes, monitor outcomes, and guide teachers.

The most significant change made by Rehadox was the introduction of discipline and continuity in an environment where progress often occurs gradually and varies from person to person. This platform allows documenting each learner's plans, goals, and progress in a structured manner that remains consistent over time. That kind of consistency enhances daily operations by making it easier for multidisciplinary teams to collaborate and adjust plans, while strengthening accountability and enabling better decision-making. For families, this process fosters transparency and trust, as they can see that care is being managed thoughtfully.

Complementing Rehadox are dedicated mobile and digital applications, including the Rehadox mobile application and **Learning Bridge**, which delivers interactive training courses for individuals and staff. The Group also applies a range of advanced, technology-enabled therapeutic solutions, including:

- **BGaze**, an AI-powered diagnostic and treatment tool for ADHD.
- **Kinems**, a multi-sensory motor learning platform that uses interactive games to support academic, cognitive, and motor skill development.
- **Floreo VR**, a virtual reality-based behavioral therapy solution designed to develop social, communication, and life skills for individuals with autism, ADHD, anxiety, and other neurodevelopmental conditions.
- Neurofeedback devices for children with autism.



## Higher Education

In the Higher Education segment, digital platforms are embedded into the academic model across all institutions, supporting access and enriching the student experience. Learning management systems structure coursework, assessments, and feedback in a way that extends learning beyond the classroom and accommodates different learning styles.

For faculty, digital tools support better course design, more efficient communication, and timely interaction with students. By reducing administrative friction and improving visibility across

academic processes, technology helps maintain focus on learning outcomes and academic standards. For instance, MDX Dubai's **MyMDX** online portal provides access to schedules, academic records, registration, email, results, and research materials. The portal is continuously enhanced in collaboration with MDX UK to improve the digital experience and support academic engagement.

We are actively exploring the responsible use of artificial intelligence across our academic platforms. We believe AI is a tool that can enhance student

experience by making processes clearer, more efficient, and more supportive. AI can help identify patterns in student engagement or performance that may indicate when additional support is needed, allowing earlier intervention by faculty or advisors. At the same time, academic standards, assessment decisions, and quality assurance remain human responsibilities. We approach AI cautiously and deploy it only where it strengthens outcomes, improves clarity, and supports student success without compromising academic integrity.

## Cybersecurity and Data Privacy

IT infrastructure is crucial to the Group's operations, as it supports educational delivery, clinical services, and the management of sensitive student and patient data. The Group places a strong emphasis on cybersecurity, resilience, and system reliability. Over the past three years, our IT systems have not experienced any major operational interruptions.

Student, employee, and beneficiary data are managed through secure internal systems and trusted third-party hosting providers, with strict

access controls and monitoring in place. Dedicated digital platforms allow students, families, and clients to securely access services, register for programmes, and view personal information.

The Group also leverages digital signatures, video conferencing, secure file sharing, and digital research resources to reduce reliance on physical documentation, thereby supporting data security and environmental sustainability.

0 data leaks, thefts, or losses of customer data in 2025

0 incidents of non-compliance with national regulations on cybersecurity



# FINANCIAL REVIEW



## Enhancing Performance. Funding the Future.

Almasar Alshamil Education's financial performance reflects the strength of its integrated education platform and the disciplined execution of its growth strategy. In 2025, the Group delivered strong revenue growth across both core business lines while continuing to invest in capacity expansion, talent, and digital infrastructure. A balanced revenue mix, disciplined cost management, and a capital-efficient operating model support resilience, healthy margins, and the ability to fund growth.

This financial approach underpins the Group's continued expansion and value creation.

**+22%** revenue growth



# FINANCIAL REVIEW

The Group delivered strong revenue growth in 2025, supported by enrollment growth across all business lines, and maintained a strong cash position.

## CFO's Message



2025 marked an important milestone in our journey, following the successful initial public offering in December 2025. In 2025, as a listed company, we remained focused on disciplined strategy execution, strong governance and financial controls, and investment in the capabilities required to support long-term growth across our core business lines and geographies.

Our focus following the IPO remains on executing our growth strategy and driving organic expansion across both the SEC and Higher Education segments. At HDC, this includes launching additional daycare centers and expanding school partnerships across the Kingdom. We are also focused on

ramping up recently opened centers over the next 12 to 24 months and strengthening programme quality through continuous staff training and development. Additionally, we will continue our preparation for launching a new service line for 24/7 special needs services in residential centers, once relevant regulations are finalized, and the market opens up for the private sector.

In Higher Education, we aim to continue growing student enrollments at Middlesex University Dubai by targeting new international markets, further developing our reach and network in our main inbound markets, and introducing in-demand programmes aligned with job market needs.

Almasar Alshamil Education is well-positioned to deliver consistent growth and long-term value for shareholders. With a diversified business operating as a clear market leader across highly attractive education segments in both Saudi Arabia and the UAE, we are confident we can continue to grow and support the communities we serve. Financially, we have demonstrated our ability to grow revenues and profits at high rates. We are supported by a strong balance sheet that enables us to continue investing in high-impact growth opportunities while delivering long-term value for our shareholders.

**Ahmad Gamal Eldin**  
Chief Financial Officer

## Key financial indicators, ₪ million

	2024	2025	Change, %
<b>Revenue</b>	<b>437</b>	<b>534</b>	<b>+22%</b>
Cost of revenues	(234)	(295)	+26%
<b>Gross profit</b>	<b>203</b>	<b>239</b>	<b>+18%</b>
General, selling, and administrative expenses	(99)	(156)	+58%
Share of the results of an associate	30	52	+73%
Other operating income <sup>1</sup>	33	36	+9%
<b>Operating profit</b>	<b>168</b>	<b>171</b>	<b>+2%</b>
Finance income	4	7	+75%
Finance costs	(9)	(9)	0%
<b>Profit before the zakat and income tax</b>	<b>162</b>	<b>170</b>	<b>+5%</b>
Zakat and income tax	(14)	(11)	-21%
<b>Profit for the year</b>	<b>148</b>	<b>159</b>	<b>+7%</b>

## Alternative performance measures, ₪ million

	2024	2025	Change, %
EBITDA	216	228	+6%
<b>Adjusted EBITDA<sup>2</sup></b>	<b>216</b>	<b>240</b>	<b>+11%</b>
Adjusted profit before the zakat and income tax	163	182	+12%
<b>Adjusted profit<sup>3</sup></b>	<b>149</b>	<b>166</b>	<b>+12%</b>
Adjusted profit attributable to the equity holders	121	135	+12%

<sup>1</sup> 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, and other income.

<sup>2</sup> Adjusted for one-off non-recurring items and for the IPO-related expenses.

<sup>3</sup> Adjusted for one-off non-recurring items and for the IPO-related expenses.



# Revenue

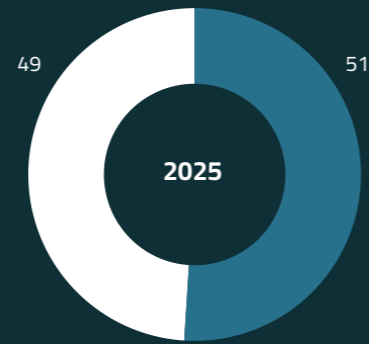
In 2025, the Group generated revenue of AED 533.9 million, an increase of 22% year-on-year, reflecting continued strong growth. Over 2022-2025, revenue grew at a strong 43% CAGR, driven by the acquisition of HDC, the consolidation starting in the fourth quarter of 2022, and the subsequent expansion of the SEC network, supported by continued capacity-utilization ramp-up across the network, as well as strong growth in student enrollment at MDX, driven by international student growth.

Education—contributed nearly equally to total revenue, with SEC accounting for 49% and Higher Education for 51%. This balance reflects a well-diversified strategy. The same nearly 50/50 split was consistent across both business lines' adjusted EBITDA and adjusted profit.

In 2025, Higher Education experienced a 23% revenue increase, while the SEC business line's revenue grew by 21%.

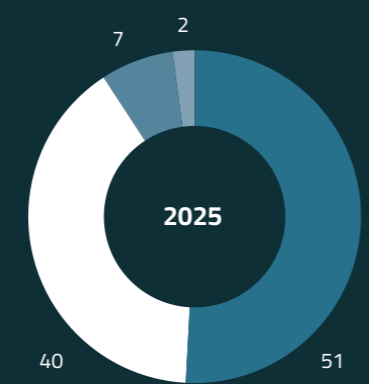
The Group's two main business lines—Special Needs Education and Care (SEC) and Higher

Revenue by segment (2025), %



- Higher Education (UAE)
- Special Needs Education and Care (KSA)

Revenue by category in 2025, %

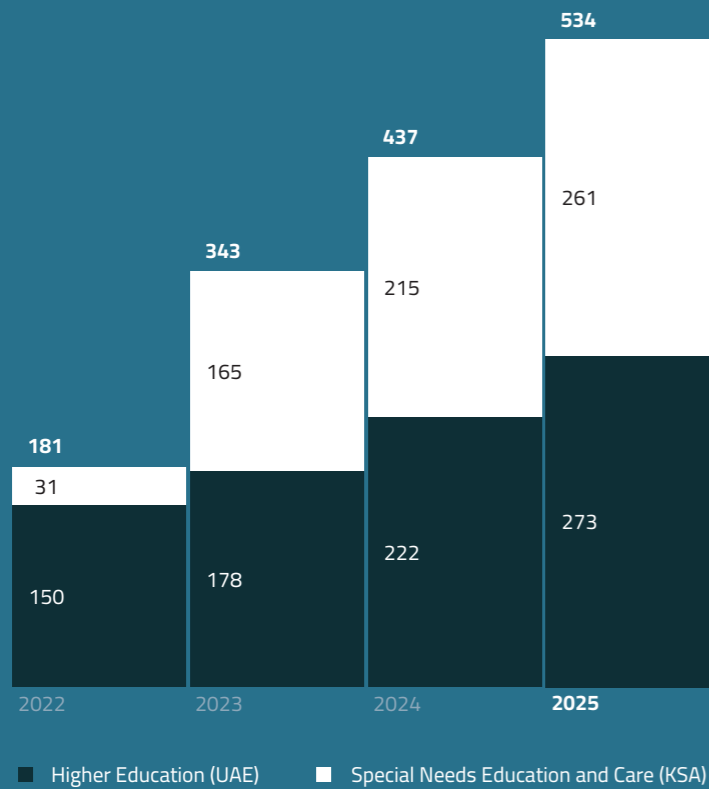


- Tuition fees, net of scholarships awarded
- SEC services
- Administrative and other service fees from students
- Share of revenue from joint services agreements

In 2025, all service lines demonstrated strong revenue growth, predominantly driven by sustained increases in tuition fee revenue. Tuition fees<sup>1</sup> make up the largest part of the Group's revenue; this segment increased by 21% in 2025.

Administrative and other service fees from students and SEC services were the two fastest-growing revenue categories, increasing 34% and 25% year-on-year, respectively, in line with the overall revenue and student growth.

Revenue<sup>1</sup>, AED million



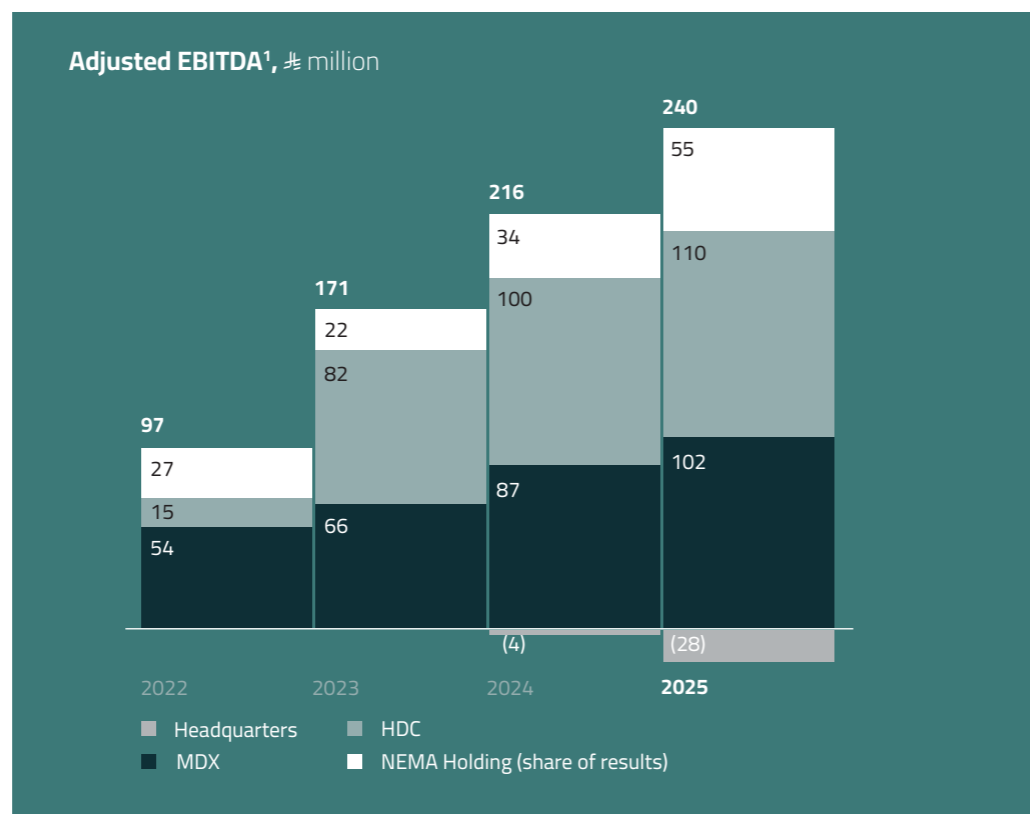
<sup>1</sup> The HDC financial results are consolidated post completion of acquisition in October 2022. Accordingly, 2022 Consolidated Financial results include HDC financial results for November and December 2022.

<sup>1</sup> The fees that educational institutions charge to students.

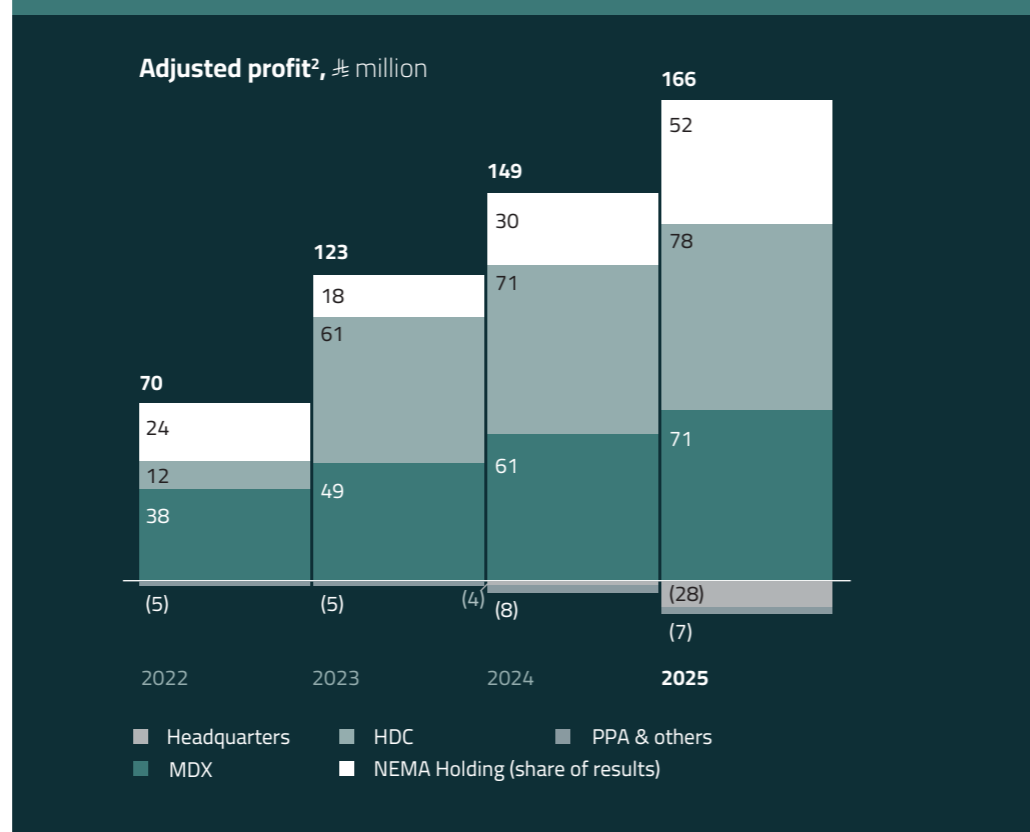


## Adjusted EBITDA and Adjusted Profit

Adjusted EBITDA<sup>1</sup> increased by 11% year-on-year, driven by strong performance across all business lines, including an increase of 62% in the share of profit from NEMA Holding, accounting for ₪ 55 million (2024: ₪ 34 million). This effect was partially offset by the establishment of the new Riyadh headquarters.



Adjusted profit<sup>2</sup> increased by 12% year-on-year, slower than revenue growth, due to higher depreciation and amortization related to recent investments in campuses, facilities, and digital infrastructure, as well as higher financing costs.



## Debt Management

Almasar Alshamil Education maintains a prudent and well-structured balance. Historically, the Group has maintained minimal leverage, with operating cash flows financing most of the business expansion.

As of 31 December 2025, total lease liabilities (₪ 146 million) accounted for 29% of the Group's total liabilities, reflecting the asset-light operating model. They increased by 42% year-on-year, driven by the continued expansion of the Group's daycare center network. The majority of these obligations (84%) remain long-term, providing flexibility

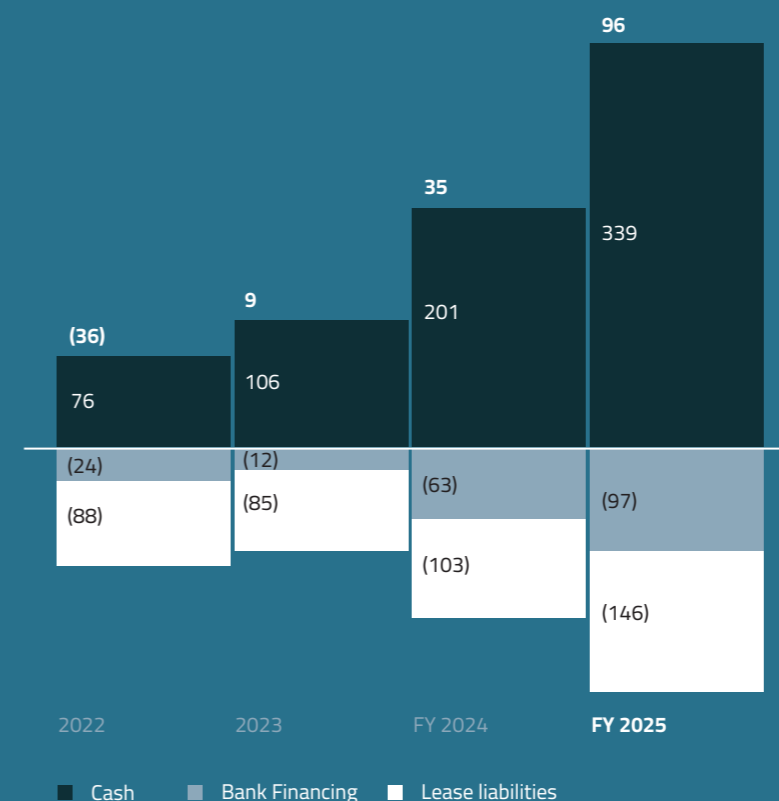
by spreading cash outflows over multiple years and aligning lease payments with the facilities' revenue.

Bank financing increased by 55% to ₪ 97 million, constituting Shariah-compliant facilities obtained by the Group's subsidiary, Human Development Company (HDC), to finance its ongoing expansion projects and working capital requirements during the year.

Despite the increase in bank financing, leverage remains conservative, with debt levels well supported by equity and liquidity, providing the Group with ample

capacity to fund continued growth initiatives while maintaining financial resilience. Almasar Alshamil Education ended the year 2025 in a cash position (₪ 339 million), with a positive net debt position. This provides significant financial flexibility to support continued expansion and pursue new growth opportunities without reliance on additional leverage.

**Net cash/(debt) position, ₪ million**



<sup>1</sup> Earnings before interest, tax, depreciation and amortization adjusted for one-off non-recurring items and for the IPO-related expenses.  
<sup>2</sup> Adjusted for one-off non-recurring items and for the IPO-related expenses. The HDC financial results are consolidated post completion of acquisition in October 2022. Accordingly, 2022 Consolidated Financial results include HDC financial results for November and December 2022.



# SUSTAINABILITY REVIEW



## Creating Impact. Building Continuity.

Sustainability at Almasar Alshamil Education is rooted in its mission to deliver inclusive, high-quality education that creates lasting social value. By expanding access to education and care, investing in human capital, embedding circular economy principles, and raising environmental awareness, the Group contributes to national development priorities in Saudi Arabia and the UAE. This commitment supports meaningful outcomes for learners, communities, and future generations.



United Nations  
Global Compact



# SUSTAINABILITY APPROACH

At Almasar Alshamil Education, we view sustainability as a practical extension of our purpose: expanding opportunity through education.

As an operator of education institutions across Saudi Arabia and the UAE, the Group's impact is shaped by the decisions we make every day. Sustainability is embedded in all operating decisions, including how we treat people, how we deliver learning outcomes, and how we manage the environmental footprint of a growing network of campuses, daycare centers, and schools.

Our sustainability approach is organized around the theme of responsible growth and aligns the Group's priorities with the region's national development agendas. This includes supporting Saudi Vision 2030 and the UAE's

broader human capital ambitions and contributing to the United Nations Sustainable Development Goals (SDGs) through access to education, employability outcomes, inclusive services for beneficiaries with special needs, and campus-led environmental initiatives.

Sustainability is delivered from the Group level to each institution through clear policy direction, business-line execution plans, and a commitment to continuous improvement, supported by measurable KPIs. Our approach is:

- Purpose-led: We are expanding access to inclusive, high-quality higher education and SEC


provision, alongside skills development that drives local economic impact.

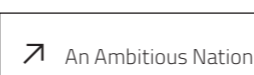


- Regionally aligned: We translate Group-wide policies into campus-level plans that align with national priorities and community needs.
- Evidence-driven: We set measurable targets, tracking campus KPIs and improving year on year.
- Partner-enabled: We are working with government, industry, and civil society to scale impact across our network.



## Alignment with Saudi Vision 2030 and the United Nations Sustainable Development Goals

Saudi Vision 2030 Theme	Objectives	Relevant report sections
 <b>A Vibrant Society</b> <b>Relevant UN SDGs</b>    	<ul style="list-style-type: none"> <li>▪ Enhance cultural and entertainment opportunities</li> <li>▪ Foster values of determination and perseverance</li> <li>▪ Enhance family involvement in preparing for their children's future</li> <li>▪ Develop positive attitude, resilience, and a hard-work culture among our children</li> <li>▪ Foster values of equity and transparency</li> <li>▪ Strengthen prevention against health threats</li> <li>▪ Reduce all types of pollution (e.g., air, sound, water, soil)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business Lines</li> <li>▪ Student Experience</li> <li>▪ Environmental Protection</li> </ul>

Saudi Vision 2030 Theme	Objectives	Relevant report sections
 <b>A Thriving Economy</b> <b>Relevant UN SDGs</b>      	<ul style="list-style-type: none"> <li>▪ Increase localization of non-oil sectors</li> <li>▪ Develop the digital economy</li> <li>▪ Push forward the GCC integration agenda</li> <li>▪ Develop economic ties with global partners</li> <li>▪ Build a life-long learning journey</li> <li>▪ Improve equity of access to education</li> <li>▪ Improve fundamental learning outcomes</li> <li>▪ Increase women's participation in the labor market</li> <li>▪ Grow SME contribution to the economy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Geographical Footprint</li> <li>▪ Business Lines</li> <li>▪ Student Experience</li> <li>▪ Digital Solutions</li> <li>▪ Operational Review</li> <li>▪ Employees</li> </ul>

Saudi Vision 2030 Theme	Objectives	Relevant report sections
 <b>An Ambitious Nation</b> <b>Relevant UN SDGs</b>  	<ul style="list-style-type: none"> <li>▪ Enhance businesses' focus on their social responsibilities</li> <li>▪ Improve quality of services provided to citizens</li> <li>▪ Empower non-profit organization to create a deeper impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business Lines</li> <li>▪ Student Experience</li> <li>▪ Operational Review</li> <li>▪ Community Engagement</li> </ul>



## Sustainability Initiatives at MDX Dubai

At Middlesex University Dubai (MDX Dubai), sustainability and community engagement are embedded in the institution's MDX 2030 Goals. The university is a proud member of the United Nations Global Compact.

MDX Dubai has embedded sustainability as a central pillar of its academic mission, aligning educational strategies with the UN SDGs and the Ten Principles of the UN Global Compact. It offers several programmes focused on sustainability, including:

- BA (Honours) Business Management (Sustainability).
- eMBA (Sustainability) and Daytime MBA (Sustainability).
- MA in Global Governance and Sustainable Development (the first academic postgraduate programme in the UAE with a specific focus on sustainable development).
- BA Honours Fashion, focused on the principles of sustainable thinking in design.

One of the milestones of MDX Dubai's sustainability journey was the creation of the Institute of Sustainable Development (ISD), which serves as the coordinating hub for cross-campus initiatives, reporting structures, and partnerships, ensuring that sustainability is not only a guiding principle but also a strategic priority across academic, operational, and external engagement. Its primary activities include:

- Collaborative research with businesses, government, and UN agencies.
- Best practice consulting and corporate training workshops.

- Sustainability mindset training and community outreach programmes.
- Promoting sustainable best practices.
- Customized certificate programmes for specific industries.
- Industry round tables with a focus on ESG.
- Promoting the UN Sustainable Development Goals through research, training, and community outreach.
- Fostering entrepreneurship via the Middlesex Innovation Hub.

[Read MDX Dubai's Communication of Engagement Report 2025](#)



### United Nations Recognition for SDG Leadership

In 2025, MDX Dubai's Institute of Sustainable Development (ISD) successfully completed the UN Global Compact SDG Ambition Accelerator, a multi-month programme designed to help organizations embed the 17 Sustainable Development Goals (SDGs) into strategy and day-to-day operations. As a member of the UN Global Compact, MDX Dubai is the first university in the UAE to report campus-wide activities aligned with the Sustainable Development Goals and UN Global Compact principles.

## ENVIRONMENTAL PROTECTION

At Almasar Alshamil Education, we integrate environmental protection into all our operations across Saudi Arabia and the UAE. As a Group managing a growing network of campuses, schools, daycare centers, and care facilities, we focus on practical measures that reduce environmental impact while supporting long-term operational efficiency.

Across the Group, we apply energy and water efficiency guidelines and improvement roadmaps that address energy use, emissions reduction, and responsible resource management. We promote upgrades in lighting, HVAC systems, insulation, and smart controls where appropriate, and we consider lifecycle impact when planning new projects or facility expansions.

A key pillar of our environmental strategy is embedding circular economy principles into daily operations. We aim to reduce unnecessary single-use materials, strengthen recycling and waste recovery practices, and apply procurement standards that support reuse and resource efficiency. These efforts help lower waste management costs, reduce consumption, and support responsible operations as our footprint continues to grow.

We encourage sustainable travel practices among our staff and students by promoting public transport, shared mobility, and virtual meetings to reduce emissions from business and campus-related travel. Where possible, we prioritize lower-impact travel options to support our environmental objectives. For instance, at MDX Dubai,

sustainable commuting is supported by shared bus services across Dubai and neighboring emirates.

An important part of our environmental stewardship is strong student involvement. For example, at MDX Dubai, student-led green clubs and awareness campaigns promote composting, beach clean-ups, and sustainability education, helping build long-term behavioral change across

the campus community. The student Biodiversity and Wildlife Conservation Club under the Institute of Sustainable Development (ISD) promotes biodiversity awareness through on-campus campaigns, guest lectures, and partnerships with organizations such as Emirates Park Zoo, providing students with an active platform for practical conservation projects.





### Circular Economy at MDX Dubai

MDX Dubai was the first university in the UAE to launch a sustainable system for recycling plastic waste back into everyday products. Through its partnership with #SimplyBottles, the university has diverted more than 400,000 plastic bottles from landfill since 2019 and reduced single-use plastics on campus by 70%, converting recycled PET materials into clothing and accessories.

In 2024, MDX Dubai expanded these efforts through a new recycling programme launched in collaboration with EnviroServe, a leading environmental services provider. This initiative supports the university's ambition to achieve 100% resource recovery and makes recycling more accessible for students and staff by enabling the disposal of e-waste, plastics, paper, glass, and cans through dedicated systems across campus.

MDX Dubai is also taking further steps to reduce plastic dependence through its partnership with No More Bottles, which will introduce mains-fed water dispensers that eliminate the need for bottled deliveries. This approach reduces transport emissions, storage requirements, and waste generation, thereby lowering the overall carbon footprint.



### Sustainable Fashion

MDX Dubai's Fashion Department has become a flagship of the university's circular-economy innovation. Through the annual For the Love of the Planet (FLOTP) event, it has upcycled, recycled, or reused more than 2,000 clothing items, saving approximately 500 kg from landfill. These efforts have the potential to offset carbon emissions while also generating proceeds for community impact initiatives, such as Thrift for Good, which supports access to education for children in need.

Fashion shows held in 2023, 2024, and 2025 used no new materials, with students creating designs through thrifting and upcycling processes. In partnership with the UAE cricket franchise Desert Vipers, MDX Dubai students also developed prototypes of eco-friendly merchandise made from repurposed cricket uniforms.



## EMPLOYEES

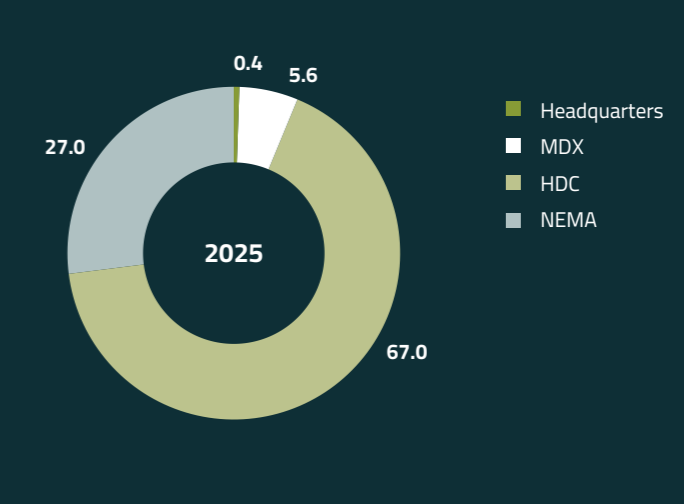
Our employees are essential to delivering education and care services across Saudi Arabia and the UAE. As a Group, we rely on qualified educators, therapists, academic faculty, and operational teams to provide consistent services and maintain the highest quality standards.

In 2025, Almasar Alshamil Education had 3,921 employees across the Group. We apply equal opportunity principles across recruitment, development, and workplace practices. Inclusion is particularly important in our Special Needs Education and Care segment, where service delivery depends on trained professionals working closely with vulnerable beneficiaries and their families.

We comply with Saudization requirements in Saudi Arabia and Emiratization regulations in the UAE. In 2025, the Saudization rate at the Group's headquarters reached 58%, and was even higher at HDC (78%). We have obtained certificates from the Ministry of Human Resources and Social Development confirming compliance with the Saudization requirements. Our participation in national employment programmes, such as Tamheer, helps us increase the hiring of Saudi talent.

In HDC, staffing is managed through flexible contracts to support the expansion of our daycare centers and school network, with mandatory

Employee composition by location in 2025, %



pre-onboarding training that maintains service quality as we scale. 74% of staff on this platform are women, reflecting our commitment to creating career opportunities and increasing female representation in the workforce.

- We maintain a structured training and development policy across subsidiaries. Our approach includes:
- Identifying training needs aligned with operational requirements.
  - Delivering programmes through line managers and HR teams.
  - Fostering continuous learning.
  - Evaluating training effectiveness.

We also conduct annual performance evaluations to assess achievement against targets, set objectives for the following year, and determine promotions and performance-based compensation.

The Group complies with applicable labor laws in both Saudi Arabia and the UAE, including requirements related to contracts, working conditions, and employee rights. Employment contracts include benefits such as medical insurance. We continue updating our policies to remain aligned with evolving labor regulations.



# HEALTH AND SAFETY

We are committed to maintaining safe, secure, and supportive environment across all our campuses, schools, daycare centers, and care facilities. Health and safety are integral to our operational governance and risk management approach.

With a diverse footprint spanning Saudi Arabia and the UAE, we place strong emphasis on safeguarding the well-being of students, beneficiaries, employees, and visitors across all locations. Education and care environments are exposed to a range of external events, including natural disasters, severe weather, infectious disease outbreaks, and other unforeseen disruptions. Such events may affect facility operations, disrupt service delivery, or cause harm to employees and learners.

The very nature of our services, particularly within Special Needs Education and Care, requires heightened attention to safety standards, preparedness, and continuity planning. Accordingly, health and safety considerations are embedded into operational decision-making, facility management, and emergency response protocols across all business lines.

We are committed to protecting the health and safety of our employees, which includes educators, care professionals, administrative teams, and campus staff. The Group maintains procedures to ensure safe working conditions, appropriate safeguards in day-to-day operations, and access to relevant support systems. In the event of infectious disease outbreaks or other health-related risks, employees may be directly affected, and the Group remains focused on implementing precautionary measures to protect staff well-being while ensuring operational continuity.

Health and safety training is an important component of our approach. Staff across campuses and facilities receive training aligned with their roles, including emergency response awareness, safeguarding responsibilities, and health precaution protocols. We continue to enhance our preparedness frameworks to ensure that institutions can respond effectively to evolving risks, maintain service quality, and protect all stakeholders. Health and Safety Officers and on-site teams manage compliance with the Health and Safety policies and their implementation.



# COMMUNITY ENGAGEMENT

Almasar Alshamil Education's role extends beyond delivering educational services. It is fundamentally rooted in supporting the well-being and long-term development of the communities we serve.

As a leading integrated educational investment company operating across Saudi Arabia and the UAE, the Group is committed to ensuring that high-quality, inclusive education is accessible to all, while generating sustainable societal impact alongside long-term shareholder value. Our approach to community

contribution is anchored in collaboration. By partnering with ethically and socially responsible organizations, we promote healthier, more inclusive communities.

Resources and Social Development, the Ministry of Education, the Saudi Association for Special Education (GESTER), and leading hospitals such as King Abdullah and King Khaled Hospitals. These collaborations expand access to essential services for individuals with special needs and their families.

Across our business lines, community impact is delivered through tailored initiatives. In Saudi Arabia, HDC plays a critical role in delivering social value. It has developed partnerships with a range of government and non-governmental organizations to provide diagnostic services, awareness programmes, and specialized training. Key partners include the Ministry of Human

We strengthen community impact through volunteering, service-learning, and partnerships with schools, NGOs, and industry to widen participation and support social mobility. We also provide scholarships and other forms of support that help make education more accessible.

## Supporting Mental Health Professionals in Dubai

In the UAE, MDX Dubai is the key institution promoting community engagement through its educational initiatives, awareness campaigns, and collaborations with NGOs and sports organizations. Community engagement at MDX Dubai reflects a systems-thinking approach, integrating law, mental health, creative arts, business, technology, and student activism into a framework for sustainable change. In 2025, the university's Department of Psychology hosted the 10th Conference on Applied Psychological Research and Practice, which brought together more than 25 regional mental health professionals and created opportunities for knowledge exchange, professional development, and inclusive dialogue.

## Partnering with Desert Vipers to Advance Sports Performance and Sustainability

In 2025, MDX Dubai announced a strategic partnership with the Desert Vipers, one of the UAE's leading DP World ILT20 cricket teams, becoming the club's Elite Sport Performance & Academic Research Partner. The collaboration will provide MDX Dubai students with unique opportunities to train alongside elite cricket coaches and gain hands-on experience in high-performance sport, strength and conditioning, and professional athletic development. The partnership also connects with the London Sport Institute in Dubai, creating new pathways for students across the UAE and the UK.

Sustainability is a key pillar of the agreement. MDX Dubai and the Desert Vipers will collaborate on initiatives to reduce the environmental footprint of large-scale sporting events, including reducing single-use plastics, promoting recycled materials, and developing eco-friendly fan merchandise through MDX Dubai's School of Art and Design.



# CORPORATE GOVERNANCE



## Ensuring Accountability. Strengthening Trust.

Corporate governance at Almasar Alshamil Education is built on clear oversight, transparent decision-making, and regulatory compliance. Through an effective Board structure, strong internal controls, and disciplined risk management, we safeguard shareholder interests and support the Company's long-term stability and performance.

**33%** of the Board members  
are independent directors



# CORPORATE GOVERNANCE OVERVIEW

Corporate governance at Almasar Alshamil Education is grounded in the Corporate Governance Regulations (CGRs) issued by the Capital Market Authority (CMA), the applicable provisions of the Companies Law, and recognized best practices in corporate governance in the Kingdom of Saudi Arabia. As a listed company, we apply this framework to support effective oversight, clear accountability, and sound decision-making across the Group.

The Corporate Governance Regulations govern the relationships among the Board of Directors, executive management, shareholders, and other stakeholders by establishing rules and procedures that strengthen governance, protect stakeholder rights, and promote credibility, fairness, competitiveness, and transparency in our operations. The framework also places strong emphasis on disclosure and transparency, helping ensure that the Board acts in the best interests of shareholders and that our reporting provides a clear and balanced view of the Company's financial position and performance.

We are committed to maintaining high standards of corporate governance and to complying with all mandatory provisions of the Corporate Governance Regulations and other applicable laws and regulations. We also review and update our internal governance

policies and procedures as needed to reflect regulatory developments and evolving best practices.

Internally, the Company's corporate governance is guided by the Internal Corporate Governance Manual<sup>1</sup>. It contains provisions relating to the following:

- Shareholders' rights.
- The Board of Directors formation, membership rules, meetings, procedures, competencies, and powers.
- The Board committees' composition, membership rules, meetings, procedures, competencies, and powers.
- Internal control, internal audit, and the external Auditor.
- Conflicts of interest policy.
- Disclosure and transparency policies.

Other documents<sup>2</sup> regulating the Company's corporate governance in accordance with the Corporate

Governance Regulations include the Audit Committee Charter, the Nomination and Remuneration Committee Charter, the Policies, Standards, and Procedures for Board Membership, the Remuneration Policy, the Related-Party Transaction Policy, and the Conflict of Interest Policy.

On 2 December 2025, the Company completed its IPO and listed on the Saudi Stock Exchange. After that, the Company has initiated the process of amending its Bylaws and completing the necessary legal procedures to update its legal documents in accordance with regulatory requirements and timelines.



## Organizational Structure

The Company is governed by a Board of Directors. To support effective oversight, the Board is assisted by standing Board committees, namely the Audit Committee and the Nomination and Remuneration Committee, which exercise the powers delegated to them by the Board in accordance with the Company's Corporate Governance Manual. The Board, together with the Audit Committee, oversees the Company's internal control framework to ensure compliance with applicable laws, regulations, and internal policies.

This framework is also monitored by an independent Internal Audit Department, which assesses the effectiveness of internal controls, risk management, and compliance processes and reports quarterly to the Audit Committee. The Head of Internal Audit is appointed

based on the Audit Committee's recommendation and operates independently under its guidance.

While the Board focuses on strategic oversight, day-to-day operations are delegated to Executive Management led by experienced Senior Executives. Executive Management is responsible for implementing the Board-approved strategy and decisions, ensuring operational execution aligned with governance standards, and maintaining open communication with the Board through regular reporting and transparent accountability.

The Company's financial statements are audited annually by an independent and qualified External Auditor, appointed by the Shareholders upon the Board's recommendation, to provide assurance that

the financial statements present the Company's financial position and performance fairly and objectively.

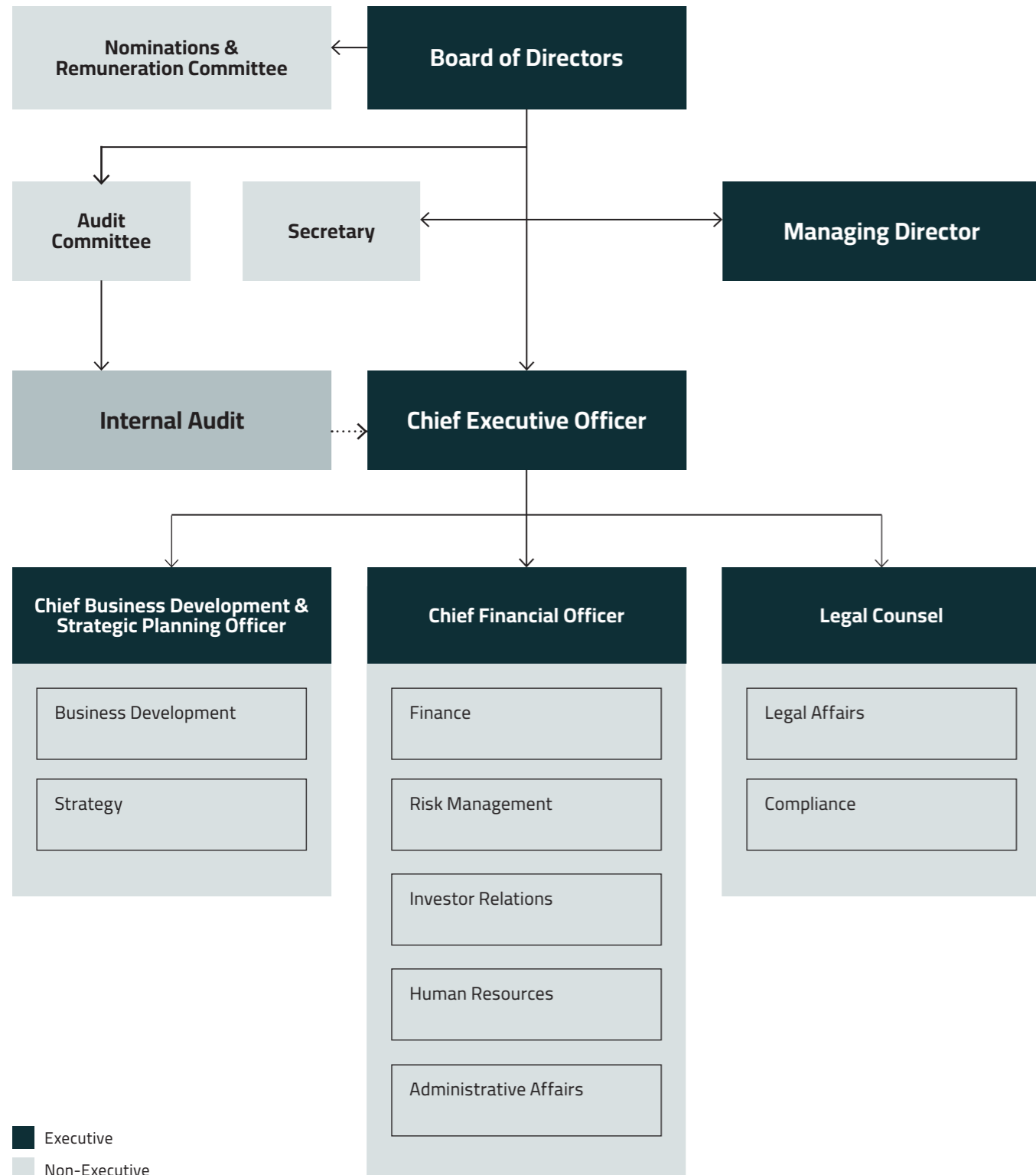
Following the completion of the year 2025, the General Assembly will be convened in due course to approve the Annual Financial Statements and appoint Deloitte & Touche and Co. – Chartered Accountants (Deloitte) as the External Auditor. The total fee for audit-related services agreed upon is 816,000. The Company confirms that it has not retained any advisory or consultancy services from Deloitte in compliance with its corporate governance regulations, ensuring the External Auditor's independence and objectivity.

<sup>1</sup> Approved by the Board of Directors on 27/04/1446H (corresponding to 30/10/2024G).

<sup>2</sup> Approved by the Shareholder Resolution on 28/4/1446H (corresponding on 31/10/2024G).



Organizational Structure of the Company



■ Executive  
■ Non-Executive

Subsidiaries of the Group

Name	Equity Interest		Country of Incorporation	Principal Activities
	2025	2024		
Middlesex Associates FZ-LLC (Middlesex University) <sup>1</sup>	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 <sup>2</sup>	60%	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services

The Group holds several other subsidiaries with a 100% (2024: 100%) equity interest in the United Arab Emirates, both directly and indirectly, which primarily act as investment vehicles and are non-operational in nature, listed as follows:

- AHE Alpha Ltd
- AH Alpha Investments Holdings 1 Ltd
- AH Alpha Investments Holdings 2 Ltd
- AH Alpha Investments Holdings 3 Ltd
- HDC for Investments LLC<sup>2</sup>

Shares and Debt Instruments Issued by Each Affiliate Company

The Group has not arranged for the issuance of shares or debt instruments for any of its subsidiaries, nor are there any such instruments currently outstanding.

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

On 30 June 2025, NEMA completed the acquisition of a 51% equity stake in Biz Group which has been accounted for as a subsidiary and consolidated in NEMA consolidated financial statements from the acquisition date.

Compliance with Laws and Regulations

The Company and its subsidiaries comply with applicable laws and regulations in the Kingdom of Saudi Arabia and the UAE and hold all licenses and permits required to conduct their activities. Policies and procedures are in place to ensure ongoing compliance

with the Companies Law, the Capital Market Law and its implementing regulations, and the Corporate Governance Regulations.

During the fiscal year 2025, the Company observed and complied with all mandatory

provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) with no exceptions.

<sup>1</sup> Investment held via AHE Alpha Ltd.

<sup>2</sup> Investment held via Human Development Company LLC.



# SHARE CAPITAL AND OWNERSHIP STRUCTURE

As of December 31, 2025, the Company's share capital amounted to ₪ 1,024,013,320, fully paid, divided into 102,401,332 shares of equal value, with a nominal value of ₪ 10 per share.

Shareholders, as of December 31, 2025	Number of shares	Nominal value, ₪	Ownership share, %
Amanat Special Education and Care Holdings Ltd	71,680,932	716,809,320	70%
Public	30,720,400	307,204,000	30%
<b>Total</b>	<b>102,401,332</b>	<b>1,024,013,320</b>	<b>100%</b>



## Statement of Treasury Shares

The Company has not issued any treasury shares, and no such treasury shares are currently outstanding.

## Shareholder Powers

Shareholders exercise the powers and authorities of the shareholders' General Assembly as set out in the Companies Law. These powers include the following:

- Appointing and removing Directors.
- Appointing one or more Auditors for the Company, determining their fees, and approving their reappointment or removal.
- Reviewing and discussing the Board of Directors' report.
- Reviewing and discussing the Company's financial statements.
- Reviewing the Auditor's report (if any) and deciding on matters arising from it.
- Issuing decisions on Board proposals relating to dividend distributions.
- Forming Company reserves and determining their use.
- Amending the Company's Bylaws, except for matters that cannot be amended by law.
- Deciding on the continuation of the Company or its dissolution.

## Interest in Voting Shares

During the reporting period, the Company did not receive any notifications under Article 70 (formerly Article 85) of the Rules on the Offer of Securities and Continuing Obligations, nor was any interest in the Company's voting shares held, acquired, or disposed of by such persons.

↗ For the Directors' and Senior Executives' share ownership, see the relevant sections of the Report.



## Requests for Shareholders' Records

In the reporting period, the Company made the following requests for the shareholders' records:

Request Number	Request Date	Reason for Request
1	23/12/2025	Company procedures
2	08/12/2025	Company procedures
3	04/12/2025	Company procedures
4	02/12/2025	IPO procedure

## General Assembly Meetings

Shareholder Resolution issued on April 22, 2025.



# BOARD OF DIRECTORS

The Board holds the broadest authority to manage the Company and steer it toward achieving its strategic objectives. It remains ultimately responsible for the Company's overall direction, supervision, and control.

## Composition of the Board

The Company's Board of Directors is composed of nine members who have experience, competence, and good reputations. According to the Company's Bylaws, the tenure of the Directors, including the Chairman, is of four years per term. They may be re-elected for subsequent terms.

The Companies Law, the Corporate Governance Regulations, 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.

The current Board of Directors was formed pursuant to the General Assembly Resolution dated 08/10/2024G. Its term began on 24/09/2024G and will end on 23/09/2028G. The majority of the Directors on the Company's Board are non-executive, including three independent Directors.

The current Board Secretary is Akram Al Sayed Aly Abdel Razek.

## Responsibilities and Powers of the Board of Directors

Subject to the powers reserved for the General Assembly, the Board of Directors is responsible for:

- Approving the Group's strategic objectives and sustainability priorities.
- Overseeing enterprise risk management, including the monitoring of strategic, operational, regulatory, and sustainability-related risks.
- Ensuring compliance with Saudi Capital Market Authority (CMA) regulations, Tadawul listing requirements, and applicable education laws.
- Monitoring ethical conduct and corporate governance standards across subsidiaries.

Board committees support this oversight according to their mandates:

- The Audit Committee supervises financial reporting, internal controls, compliance systems, and the integrity of ESG data across the Group.
- The Nomination and Remuneration Committee oversees the Board composition, executive performance, and succession planning.

The Board's core responsibilities include approving the Company's strategy, business plans,

and budgets, monitoring financial and operational performance, and approving major investments, financing arrangements, and strategic transactions. It also establishes the Company's governance framework, including organizational structures, policies, internal controls, and risk management systems.

The Board appoints and oversees the Chief Executive Officer and senior management, determines their powers and remuneration, and evaluates their performance. The Board may delegate specific

authorities to management or Board committees, while retaining overall responsibility.

Certain matters, including significant asset disposals or transactions exceeding regulatory thresholds, require the approval of the General Assembly in accordance with the Companies Law and the Corporate Governance Regulations.



## Summary Biographies of the Board Members

### Dr. Shamsheer Vayalil

#### Chairman, Non-Executive

##### Committee membership: -

**Nationality**  
Indian

##### 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

- Chairman, Amanat Holdings, a UAE-based public joint-stock company operating in the health and education sector, from 2023G to the date of this Report.
- Chairman, Burjeel Holdings, a UAE-based public joint-stock company operating in the healthcare sector, from 2022G to the date of this Report.
- Director, Burjeel Investments and Property, a UAE-based limited liability company operating in the healthcare sector, from 2022G to the date of this Report.
- Director, Kypros Nicolaidis Fetal Medicine and Therapy Center, a UAE-based limited liability company operating in the healthcare sector, from 2022G to the date of this Report.
- Director, Burjeel Pharmacy Forsan Central Mall, a UAE-based limited liability company operating in the healthcare sector, from 2022G to the date of this Report.
- Director, Response Plus Holdings, a UAE-based private joint-stock company operating in the healthcare sector, from 2021G to the date of this Report.
- Director, Pharmacare Holdings Limited, a UAE-based limited liability company operating in the healthcare sector, from 2021G to the date of this Report.
- Director, VPS Healthcare Limited, an India-based limited liability company operating in the healthcare sector, from 2021G to the date of this Report, and others

##### 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, and others.

### Kamal Abdullah Salem Bahamdan

#### Vice Chairman, Non-Executive

**Committee membership: -**  
Member of the Nomination and Remuneration Committee

**Nationality**  
Saudi

##### 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 Report.
- 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 Report.
- 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 Report.
- Chairman, Tadrees Education Company, a KSA-based limited liability company operating in the education sector, from 2009G to the date of this Report, and others.

##### 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.

## Summary Biographies of the Board Members

### Dr. Ali Saeed Sultan Aldhaferi

#### Non-Executive

Committee membership: -

Nationality  
Emirati

#### 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

- Founder and 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 Report.
- Managing Director, Bin Harmal Group, a UAE-based limited liability company operating in the investment sector, from 2001G to the date of this Report.
- 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 Report.
- Chairman and Founder, BHS Investments, a UAE-based limited liability company operating in the investment sector, from 2001G to the date of this Report.
- Chairman, Exceed Information Technology (GCC), a UAE-based limited liability company operating in the information technology sector, from 2001G to the date of this Report.
- Chairman, Abu Dhabi University, a UAE-based limited liability subsidiary operating in the higher education sector, from 2014G to the date of this Report.

#### 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.

### Dhafer Sahmi Jaber Al Ahabbi

#### Non-Executive

Committee membership: -

Nationality  
Emirati

#### 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 Report.
- Director, Amanat Holdings, a UAE-based public joint-stock company operating in the healthcare sector, from 2020G to the date of this Report.
- 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 Report.

#### 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.

## Summary Biographies of the Board Members

### Abdulwahab Al-Halabi

#### Independent

**Committee membership:**  
Chairman of the Audit Committee

**Nationality**  
British

**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 Report.
- Partner, Decker & Halabi DMCC Limited, a UAE-based limited liability company operating in the consulting sector, from 2018G to the date of this Report.
- Director, TBL REIT Management Limited, a Pakistan-based limited liability company operating in the investment sector, from 2019G to the date of this Report, and others.
- Vice Chairman, Union Properties, a UAE-based public joint-stock company operating in the real estate sector, from 2020G to the date of this Report.
- Director, Abu Dhabi Islamic Bank, a UAE-based public joint-stock company operating in the banking sector, from 2022G to the date of this Report.
- 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.

#### Previous Positions

### Muhannad Mohammed Saud Aldawood

#### Independent

**Committee membership:**  
Chairman of the Nomination and Remuneration Committee

**Nationality**  
Saudi

**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 Report.

#### 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.

## Summary Biographies of the Board Members

### Fawaz Talal Abdelqadr Goth

#### Independent

**Committee membership:**  
Member of the Audit Committee

**Nationality**  
Saudi

**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 Report.
- Chief Development Officer, Saudi Events Investment Fund, from 2023G to the date of this Report.

#### 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.

### Barton John Ireland

#### Non-Executive

**Committee membership:**  
Member of the Audit Committee

Member of the Nomination and Remuneration Committee

**Nationality**  
British

**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 Report.
- Director, Royal Specialist Hospital, a Bahrain-based limited liability company operating in the healthcare sector, from 2024G to the date of this Report.
- Director, WMCE, a Bahrain-based limited liability company operating in the investment sector, from 2024G to the date of this Report.
- 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 Report.
- 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 Report.
- 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 Report.

#### 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.
- Chief Finance and Strategy Officer, Qiddiya Investment Company, a KSA-based closed joint-stock company operating in the entertainment and tourism sector, from 2020G to 2021G.



## Summary Biographies of the Board Members

### Fadi Habib

#### Managing Director / Executive

Committee membership: -

Nationality  
Canadian

#### 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, NEMA Holding Company, a Group company, a UAE-based limited liability company operating in the education sector, from 2023G to the date of this Report.
- Member of the Executive Committee, Liwa University Company, a Group company, a UAE-based limited liability company operating in the education sector, from 2023G to the date of this Report.
- 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 Report.
- Director, MDX Associates, a Group company, a UAE-based limited liability company operating in the education sector, from 2020G to the date of this Report.
- 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 Report.
- 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 Report, and others.

#### 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.

## Board Share Ownership

The Company is required to maintain a 30% public free float following its listing. Under applicable CMA rules and regulations, persons who are not considered "public

shareholders" are restricted from acquiring the Company's shares where such acquisition would result in the public shareholding falling below the minimum required

level. Accordingly, Board members are not permitted to acquire shares in the Company where this would reduce the public free float below 30%.

Member Name / Meeting Date	Position	Status	Nationality	Appointment date	Direct share ownership 31 Dec 2025 @ Amanat Level	Indirect share ownership 31 Dec 2025 @ Almasar Level
Dr. Shamsheer Vayalil	Chairman	Non-Executive	India	24/09/2024G	17.0525%	11.9368%
Kamal Abdullah Salem Bahamdan	Vice Chairman	Non-Executive	Saudi Arabia	24/09/2024G	—	—
Dr. Ali Saeed Sultan Aldhaferi	Member	Non-Executive	UAE	24/09/2024G	2.0000%	1.4000%
Dhafer Sahmi Jaber Al Ahbabi	Member	Non-Executive	UAE	24/09/2024G	0.6130%	0.4291%
Barton John Ireland	Member	Non-Executive	UK	24/09/2024G	—	—
Muhannad Mohammed Saud Aldawood	Member	Independent	Saudi Arabia	24/09/2024G	—	—
Fawaz Talal Abdelqadr Goth	Member	Independent	Saudi Arabia	24/09/2024G	—	—
Abdulwahab Al-Halabi	Member	Independent	UK	24/09/2024G	0.0220%	0.0154%
Fadi Habib	Member	Executive	Canada	24/09/2024G	—	—

## Board Meetings

The Board of Directors meets regularly, at least four times per year, upon invitation by the Chairman. Meetings may be held in person or through electronic means that allow all participants to communicate effectively. A meeting is valid if attended by a majority of the Board members, and Directors participating remotely are deemed present for quorum purposes.

Board resolutions are adopted by a majority vote of the members present or represented. In the event of a tie, the Chairman has a casting vote. Resolutions may also be passed by circulation in urgent cases, provided that they are approved in writing by the required majority and presented to the Board at its subsequent meeting.

The deliberations and resolutions of the Board are documented in formal minutes prepared by the Board Secretary and signed by the Chairman, the attending Directors, and the Secretary. The Board may use electronic means for participation, approval, and documentation in accordance with applicable regulations.



## Board Meetings Attendance in 2025

The Board of Directors held 4 meetings in 2025. The following is a record of these meetings and their attendance by Board members:

Member Name / Meeting Date	4/3/2025	7/5/2025	30/9/2025	1/11/2025
Dr. Shamsheer Vayalil	Attended	Attended	Attended	Attended
Kamal Abdullah Salem Bahamdan	Attended	Attended	Attended	Attended
Dr. Ali Saeed Sultan Aldhaheeri	Attended	Apologized	Attended	Attended
Dhafer Sahmi Jaber Al Ahbabi	Attended	Attended	Apologized	Attended
Barton John Ireland	Attended	Attended	Attended	Attended
Muhannad Mohammed Saud Aldawood	Attended	Attended	Attended	Attended
Fawaz Talal Abdelqadr Goth	Attended	Attended	Attended	Attended
Abdulwahab Al-Halabi	Attended	Attended	Attended	Attended
Fadi Habib	Attended	Attended	Attended	Attended

## Procedures for Informing Board Members on Shareholders' Suggestions and Remarks

In line with the Corporate Governance Regulations (CGRs), members of the Board of Directors attend the Company's General Assembly meetings, giving

shareholders a platform to raise suggestions, ask questions, and share feedback with the Board. Shareholders may also communicate with the Company

at any time through the Investor Relations function, which serves as an additional channel for engagement and information exchange.

## Board Assessment

As the Company's listing on the Main Market of the Saudi Exchange was completed on 2 December 2025, there was no sufficient time

remaining to conduct the Board performance evaluation in the reporting period. The Company will carry out the required Board

assessments within the statutory timelines, commencing from the date of listing.

## Board Members' Participation in Competing Businesses

In 2025, Mr. Kamal Abdullah Bahamdan was authorized<sup>1</sup> to participate in activities and business that could compete with the Company or its subsidiaries or that compete with the Company or its subsidiaries in any of the fields

of activity they pursue, given his ownership and membership on the board of directors of Tadrees Holding Company for Education and Global School Management Company, both of which engage in mainstream educational

activities in schools (for K-12). None of the other Board Members participate in any business competing with that of the Company or its subsidiaries.



## Board Committees

The Board may form committees from among the Directors or others and may delegate to such committees the powers it deems appropriate and determine their terms of reference

and the remuneration of their members. The committees contribute to the effective performance of the Company's functions in addition to meeting the relevant regulatory requirements.

As of December 31, 2025, the committees formed by the Board of Directors consisted of the Nomination and Remuneration Committee and the Audit Committee.

<sup>1</sup> Approved by the Shareholder Resolution on 28/4/1446H (corresponding on 31/10/2024G).



## Audit Committee

In accordance with the Corporate Governance Regulations (CGR), 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 Shareholder Resolution 28/04/1446H (corresponding to 31/10/2024G).

The current Audit Committee consists of four non-executive members from the Board and from outside the Board who were appointed by the Shareholders. According to the Audit Committee Charter, the term of membership on the Committee is four years, which may be extended subject to the General Assembly approval.

The Audit Committee monitors the Company's business and verifies the integrity and soundness of its reports, financial statements,

and internal control systems, with a focus on tracking remediation progress and ensuring appropriate follow-up on identified control matters. Its responsibilities include the following:

- Examining the interim and annual financial statements of the Company before presenting them to the Board and providing its opinion and recommendations to ensure their integrity, fairness, and transparency.
- Accurately investigating any issues raised by the Company's CFO or any person assuming their duties, or the Company's compliance officer or Auditor.
- Verifying accounting estimates with respect to significant matters contained in the financial reports.
- Assessing the accounting policies adopted by the Company and expressing an opinion and providing recommendations to the Board in this regard.
- Examining and reviewing the Company's internal and financial control and risk management systems.
- Analyzing the internal audit reports and following up on the implementation of the corrective measures.
- Monitoring and supervising the performance and activities of the Company's internal auditor and Internal Audit Department.
- Providing recommendations to the Board on the appointment of the Head of the Internal Audit Department.
- Providing recommendations to the Board on the nomination and dismissal of External Auditors, determining their remuneration, and assessing their performance after verifying their independence.
- Ensuring the Company's compliance with the relevant laws, regulations, policies, and directives.
- Performing other duties as per the Audit Committee Charter.

### Audit Committee Composition

- Abdulwahab Al-Halabi (Independent Director) – the Chairman
- Fawaz Talal Abdelqadr Goth (Independent Director)
- Barton John Ireland (Non-Executive Director)
- Mukesh Sodani Jani Sodani — an external member



## Mukesh Sodani Jani Sodani

### External Member

**Nationality**  
Indian

### 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 Report.

### 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.





## Audit Committee Meetings

The Audit Committee held 5 meetings in 2025. The table below provides information on their dates and attendance:

#	Member Name / Meeting Date	10/2/2025	3/3/2025	6/5/2025	5/8/2025	5/11/2025
1	Abdulwahab Al-Halabi	Attended	Attended	Attended	Attended	Attended
2	Fawaz Talal Abdelqadr Goth	Attended	Attended	Attended	Attended	Attended
3	Barton John Ireland	Attended	Attended	Attended	Attended	Attended
4	Mukesh Sodani Jani Sodani	Attended	Attended	Attended	Attended	Attended

## Report of the Audit Committee for the Fiscal Year Ending on December 31, 2025

During 2025, the Audit Committee reviewed the Company's activities and confirmed the reliability and integrity of its financial reports and statements. The Committee oversaw the effectiveness of the internal control framework, financial and risk management processes, significant accounting estimates, and material contingencies disclosed in the financial statements.

The Audit Committee regularly reviewed the progress on risk-based audits ensuring adequate coverage of core financial, operational & regulatory compliance processes in addition to monitoring timely

remediation of identified internal audit observations leading to sustainable control improvements. In addition, it assessed the internal audit function's performance, ensured adequate resources were available, and evaluated the effectiveness of audit activities within the approved scope of work.

The Committee reviewed the external auditor's independence and the appropriateness of the audit scope, confirming that no services outside the agreed audit mandate were performed. The Audit Committee examined the external auditor's report, audit plan, and key observations on the financial

statements, and, together with Executive Management, followed up on the actions taken in response to the auditor's findings and recommendations.

In 2025, the Audit Committee made no recommendation regarding the appointment of an internal auditor for the Company, as these functions are performed by the Internal Audit Department, supported by a co-sourced external internal audit firm.

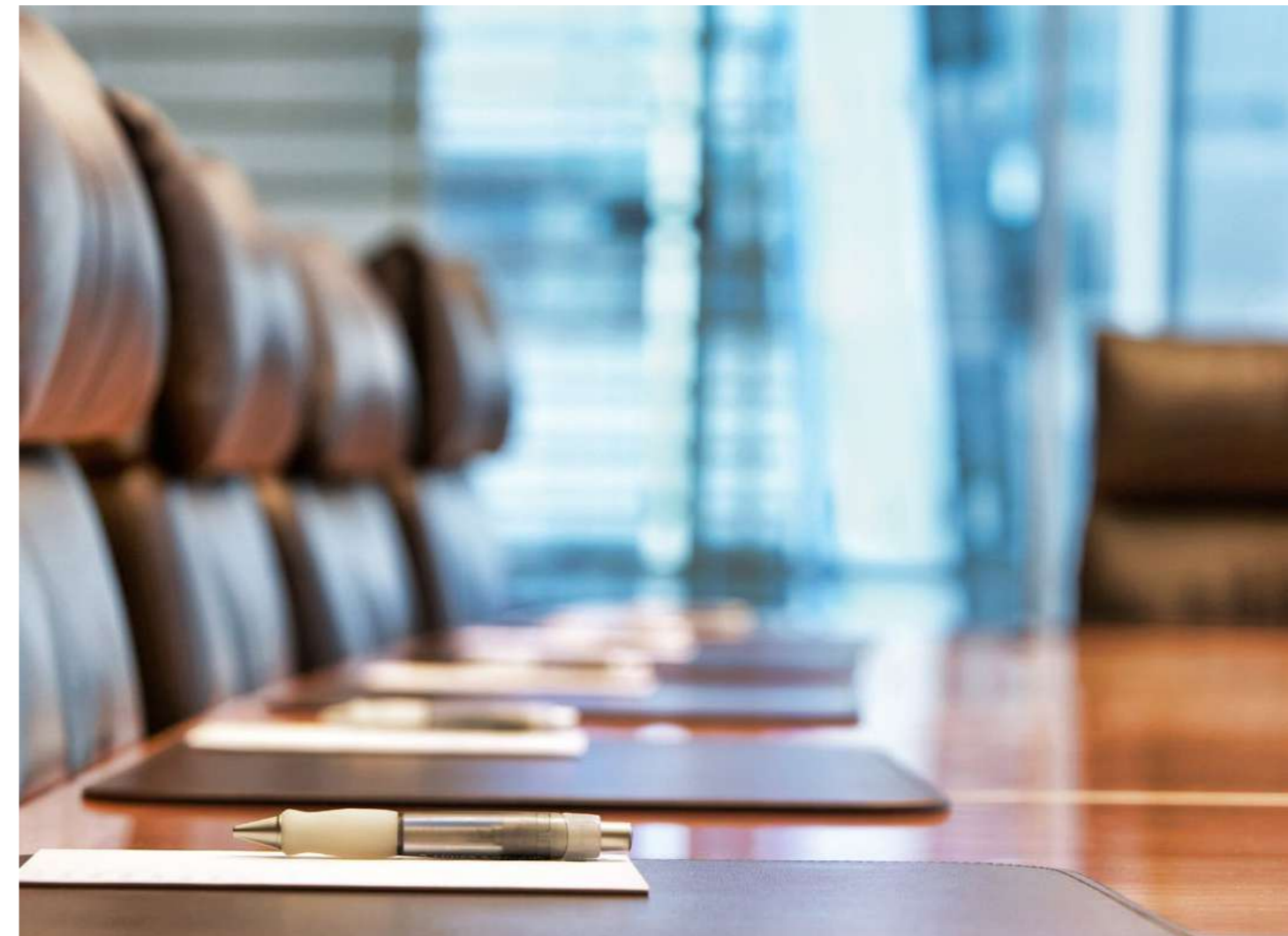
## The Audit Committee's Assessment of the Adequacy of Internal and Financial Control and Risk Management Systems

In 2025, the Committee conducted its annual review of the effectiveness of the Company's internal control procedures and risk management system. Based on this review, the Committee believes that the internal control system has progressively developed and improved during the year to ensure reliable financial reporting, protect the Company's assets, and support compliance with applicable laws and regulations.

Based on its responsibilities, the information provided by Executive Management

and the Internal Auditor, and the applicable accounting standards for the year, the Audit Committee concluded that no material deficiencies were identified in the Company's internal financial control system or risk management framework. The Committee reviewed the appropriateness of the Risk Management Framework, ensuring it remains robust amid a changing internal and external environment and integrated to the overall strategy. The assessment also covered a review of the risk registers, categorizing risks into strategic, operational, financial,

and compliance-related areas and residual risks. Based on the assessment performed, no material deficiencies were identified. The Committee also confirmed that the financial statements were prepared in accordance with the relevant legal and regulatory requirements as of December 31, 2025.





## Nomination and Remuneration Committee

There were no Audit Committee's recommendations that were in conflict with the Board's resolutions or those which the Board disregarded, relating to appointment, dismissal, performance assessment, or determining the remuneration of an external auditor.

The Nomination and Remuneration Committee was formed pursuant to a Board of Directors' resolution dated 27/04/1446H (corresponding to 30/10/2024G). Shareholder Resolution 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 years and is renewable.

The responsibilities of the Nomination and Remuneration Committee include the following:

- Proposing clear policies and criteria for membership of the Board of Directors and the Executive Management.

- Providing recommendations to the Board of Directors for the nomination or re-nomination of its members in accordance with the approved policies and standards.
- Preparing a description of the skills and qualifications required for membership on the Board of Directors and for Executive Management positions.
- Undertaking an annual review of the skills and experience required of members of the Board and Executive Management.
- 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.
- Determining the strengths and weaknesses of the Board and recommending corrective solutions that serve the interests of the Company.
- 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.
- Performing other duties as per the Nomination and Remuneration Committee Charter.



### Nomination and Remuneration Committee Composition

- Muhannad Mohammed Saud Aldawood (Independent Director) — the Chairman
- Barton John Ireland (Non-Executive Director)
- Kamal Abdullah Salem Bahamdan (Non-Executive Director)

## Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held one meeting in 2025. The table below provides information on its date and attendance:

#	Member Name / Meeting Date	24 Feb 2025
1	Muhannad Mohammed Saud Aldawood	Attended
2	Barton John Ireland	Attended
3	Kamal Abdullah Salem Bahamdan	Attended



# EXECUTIVE 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.

## Summary Biographies of the Senior Executives

Taking into account the powers assigned by 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.

### Description of any interest, contractual securities, or rights issue of the Senior Executives and their relatives in the shares or debt instruments of the Company or its affiliates, and any change in such interest or rights during the last fiscal year

As of December 31, 2025, the Senior Executives and their relatives did not hold any interest, contractual securities, or other rights in the shares or debt instruments of the Company or its affiliates.

Fadi Habib



### Managing Director

➤ Please refer to the biographies of the Board members above.

Majed Bejed  
Sudhan Almutairi



### Chief Executive Officer

**Nationality**  
Saudi

#### Academic Qualifications

- Bachelor's degree in Computer Engineering and Science, University of Arkansas at Little Rock, USA, 1987G.

#### 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.

Ahmad Gamal Eldin



### Chief Financial Officer

**Nationality**  
Egyptian

#### 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.

#### Previous Positions

- CFO, Magrabi Healthcare, a KSA-based joint-stock company operating in the healthcare sector, from 2023G to 2024G.
- CFO Cleopatra Hospitals Group, an Egypt-based listed company operating in the healthcare sector, from 2019G to 2023G.
- CFO Egypt Food Group, a Egypt-based private company operating in the food sector, from 2017G to 2019G.
- From 1994 to 2017, worked in various finance positions in investment banking, FMCG, and pharmaceuticals, including KPMG, Cadbury, and PepsiCo.

### Abdullah Alsaeed



#### Investor Relations Director

**Nationality**  
Saudi

**Academic Qualifications**

- Bachelor's degree in Business Administration, Valparaiso University, Indiana, USA 2010G.

**Previous Positions**

- Senior Manager Investor Relations, Dar Al Arkan, a KSA-based listed company operating in the Real Estate sector, from 2018G to 2025G.
- Manager, Investor Relations & Compliance, Zain, a KSA-based listed company operating in the Telecommunication sector, from 2015G to 2018G.
- Senior Analyst, Investor Relations & Corporate Governance, Mobily, a KSA-based listed company operating in the Telecommunication sector, from 2011G to 2015G.

### Akram Elsayed Aly Abdel Razeq



#### General Counsel

**Nationality**  
Egyptian

**Academic Qualifications**

- Bachelor's degree in Law, Cairo University, Arab Republic of Egypt, 1999G.

**Previous Positions**

- Regional Counsel Middle East & Africa, and Turkey, Astellas Pharma Inc., (UAE & Turkey Offices), a company operating in the pharmaceutical sector, from 2019G to 2025G.
- Regional Counsel Middle East and North Africa, PepsiCo Inc. (UAE Office), a company operating in the FMCG sector, from 2009G to 2019G.

### Khalid Mohammed Abdullah Alsubaie



#### Head of Internal Audit

**Nationality**  
Saudi

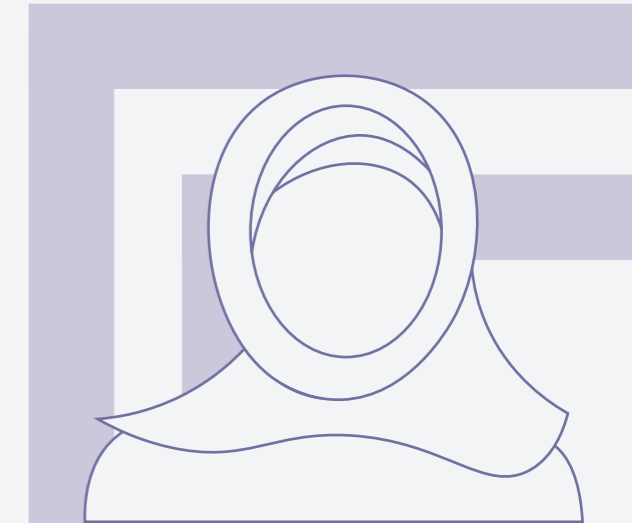
**Academic Qualifications**

- Bachelor of Science in Accounting and Finance, Canterbury Christ Church University, Kent, United Kingdom, 2014G.
- Diploma in Executive Secretary, Institute of Public Administration, Dammam, Kingdom of Saudi Arabia, 2007G.

**Previous Positions**

- Senior Audit Manager, American Express Saudi Arabia, a KSA-based company engaged in financial services, from 2023G to 2025G.
- Audit Manager, King Salman Energy Park (SPARK), a KSA-based entity engaged in the development of an industrial ecosystem for the energy sector, from 2021G to 2022G.
- Auditor, Johns Hopkins Aramco Healthcare, a KSA-based healthcare organization providing medical services, from 2019G to 2021G.

### Safia AlDayel



#### HR Director

**Nationality**  
Saudi

**Academic Qualifications**

- Master of Business Administration (MBA), Birmingham Professional College, London, United Kingdom, 2023G.
- Associate Diploma in People Management (CIPD Level 5), Avado, London, United Kingdom, 2023G.
- Bachelor's degree in English, Imam Mohammad Ibn Saud Islamic University, Riyadh, Kingdom of Saudi Arabia, 2012G.

**Previous Positions**

- Organizational Development Senior Manager, BSF Capital (BSFC), a KSA-based financial services company engaged in investment and asset management activities, from 2023G to 2025G.
- Head of HR and Administration, Almojel Group, a KSA-based business group engaged in construction, industrial, and trading activities, from 2022G to 2023G.
- Senior HR (Human Capital), Maarif Education, a KSA-based company engaged in private education services, from 2020G to 2022G.



## Dr. Omar Ibrahim Abdullah Al-Mudaifer



### Chairman and CEO of HDC and HRC

**Nationality**  
Saudi

#### 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.

#### Previous Positions

- Head of the National Committee for Special Needs Services, Federation of Saudi Chambers, since 2024G to date.
- 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.

## Prof. Cedwyn Joseph Fernandes



### Pro-Vice Chancellor, Middlesex University; Director, Middlesex University Dubai

**Nationality**  
Indian

#### 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..

#### Previous Positions

- Vice Chairman, MDX Dubai, a UAE-based private university, from 2014G to 2015G.
- CEO, IMT Dubai, from December 2013G to September 2014G.

## Felicity Preston



### Chief Operating Officer, Middlesex University Dubai

**Nationality**  
British

#### Academic Qualifications

- Bachelor of Science in Marketing (Hons), University of Derby, Derby, UK, 2006G.
- CIM Chartered Postgraduate Diploma, Marketing, University of Derby, Derby, UK, 2013G.

#### Previous Positions

- Deputy Director Marketing and Operations, Middlesex University Dubai, a UAE-based higher education institution operating in the tertiary education sector, from 2019G to 2023G.
- Head of Marketing and Operations, Middlesex University Dubai, a UAE-based higher education institution operating in the tertiary education sector, from 2016G to 2019G.
- Marketing Manager, Middlesex University Dubai, a UAE-based higher education institution operating in the tertiary education sector, from 2014G to 2016G.
- Director of Development and Admissions, Taalem, a UAE-based company operating in the education sector, from 2013G to 2014G.

## Prof. Ghassan Aouad



### Chancellor, Abu Dhabi University

**Nationality**  
British

#### Academic Qualifications

- Honorary Doctorate of Technology, Loughborough University, Loughborough, UK, 2016G.
- Doctor of Philosophy (PhD), Construction Management, Loughborough University, Loughborough, UK 1991G.
- MSc in Construction, Loughborough University, Loughborough, UK, 1987G.

#### Previous Positions

- President, Applied Science University, a Bahrain-based higher education institution operating in the tertiary education sector, Bahrain, from 2014G to 2023G.



# REMUNERATION

Pursuant to the Company's Bylaws, the Company's Shareholder approves the remuneration of the Chairman and the Directors in accordance with the official decisions and directives issued by the competent authorities and within the framework of the Companies Law and its Implementing Regulations and the Corporate Governance Regulations.

## Remuneration Policy

Directors' remuneration is paid as a fixed amount, as set out in the remuneration policy approved by the Shareholder. Directors do not receive in-kind benefits. Directors, Senior Executives, and the Board Secretary do not vote on matters relating to remuneration granted to them. They also do not have the authority to borrow from the Company or vote on any contract or arrangement in which they have an interest.

Senior Executives receive medical insurance in line with the Group's policies, and Senior Executives also receive transportation and accommodation allowances.

In 2025, the remuneration was granted in accordance with the remuneration policy, without any significant deviation.

## Remuneration of the Board Members

### Board Members' Remuneration

	Fixed remuneration, ٴ						Total	Variable Remuneration, ٴ							Total	End-of-service rewards, ٴ	Grand total, ٴ	Expenses allowances, ٴ
	Specific amount	Allowance for attending the Board sessions	Allowance for attending the Committee's sessions	In-kind benefits	Remuneration for technical, administrative, or consultancy works	Remuneration of the Board chairman, managing director, or secretary, if they are Committee members		Profit share	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Equity						
<b>Independent members</b>																		
Muhammad Mohammed Saud Aldawood	250,000	71,000	0	0	0	<b>321,000</b>	0	0	0	0	0	0	0	0	0	321,000	0	
Fawaz Talal Abdelqadr Goth	250,000	60,000	0	0	0	<b>310,000</b>	0	0	0	0	0	0	0	0	0	310,000	0	
Abdulwahab Al-Halabi	250,000	80,000	0	0	0	<b>330,000</b>	0	0	0	0	0	0	0	0	0	330,000	0	
<b>Total</b>	<b>750,000</b>	<b>211,000</b>	0	0	0	<b>961,000</b>	0	0	0	0	0	0	0	0	0	<b>961,000</b>	0	
<b>Non-Executive members</b>																		
Dr. Shamsheer Vayalil	300,000	-	0	0	0	<b>300,000</b>	0	0	0	0	0	0	0	0	0	300,000	0	
Kamal Abdullah Salem Bahamdan	250,000	65,000	0	0	0	<b>315,000</b>	0	0	0	0	0	0	0	0	0	315,000	0	
Dr. Ali Saeed Sultan Aldhaheeri	250,000	-	0	0	0	<b>250,000</b>	0	0	0	0	0	0	0	0	0	250,000	0	
Dhafer Sahmi Jaber Al Ahbab	250,000	0	0	0	0	<b>250,000</b>	0	0	0	0	0	0	0	0	0	250,000	0	
Barton John Ireland	250,000	125,000	0	0	0	<b>375,000</b>	0	0	0	0	0	0	0	0	0	375,000	0	
<b>Total</b>	<b>1,300,000</b>	<b>190,000</b>	0	0	0	<b>1,490,000</b>	0	0	0	0	0	0	0	0	0	<b>1,490,000</b>	0	
<b>Executive members</b>																		
Fadi Habib	250,000	0	0	0	0	250,000	0	0	0	0	0	0	0	0	0	250,000	0	
<b>Total</b>	250,000	0	0	0	0	250,000	0	0	0	0	0	0	0	0	0	250,000	0	
<b>Gross Total</b>	<b>2,300,000</b>	<b>401,000</b>	0	0	0	<b>2,701,000</b>	0	0	0	0	0	0	0	0	0	<b>2,701,000</b>	0	



## Remuneration of the Committees' Members

	Fixed Remuneration, ټ	Allowance for attending sessions, ټ	Total, ټ
<b>Audit Committee</b>			
Abdulwahab Al-Halabi		80,000	80,000
Fawaz Talal Abdelqadr Goth		60,000	60,000
Barton John Ireland		60,000	60,000
Mukesh Sodani Jani Sodani		60,000	60,000
<b>Total</b>		<b>260,000</b>	<b>260,000</b>
<b>Nomination and Remuneration Committee</b>			
Muhammad Mohammed Saud Aldawood		71,000	71,000
Barton John Ireland		65,000	65,000
Kamal Abdullah Salem Bahamdan		65,000	65,000
<b>Total</b>		<b>201,000</b>	<b>201,000</b>

## Key management personnel remunerations

	2025 SAR'000	2024 SAR'000
Short-term benefits	19,299	9,632
Post-employment benefits	620	300

## Waiving of Remuneration

In 2025, no member of the Board of Directors or Executive Management has waived their remuneration.





# RISK MANAGEMENT

The Group has developed and continues to enhance a structured risk management approach to identify and manage the key strategic, operational, financial, and regulatory risks that may affect its business and performance. Through ongoing Board and management oversight, risk assessment and mitigation are embedded into our planning and control processes, including infrastructure expansion and programme rollouts, to support informed decision-making and long-term resilience.

Almasar Alshamil Education maintains and continues to refine a structured framework for identifying, assessing, and monitoring risks across the organization, with a focus on operational delivery, student outcomes, regulatory obligations, and financial stability. Risk management policies and procedures are established to identify and analyze the risks the Group faces, set appropriate risk limits and controls, and monitor risk and adherence to those limits. They are reviewed regularly to reflect changes in market conditions and the Group's activities. Risks are evaluated based on their likelihood and potential impact and are assigned to responsible owners. The Board, supported by the Audit Committee and internal control functions, oversees

the framework and regularly reviews its effectiveness. Both the Board of Directors and Executive Management also regularly review the Group's risk profile and the effectiveness of mitigation measures to support the ongoing identification, monitoring, and management of key risks in line with the Group's strategic objectives, particularly in relation to growth, quality of education, and regulatory compliance. Risk management is integrated into the Group's planning and operational processes. Executive Management identifies and assesses risks within their areas of responsibility and implements appropriate controls and mitigation actions, including revenue diversification, enrollment management initiatives, academic quality assurance measures, cost control, regulatory compliance, and

technology safeguards. Significant risks are reported periodically to the Board to support oversight and decision-making.

The Company is 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 engaged 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.

## Summary of Risk Factors

Risk Area	Description	Potential Impact	Mitigation
Revenue & Enrollment	Dependence on government funding for SEC business line and the ability to attract and retain students	Revenue volatility and pressure on occupancy levels	Revenue diversification, enrollment management, and government engagement
Regulatory Environment	Changes in education, licensing, labor, or corporate governance requirements	Fines, operational restrictions, or license suspension	Ongoing regulatory monitoring and compliance framework
Operational Quality	Failure to maintain service quality, curriculum standards, or campus performance	Reputational damage, student attrition	Quality assurance, academic oversight, and staff training
Human Capital	Dependence on qualified teachers, leadership, and key personnel	Service disruption and reduced performance	Talent retention, succession planning, and workforce development
Technology & Data	System failures, cybersecurity incidents, or data loss	Operational disruption and regulatory/reputational risk	IT security controls, backup, and business continuity measures
Expansion & Infrastructure	Delays or cost overruns in expansion, reliance on leased sites, and high capex requirements	Slower growth and financial pressure	Investment governance, project monitoring, and lease management
Financial Risk	Liquidity constraints, interest rate exposure, and subsidiary performance dependence	Cash flow pressure and reduced returns	Treasury controls, funding planning, and financial monitoring
Strategic & Market	Competition, economic conditions, and concentration in specific locations	Margin pressure and demand fluctuations	Market analysis, cost control, geographic and programme diversification



# DISCLOSURES

## Conflicts of Interest

The Company maintains a clear framework of policies and procedures to manage conflicts of interest and related-party transactions, in line with the Companies Law and the Corporate Governance Regulations. These policies are designed to ensure that decisions are taken transparently, in the best interests of the Company and its shareholders, and that any potential conflicts are identified and properly addressed.

All related-party transactions are conducted strictly on an arm's-length basis and are subject to the approvals and oversight required under applicable regulations. Related-party business and contracts are reviewed and voted on at the Board level and, where required by law, submitted to the General Assembly. Directors are required to avoid any direct or indirect interest in transactions or contracts entered into on behalf of the Company unless such interest is approved by the General Assembly.

Directors and the CEO do not participate in voting on any contract, proposal, or decision in which they have an interest. Any direct or indirect personal interest must be disclosed to the Board, and such disclosure is formally recorded in the minutes of the relevant Board meeting.

In addition, Directors and Senior Executives are not permitted to obtain loans from the Company or its subsidiaries, and the Company does not provide guarantees for loans entered into by Directors.

## Related Party Transactions

### Transactions Between the Company and the Related Parties

	Related Party	Type of Relationship	Transaction Type	Transaction Value, ٠'000
1	Amanat Holdings PJSC	Ultimate Parent	Collections/Payments of amounts on behalf	5,892
2	Nema Holding Company LLC	Associate	Key management personnel fee	7,329
3	Other related party	Key management personnel and minority shareholder	Purchase of land	3,994
			Property lease at HDC	450



## Dividends

The Company aims to provide sustainable returns to its shareholders through a dividend policy linked to its financial performance. Dividend distributions are recommended by the Board of Directors and remain subject to approval by the Shareholders at the General Assembly. In determining its recommendations, the Board seeks to balance shareholder returns with the Company's growth strategy, capital requirements, and long-term financial stability.

## Dividend Payments

For the financial year ended December 31, 2025, the Board of Directors proposed a cash dividend of SAR 75 million, equivalent to SAR 0.7324 per ordinary share, which is subject to the approval of the shareholders at the Annual General Assembly Meeting of the Company.

## Waiving of Dividend Rights

In 2025, no shareholder of the Company has waived any rights to dividends.



## Dividend Distribution Policy

The amount and timing of any dividend distribution depend on several factors, including the Company's historical and projected earnings, cash flow generation, financing and investment needs, and any restrictions under existing financing arrangements. Market conditions, macroeconomic factors, and applicable Zakat, tax, and regulatory requirements are also taken into consideration. Accordingly, there can be no assurance that dividends will be declared or as to the amounts that may be distributed in any given year.

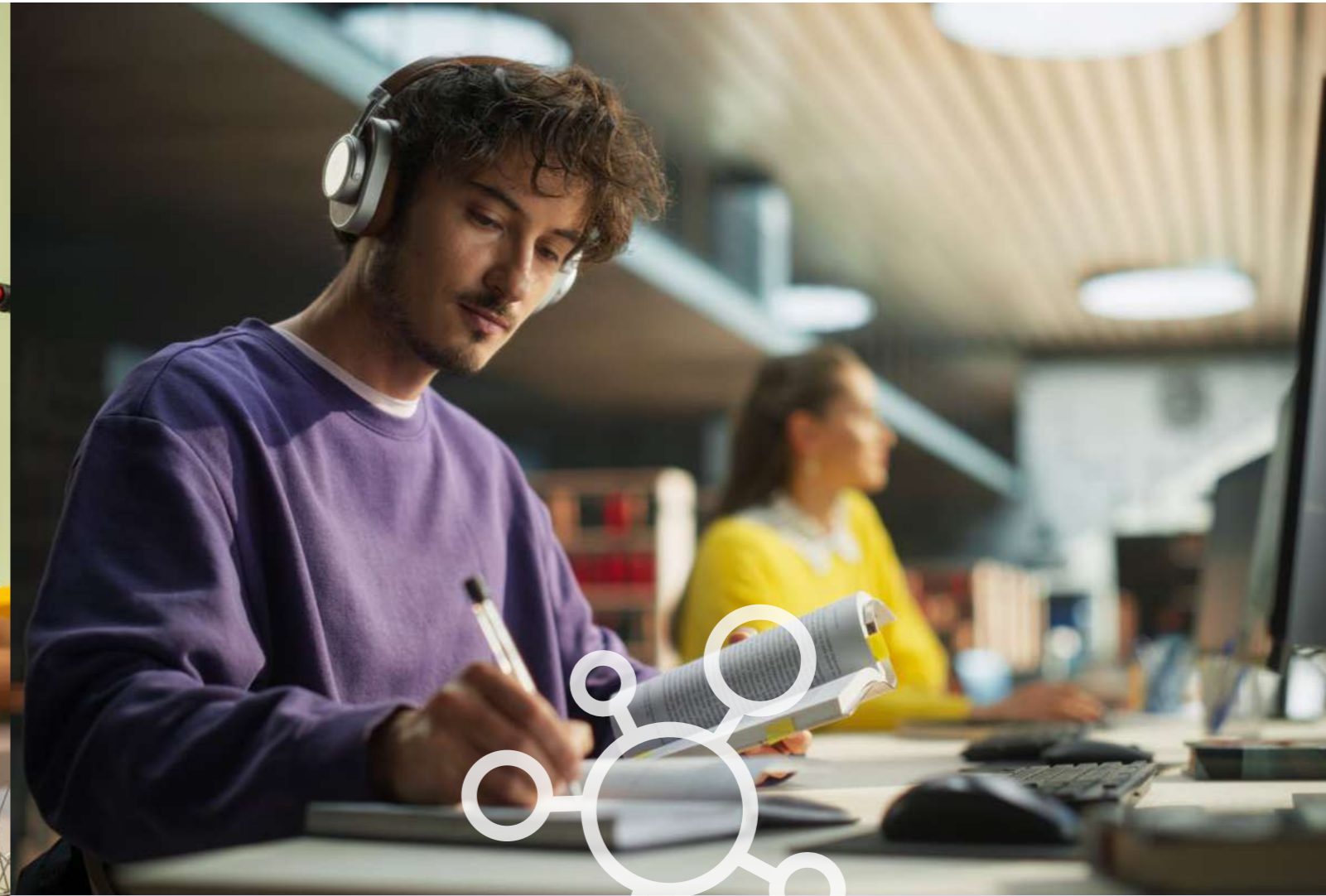
In accordance with the Companies Law and the Company's Articles of Association, the General Assembly may approve the formation of reserves where deemed appropriate to support the Company's financial position or to ensure stable distributions over time. The General

Assembly may also allocate amounts from net profits for social initiatives that support the Company's employees and the broader organizational environment.

Shareholders are entitled to receive their share of dividends, whether in cash or in the form of bonus shares, as approved by the General Assembly. The relevant resolution specifies the eligibility (record) date and the distribution date, and shareholders registered in the Company's share register at the end of the eligibility date are entitled to receive the declared dividends. The Board of Directors is responsible for implementing the approved dividend distribution within the timeframe specified under applicable regulations.



# Financial Position



## Main Activities and Their Share in Revenue

The Group's business is built on two lines of business—Special Needs Education and Care (SEC) and Higher Education—united by shared principles and a common architecture designed to operate as a single integrated system. In 2025, Special Needs Education and Care and Higher Education contributed almost equally to revenue, with a 49% and 51% share, respectively.

[Learn more in Financial Review](#)



## Geographical Analysis of Revenue

Almasar Alshamil Education operates in the Kingdom of Saudi Arabia and the United Arab Emirates. In 2025, they contributed nearly equally to total revenue, with Saudi Arabia accounting for 49% and the UAE for 51%.

[Learn more in Geographical Footprint](#)

## Significant Plans and Decisions

In 2025, the Group continued to execute its four-pillar growth strategy, focusing on scaling capacity, expanding the SEC network, strengthening higher-education enrollment, and advancing new-market initiatives. In the medium-term period, the Group plans to expand into 24/7 residential SEC services in KSA, use the opportunities presented by the planned privatization of SEC facilities in KSA, explore adjacent segments across both markets, including early years and mainstream K-12 education, through M&A or greenfield, leverage existing experience to expand into the higher education segment in KSA, and use local know-how for the expansion into the wider GCC region.

[Learn more in Strategy](#)



## Financial Position

### Statement of profit and loss, ₪ '000

	2022	2023	2024	2025
<b>Revenue<sup>1</sup></b>	<b>181,011</b>	<b>342,557</b>	<b>437,065</b>	<b>533,867</b>
Cost of revenues	(88,346)	(175,383)	(234,001)	(295,103)
<b>Gross profit</b>	<b>92,665</b>	<b>167,174</b>	<b>203,064</b>	<b>238,764</b>
General, selling, and administrative expenses	(48,134)	(74,814)	(98,630)	(155,915)
Share of the results of an associate	24,163	18,080	29,885	52,082
Other operating income <sup>2</sup>	3,825	18,696	33,378	35,868
<b>Operating profit</b>	<b>72,519</b>	<b>129,136</b>	<b>167,697</b>	<b>170,799</b>
Finance income	344	1,913	3,664	7,379
Finance costs	(2,689)	(8,380)	(9,192)	(8,597)
<b>Profit before the zakat and income tax</b>	<b>70,174</b>	<b>122,669</b>	<b>162,169</b>	<b>169,581</b>
Zakat and income tax	(440)	(2,728)	(14,051)	(10,700)
Deferred taxes	—	(51,051)	—	—
<b>Profit for the year</b>	<b>69,734</b>	<b>68,890</b>	<b>148,118</b>	<b>158,881</b>

<sup>1</sup> The HDC financial results are consolidated post completion of acquisition in October 2022. Accordingly, 2022 Consolidated Financial results include HDC financial results for November and December 2022.

<sup>2</sup> 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, and other income.

### Statement of financial position, ₪ '000

	2022	2023	2024	2025
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	46,437	62,814	114,198	155,339
Right-of-use assets	85,339	85,218	97,118	140,245
Goodwill and intangible assets	626,738	620,784	615,034	609,284
Investment in an associate	389,316	389,702	401,893	427,236
<b>Total non-current assets</b>	<b>1,147,830</b>	<b>1,158,518</b>	<b>1,228,243</b>	<b>1,332,104</b>
<b>Current assets</b>				
Inventories	609	907	1,701	1,618
Trade and other receivables	104,311	119,812	154,761	198,777
Due from related parties	—	9,283	8,847	—
Cash and bank balances	76,270	105,557	200,967	339,200
<b>Total current assets</b>	<b>181,190</b>	<b>235,559</b>	<b>366,276</b>	<b>539,595</b>
<b>Total assets</b>	<b>1,329,020</b>	<b>1,394,077</b>	<b>1,594,519</b>	<b>1,871,699</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
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)	(17,824)
Retained earnings	67,898	73,384	139,244	269,672
Total equity attributable to the equity holders of the company	1,026,578	1,047,099	1,158,252	1,287,872
Non-controlling interest	26,832	51,581	64,167	76,082
<b>Total equity</b>	<b>1,053,410</b>	<b>1,098,680</b>	<b>1,222,419</b>	<b>1,363,954</b>



	2022	2023	2024	2025
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities	67,444	60,931	73,438	122,737
Other long-term payable	30,113	-	-	-
Financing from banks	-	-	16,915	42,187
Deferred tax liability	-	51,051	51,051	49,686
Employees' defined benefit obligations	15,189	16,719	20,396	27,199
<b>Total non-current liabilities</b>	<b>112,746</b>	<b>128,701</b>	<b>161,800</b>	<b>241,809</b>
<b>Current liabilities</b>				
Financing from banks	23,583	12,029	45,750	54,989
Lease liabilities	20,496	24,421	29,744	23,382
Accounts and other payables	82,256	81,755	69,361	107,875
Contract liabilities	36,479	46,196	62,565	79,690
Due to related parties	50	2,295	2,880	-
<b>Total current liabilities</b>	<b>162,864</b>	<b>166,696</b>	<b>210,300</b>	<b>265,936</b>
<b>Total liabilities</b>	<b>275,610</b>	<b>295,397</b>	<b>372,100</b>	<b>507,745</b>
<b>Total equity and liabilities</b>	<b>1,329,020</b>	<b>1,394,077</b>	<b>1,594,519</b>	<b>1,871,699</b>

## Material Differences, ₪ '000

Metric	2024	2025	Change	Change Rate
<b>Sales/Revenues</b>	437,065	533,867	96,802	22%
<b>Sales/Revenues Costs</b>	(234,001)	(295,103)	(61,102)	26%
<b>Gross Profit</b>	203,064	238,764	35,700	18%
<b>Other Income</b>	66,927	95,329	28,402	42%
<b>Other Operational Expenses</b>	(121,873)	(175,212)	(53,339)	44%
<b>Profit (Loss)</b>	148,118	158,881	10,763	7%

## Outstanding Loans, ₪

	Lender	Principal Amount	Loan Balance at Beginning of Year	Interest Accrued	Loan Payments	Loan Balance at Year End
1	ANB	86,800,000	47,166,151	2,499,072	43,362,462	46,302,761
2	RAJHI	81,720,000	15,428,400	2,238,881	35,561,178	48,826,103
3	RIYADH	2,000,000	-	46,805	-	2,046,805
<b>Total</b>		<b>170,520,000</b>	<b>62,594,551</b>	<b>4,784,759</b>	<b>78,923,640</b>	<b>97,175,669</b>

## Social Contribution

Across the Group's business lines, community impact is delivered through tailored initiatives. In Saudi Arabia, HDC plays a critical role in delivering social value. It has developed partnerships with a range of government and non-governmental organizations to provide diagnostic services, awareness programmes, and specialized training. Key partners

include the Ministry of Human Resources and Social Development, the Ministry of Education, the Saudi Association for Special Education (GESTER), and leading hospitals, including King Abdullah and King Khaled Hospitals. These collaborations expand access to essential services for individuals with special needs and their families.

In the UAE, MDX Dubai is the key institution promoting community engagement through its educational initiatives, awareness campaigns, and collaborations with NGOs and sports organizations.

[Learn more in Community Engagement](#)

## Statutory Payments, ₪'000

	Paid as of the end of the 2025 fiscal year	Outstanding as of the end of the 2025 fiscal year	Comments	Grounds for payment
<b>Zakat</b>	7,050	9,187	KSA Zakat Tax	As per Tax Return
<b>Taxes</b>	2,091	6,841	UAE Corporate Tax	As per Tax Return
<b>Contributions to General Organization For Social Insurance (GOSI)</b>	12,466	1,906	As per Invoice	As per Invoice
<b>Visa and Passport Fees<sup>1</sup></b>	17,063	-	As per FS	As per FS

## Other disclosures

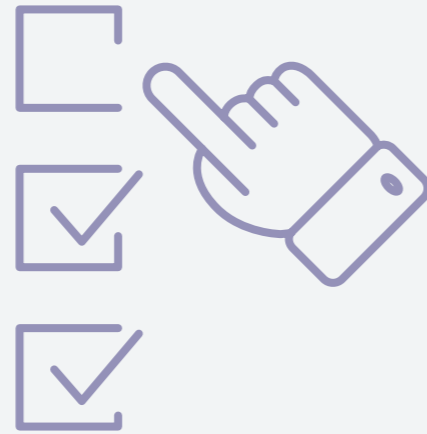
- The external auditor's report contains no reservations on the annual consolidated financial statements.
- The Board did not recommend replacing the Company's external auditor before the end of the term for which it is appointed.
- During the financial year 2025, the Company did not issue or grant any convertible debt instruments, contractual securities, preemptive rights, or similar rights, as well as conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants, or similar rights issued or granted by the Company.
- During the financial year 2025, there was no redemption, purchase, or cancellation by the Company of any redeemable debt instruments.

<sup>1</sup> Including the MDX students' visas.



## Declarations by the Directors and the Company

The Board confirms that the Company's accounting records have been properly maintained and that the financial statements have been prepared in accordance with the accounting standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) without any inconsistency.



The Board confirms that there is no doubt about the Company's ability to continue as a going concern and that the Company has sufficient financial resources to support its operations and meet its obligations in the foreseeable future.



The Company has established and maintained an effective system of internal controls covering financial, operational, and compliance activities. The Board, through the Audit Committee, reviews these controls regularly and confirms their adequacy.



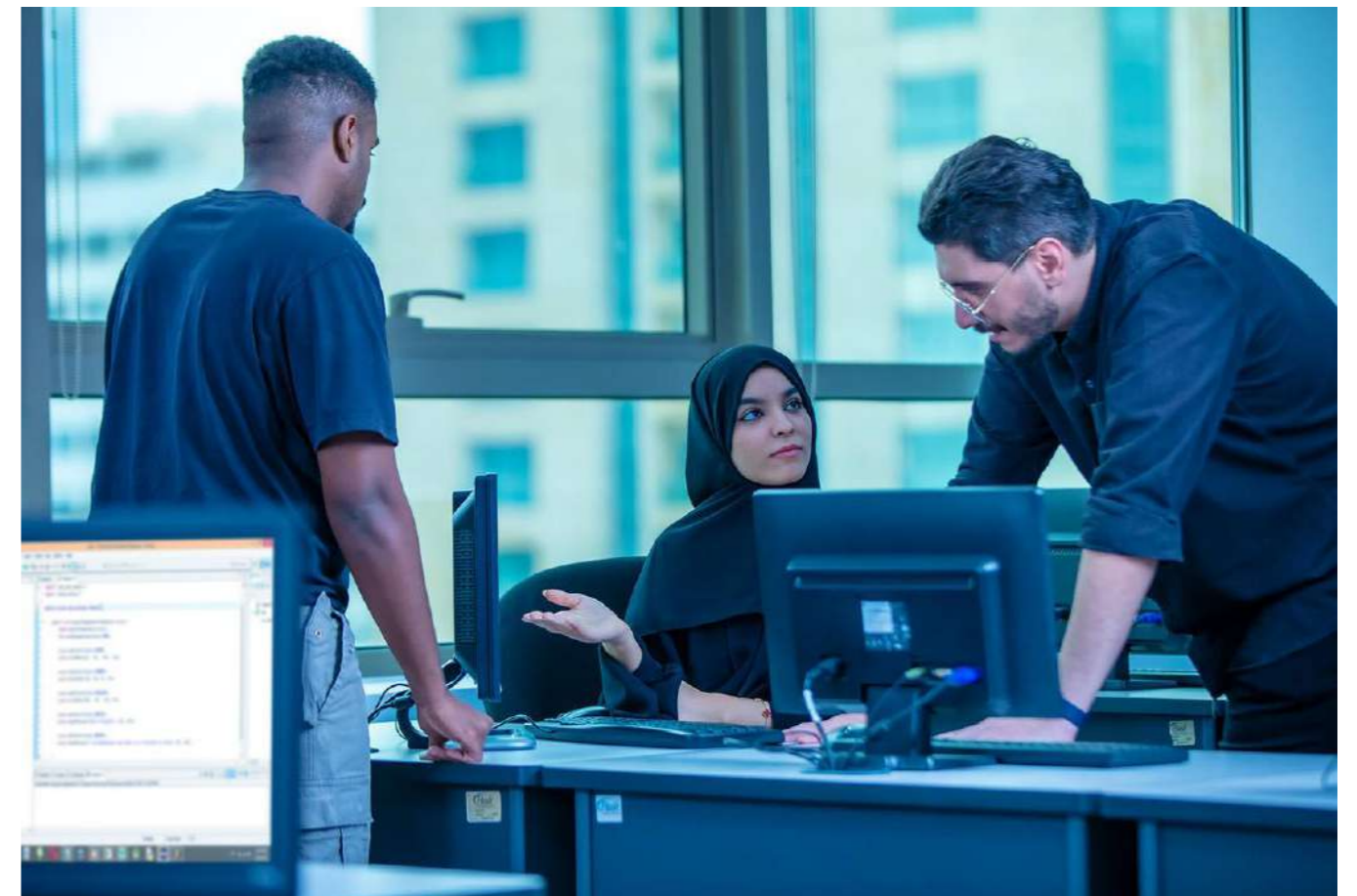
## Investments or Reserves for the Benefit of Employees

**SR 27 million**

Provision for employees' end-of-service benefits as of December 31, 2025.

## Sanctions and Penalties

There is no sanction, penalty, preventive measure, or precautionary restriction imposed on the Company by the Authority or any other supervisory, regulatory or judiciary authority.





# FINANCIAL STATEMENTS





Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS  
AND THE INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025

**Deloitte.**

**Deloitte and Touche & Co.**  
**Chartered Accountants**  
(Professional Simplified Joint Stock Company)  
Paid-up capital 5,000,000  
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Kingdom of Saudi Arabia  
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**INDEPENDENT AUDITOR'S REPORT**

To the shareholders of  
Al Masar Al Shamil Education Company  
(A Saudi 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 Al Masar Al Shamil Education Company (“the Company”) and its subsidiaries (together, “the Group”), which comprise the consolidated statement of financial position as at December 31, 2025 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, 2025 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”) as 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”), as applicable to audits of the financial statements of public interest entities, 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Independent Auditor's Report to the Shareholders of Al Masar Al Shamil Education Company (Continued)

## Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition from Education Services</b></p> <p>The Group recognized revenues from educational services of SAR 533.8 million during the year.</p> <p>Revenue is recognized over the period that the educational services are rendered to students enrolled in schools and educational centers and is stated net of deductions and exemptions.</p> <p>The recognition and measurement of revenue requires management to apply significant judgements in identifying all the services to be delivered to students and allocating the total price to each service.</p> <p>In addition, the Group presented contract liabilities of SAR 79.7 million in the consolidated statement of financial position at the reporting date. Contract liabilities represent the difference between cash received from customers and the revenue recognized.</p> <p>Revenue recognition was considered to be a key audit matter due to the following:</p> <ul style="list-style-type: none"> <li>The quantitative significance of the amount to the consolidated financial statements;</li> <li>The level of judgements applied and estimates made by management; and</li> <li>The level of audit effort required</li> </ul> <p>Refer to note 2.3 in the consolidated financial statements for the accounting policy related to revenue, note 4 for more details relating to revenue and note 26 for the analysis of revenue into different segments of the Group.</p>	<p>We performed the following audit procedures, inter alia, to address the key audit matter:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of the process adopted by management to recognize revenue and identified the key controls in this process.</li> <li>We assessed the abovementioned controls to determine if they had been appropriately designed and implemented and tested these controls to determine if they were operating effectively throughout the year.</li> <li>We selected recorded revenue transactions, on a sample basis, and agreed the details of these transactions to the signed agreement between the Group and the customer.</li> <li>We recalculated the total revenue from educational services, based on the number of students enrolled and the approved tuition fees for each category and stage.</li> <li>We performed the following procedures on the contract liabilities: <ul style="list-style-type: none"> <li>We agreed the amount recorded to an analysis prepared by management.</li> <li>We selected items on the analysis, on a sample basis, recalculated the revenue recognized based on the details recorded in the signed agreement between the Group and the customer and agreed the cash received amounts to bank statements.</li> <li>We selected cash receipts recorded in bank statements for a period of two weeks prior to the reporting date and determined if the resultant credit had been correctly recorded in either contract liabilities, trade receivables or revenue.</li> </ul> </li> <li>We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.</li> </ul>

## Independent Auditor's Report to the Shareholders of Al Masar Al Shamil Education Company (Continued)

## Other Information

The Board of Directors ("the Directors") is responsible for the other information. The other information consists of the information included in the Group's annual report, other than the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**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. Board of 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.

**Deloitte.****Deloitte and Touche & Co.**  
Chartered Accountants**Independent auditor's report to the shareholders of Al Masar Al Shamil Education Company (Continued)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

- 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Deloitte and Touche & Co.**  
Chartered Accountants

Waleed bin Moh'd Sobahi  
License No. 378  
Shaaban 22, 1447 H  
February 10, 2026

**Al Masar Al Shamil Education Company**  
**(A Saudi Joint Stock Company)**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
 For the year ended 31 December 2025

	Notes	2025 SAR'000	2024 SAR'000
Revenue	4	<b>533,867</b>	437,065
Cost of revenues	4	<b>(295,103)</b>	(234,001)
<b>GROSS PROFIT</b>		<b>238,764</b>	203,064
General, selling and administrative expenses	5	<b>(155,915)</b>	(98,630)
Share of results of an associate	11	<b>52,082</b>	29,885
Other operating income	6	<b>35,868</b>	33,378
<b>OPERATING PROFIT</b>		<b>170,799</b>	167,697
Finance income	7	<b>7,379</b>	3,664
Finance costs	7	<b>(8,597)</b>	(9,192)
<b>PROFIT FOR THE YEAR BEFORE ZAKAT AND INCOME TAX</b>		<b>169,581</b>	162,169
Zakat and income tax	24	<b>(10,700)</b>	(14,051)
<b>PROFIT FOR THE YEAR</b>		<b>158,881</b>	148,118
<b>Attributable to:</b>			
Equity holders of the Company		<b>130,428</b>	120,082
Non-controlling interests		<b>28,453</b>	28,036
		<b>158,881</b>	148,118
<b>Basic and diluted earnings per share (SAR)</b>	20	<b>1.27</b>	1.17

<b>Alternative Performance Measures</b>			
Earnings before interest, tax, depreciation and amortization (EBITDA)	25	<b>227,982</b>	215,561
Adjusted earnings before interest, tax, depreciation and amortization (EBITDA)	25	<b>240,059</b>	216,446
Adjusted Profit before Zakat & income tax	25	<b>181,658</b>	163,054
Adjusted Profit	25	<b>166,303</b>	149,003
<b>Attributable to the equity holders of the Company</b>			
Adjusted Profit	25	<b>135,250</b>	120,967

The attached notes 1 to 29 form part of these consolidated financial statements.



Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 SAR'000	2024 SAR'000
<b>PROFIT FOR THE YEAR</b>		<b>158,881</b>	148,118
<b>Other comprehensive (loss)/income</b> <i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement (loss)/gain on employees' benefit obligations	18	(1,346)	1,375
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>157,535</b>	149,493
<b>Attributable to:</b>			
Equity holders of the Company		<b>129,620</b>	120,907
Non-controlling interests	23	<b>27,915</b>	28,586
		<b>157,535</b>	149,493

Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 SAR'000	2024 SAR'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	8	155,339	114,198
Right-of-use assets	9	140,245	97,118
Goodwill and Intangible assets	10	609,284	615,034
Investment in an associate	11	427,236	401,893
<b>Total non-current assets</b>		<b>1,332,104</b>	1,228,243
<b>Current assets</b>			
Inventories		1,618	1,701
Trade and other receivables	12	198,777	154,761
Due from a related party	13	-	8,847
Cash and bank balances	14	339,200	200,967
<b>Total current assets</b>		<b>539,595</b>	366,276
<b>TOTAL ASSETS</b>		<b>1,871,699</b>	1,594,519
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	15	1,024,013	1,024,013
Statutory reserve	15	12,011	12,011
Other reserves		(17,824)	(17,016)
Retained earnings		269,672	139,244
<b>Total equity attributable to the equity holders of the Company</b>		<b>1,287,872</b>	1,158,252
Non-controlling interests	23	76,082	64,167
<b>Total equity</b>		<b>1,363,954</b>	1,222,419
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	9	122,737	73,438
Financing from banks	17	42,187	16,915
Deferred tax liability	24	49,686	51,051
Employees' defined benefit obligations	18	27,199	20,396
<b>Total non-current liabilities</b>		<b>241,809</b>	161,800
<b>Current liabilities</b>			
Financing from banks	17	54,989	45,750
Lease liabilities	9	23,382	29,744
Accounts and other payables	19	107,875	69,361
Contract liabilities	4	79,690	62,565
Due to a related party	13	-	2,880
<b>Total current liabilities</b>		<b>265,936</b>	210,300
<b>Total liabilities</b>		<b>507,745</b>	372,100
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,871,699</b>	1,594,519

The consolidated financial statements were approved by the Board of Directors on 10 February 2026 and signed on its behalf by:

Dr. Shamsheer Vayalil Parambath  
Chairman

Najed Al Mutairi  
Chief Executive Officer

Ahmed Gamal  
Chief Financial Officer

The attached notes 1 to 29 form part of these consolidated financial statements.

The attached notes 1 to 29 form part of these consolidated financial statements.



Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the year ended 31 December 2025

	Attributable to equity holders of the Company					Total SAR'000	Non-controlling interests SAR'000	Total equity SAR'000
	Share capital SAR'000	Statutory reserve SAR'000	Shareholders contributions SAR'000	Other reserves SAR'000	Retained earnings SAR'000			
As at 1 January 2024	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)	-	-	-
Shareholders 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
Transfer to share capital (Note 16)	1,024,003	-	(1,024,003)	-	-	-	-	-
As at 31 December 2024	<b>1,024,013</b>	<b>12,011</b>	-	<b>(17,016)</b>	<b>139,244</b>	<b>1,158,252</b>	<b>64,167</b>	<b>1,222,419</b>
Profit for the year	-	-	-	-	130,428	130,428	28,453	158,881
Other comprehensive Loss	-	-	-	(808)	-	(808)	(538)	(1,346)
Total comprehensive (loss)/Income	-	-	-	(808)	130,428	129,620	27,915	157,535
Dividend (Note 23)	-	-	-	-	-	-	(16,000)	(16,000)
As at 31 December 2025	<b>1,024,013</b>	<b>12,011</b>	-	<b>(17,824)</b>	<b>269,672</b>	<b>1,287,872</b>	<b>76,082</b>	<b>1,363,954</b>

The attached notes 1 to 29 form part of these consolidated financial statements.

Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the year ended 31 December 2025

	Notes	2025 SAR'000	2024 SAR'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax and Zakat		169,581	162,169
Adjustments for:			
Share of results of an associate	11	(52,082)	(29,885)
Depreciation of property and equipment	8	17,117	12,369
Depreciation of right-of-use assets	9	31,283	26,712
Amortisation of intangible assets	10	5,750	5,750
Reversal of provision in relation to capital work-in-progress		-	(2,100)
Allowance for expected credit losses on trade receivables, net	12	17,395	4,951
Provision for employees' end of service benefits	18	8,046	6,631
Finance income	7	(7,379)	(3,664)
Finance costs	7	8,597	9,192
		<b>198,308</b>	<b>192,125</b>
<i>Working capital changes</i>			
Inventories		83	(794)
Due from a related party		-	9,283
Trade and other receivables		(59,451)	(39,900)
Accounts and other payables and contract liabilities		56,138	21,281
Due to a related party		(2,880)	585
Cash from operations		<b>192,198</b>	<b>182,580</b>
Employees' end of service benefits paid	18	(2,589)	(1,579)
Zakat and taxes paid		(9,141)	(3,142)
Payment of lease liabilities	9	(38,870)	(30,912)
Net cash flows generated from operating activities		<b>141,598</b>	<b>146,947</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	8	(56,461)	(57,977)
Changes in bank term deposits		(53,387)	(26,795)
Dividends received from an associate		35,585	-
Interest received on bank deposits		5,995	3,664
Net cash flows used in investing activities		<b>(68,268)</b>	<b>(81,108)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from financing from banks		108,720	74,938
Repayment of financing from banks		(74,209)	(24,302)
Shareholder distributions		-	(33,367)
Dividends paid to non-controlling interests		(18,738)	(12,000)
Finance costs paid		(4,257)	(2,493)
Net cash flows generated from financing activities		<b>11,516</b>	<b>2,776</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>84,846</b>	<b>68,615</b>
Cash and cash equivalents at the beginning of the year		<b>174,172</b>	<b>105,557</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	14	<b>259,018</b>	<b>174,172</b>
<b>Non-cash transactions</b>			
Additions to right-of-use assets	9	77,064	43,030
Additions to lease liabilities	9	77,064	43,030
Transfer from right-of-use assets to property & equipment	9	-	3,676
Settlement of contingent consideration	10	-	32,460
Dividend from an associate	11	-	8,847

The attached notes 1 to 29 form part of these consolidated financial statements.



Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**1 CORPORATE INFORMATION**

Al Masar Al Shamil Education Company (the "Company") is a Saudi 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 the 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 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 is ultimately controlled 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 to manage, develop and operate such companies and enterprises. Amanat Holdings PJSC is 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, Units 107 and 108, Dubai, United Arab Emirates.

The principal activities of the Company are to invest in companies and enterprises in the field 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 consolidated financial statements reflect the financial performance and position of the Company and its subsidiaries, as well as the carrying amount and share of results of its associate, as if the combination had occurred from the beginning of the earliest period presented.

On 2 December 2025, following the required regulatory approvals (obtained on 29 September 2025), The Company completed its Initial Public Offering (IPO) of 30,720,400 of its shares (representing 30% of the Company's share capital) and listed on the main market of the Saudi Exchange, Tadawul, (Trading symbol – 6019), accordingly, converting to a Saudi Joint Stock Company. The Company has initiated the process of amending its bylaws and completing the necessary legal procedures to update its legal documents as per regulatory requirements, to reflect its conversion to a Saudi Public Joint Stock Company.

**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
Human Development Company LLC ("HDC")	60%	60%	Kingdom of Saudi Arabia	Special education needs and care and rehabilitation services
Human Rehabilitation Company LLC**	60%	60%	Kingdom of Saudi Arabia	Special education needs and care and rehabilitation services

The Group holds several other subsidiaries with a 100% (2024: 100%) equity interest in the United Arab Emirates, both directly and indirectly, which primarily act as investment vehicles and are non-operational in nature, listed as follows:

- AHE Alpha Ltd
- AH Alpha Investments Holdings 1 Ltd
- AH Alpha Investments Holdings 2 Ltd
- AH Alpha Investments Holdings 3 Ltd
- HDC for Investments LLC\*\*

\* Investment held via AHE Alpha Ltd.

\*\*Investment held via Human Development Company LLC.

Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**1 CORPORATE INFORMATION (continued)**

**Associate of the Group**

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

During June 2025, NEMA completed the acquisition of a 51% equity stake in Biz Group which has been accounted for as a subsidiary and consolidated in NEMA consolidated financial statements from the acquisition date.

**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 employee defined benefit obligations which are stated at the 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 a 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

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



Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**2 MATERIAL ACCOUNTING POLICY INFORMATION**

**2.2 BASIS OF CONSOLIDATION (continued)**

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 derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in consolidated statement of profit or loss. Any investment retained is recognized 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.

Goodwill is not recognized 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 recognized at cost. The carrying amount of the investment is adjusted to recognize 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.

Al Masar Al Shamil Education Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**b) Investments in associates (continued)**

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized 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 recognize 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 recognizes 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 recognizes 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 recognized in consolidated statement of profit or loss.

**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 realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.



Al Masar Al Shamil Education Company  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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 recognized 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 recognizes revenue from contracts with customers applying the five - step model outlined in IFRS 15 "Revenue from contracts with customers".

Step 1: Identify the contract(s) with a customer. A contract is an agreement between two or more parties that creates enforceable rights and obligations, and sets the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract. A performance obligation is a promise to transfer a good or service to the customer.

Step 3: Determine the transaction price. This is the amount of consideration the Group expects to be entitled to in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties.

Al Masar Al Shamil Education Company  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**e) Revenue (continued)**

Step 4: Allocate the transaction price to the performance obligations. For contracts with multiple performance obligations, the Group allocates the transaction price to each obligation based on the amount of consideration expected to be entitled in exchange for satisfying each obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized 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 educational services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group, based on a fixed contract price that is payable yearly in the contract.

**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 recognized 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 recognized 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 recognized 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 recognized 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 recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).



Al Masar Al Shamil Education Company  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**f) Government grants**

Grants are recognized at their fair value where there is reasonable assurance that the grant will be received. Grants are recognized in the consolidated statement of profit or loss under Other operating income over the period necessary to match them with the expense that they are intended to compensate.

**g) Value added tax**

Expenses and assets are recognized 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 recognized 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.

**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 recognized 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 recognized 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 recognized 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 recognized in OCI or profit or loss are also recognized 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 recognizes 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2025

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**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 recognized 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.

**i) Cash dividend**

The Company recognises a liability to pay a dividend when the distribution is authorized 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 recognized 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 recognized 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 recognized 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
➤ Buildings	12 to 17 years
➤ 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 recognized is derecognized 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 derecognized.

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.



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**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**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 recognizes 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 recognizes 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 recognized, 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 recognizes 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 recognized 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 recognized 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 capitalized 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.

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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**

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 amortized 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.

In order for a financial asset to be classified and measured at amortized 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.

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.

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 amortized 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 recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost includes trade and other receivables and due from a related party.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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



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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)**

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 recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes 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 recognizes 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 recognized 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 recognizes 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 recognized 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 a related party, loans and borrowings and other long-term liabilities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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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**

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 recognized 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 amortized cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in consolidated statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization 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 derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize 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.



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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)**

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 recognized 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in

prior years. Such reversal is recognized 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 recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

**o) Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost of inventories are determined on a weighted average basis. Net realizable 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 realizable value is recognized in the consolidated statement of profit or loss.

**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 recognized 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 recognized 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 recognized as a finance cost.

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**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 other reserves 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.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized 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 amortized on a straight-line basis over useful economic lives of the assets (refer to Note 10 for further details).

- |   |               |
|---|---------------|
| ➤ 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 amortized, 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.



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**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**s) Intangible assets (continued)**

An intangible asset is derecognized 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 subsidiaries are 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 and tax are 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 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 law. 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.

**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 2025**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's 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 amendment applies for the first time in 2025, but does not have a significant impact on the consolidated financial statements of the Group.

*Amendment to IAS 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.
- 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.

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**2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF ACCOUNTING STANDARDS (continued)**

**New standards and interpretations issued but not yet effective**

Certain new accounting standards and interpretations have been published which have not been early adopted by the Group and the impact of these (if any) on the disclosures in the consolidated financial statements is being assessed.

- 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.

**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 judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

*Determination of Performance Obligations*

Revenue recognition requires management to exercise significant judgement in identifying all distinct performance obligations within contracts with students. This involves assessing the nature, timing, and delivery of educational services to determine which services constitute separate obligations. Management also applies judgement in allocating the total transaction price to each identified performance obligation based on their relative stand-alone selling prices. These judgements directly impact the timing and amount of revenue recognized in the financial statements in accordance with IFRS 15.

*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.



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**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**

*Determining the lease term of contracts with renewal and termination options – Group as lessee (continued)*

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 customization 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 below. 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.

*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.

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**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and assumptions (continued)**

*Allowance for expected credit losses of fee receivables (continued)*

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.

**4 REVENUE AND COST OF REVENUES**

**4.1 Disaggregated revenue information**

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

	2025 SAR'000	2024 SAR'000
<b>Type of service</b>		
Tuition fees, net of scholarships awarded	274,666	226,651
Special education and care needs services	210,867	168,268
Administrative and other service fees from students	35,973	26,870
Share of revenue from joint services agreements	12,361	15,276
<b>Total revenue</b>	<b>533,867</b>	<b>437,065</b>

	2025 SAR'000	2024 SAR'000
<b>Timing of revenue recognition</b>		
Services transferred over time	523,151	431,561
Services transferred at a point in time	10,716	5,504
<b>Total revenue</b>	<b>533,867</b>	<b>437,065</b>

**4.2 Contract balances**

	2025 SAR'000	2024 SAR'000
Trade receivables, net (Note 12)	140,721	115,978
Contract liabilities (see below)	79,690	62,565
Accrued share of revenue from joint services agreements (Note 12)	18,166	15,168
Amounts due under joint services agreements (Note 12)	4,506	5,261

**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 2025, SAR 17,395 thousand (2024: SAR 4,951 thousand) was recognised as allowance for expected credit losses on trade and other receivables in the consolidated statement of profit or loss.



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**4 REVENUE AND COST OF REVENUES (continued)**

**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.

**4.4 COST OF REVENUES**

	2025 SAR'000	2024 SAR'000
Salaries and employees' related costs	170,462	136,219
Royalty and profit-sharing arrangements for academic services	36,896	29,364
Depreciation of right-of-use assets (Note 9)	31,136	26,712
Student related expenses	29,331	19,179
Depreciation of property and equipment (Note 8)	10,588	8,123
Share of direct costs from joint services agreements (Note 4.5)	7,536	6,147
Short-term leases (Note 9)	1,269	994
Other direct costs	7,885	7,263
	<u>295,103</u>	<u>234,001</u>

**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**

	2025 SAR'000	2024 SAR'000
Salaries and employees' related costs	60,142	45,125
Marketing and Student recruitment costs*	20,180	13,056
Expected credit losses on trade & other receivables (Note 12)	17,395	4,951
Legal and professional fees	8,690	6,109
Depreciation of property and equipment (Note 8)	6,529	4,246
Amortization of intangible assets (Note 10)	5,750	5,750
IPO related expenses	5,380	-
IT expenses	5,222	3,614
Short-term leases	2,948	1,480
Board and committee remuneration	2,762	705
Depreciation of right-of-use assets (Note 9)	147	-
Other expenses	20,770	13,594
	<u>155,915</u>	<u>98,630</u>

\* During the year ended 31 December 2025, certain external costs related to student recruitment presented within legal and professional fee in the prior year were reclassified to Marketing & Student recruitment costs.

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**6 OTHER OPERATING INCOME**

	2025 SAR'000	2024 SAR'000
Grant income*	32,589	28,224
Other income	3,279	5,154
	<u>35,868</u>	<u>33,378</u>

\* 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**

	2025 SAR'000	2024 SAR'000
Interest on term deposits	7,379	3,664

**7.2 Finance costs**

	2025 SAR'000	2024 SAR'000
Finance costs on financing from banks (Note 17)	2,962	2,494
Finance costs on lease liabilities (Note 9)	5,635	6,454
Others	-	244
	<u>8,597</u>	<u>9,192</u>



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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
<b>Cost:</b>								
At 1 January 2024	-	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
Additions	11,066	12,429	232	3,881	4,159	1,821	24,738	58,326
Disposals	-	-	-	-	(50)	(33)	-	(83)
Transfers	19,891	14,938	76	-	1,344	4,420	(40,669)	-
<b>At 31 December 2025</b>	<b>55,588</b>	<b>84,670</b>	<b>6,398</b>	<b>18,210</b>	<b>23,829</b>	<b>23,655</b>	<b>18,302</b>	<b>230,652</b>
<b>Accumulated depreciation and impairment:</b>								
At 1 January 2024	-	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
Charge for the year (2)	1,592	7,721	772	2,618	2,217	2,197	-	17,117
Disposals	-	-	-	-	(8)	(7)	-	(15)
<b>At 31 December 2025</b>	<b>2,549</b>	<b>29,189</b>	<b>5,457</b>	<b>11,847</b>	<b>12,759</b>	<b>13,512</b>	<b>-</b>	<b>75,313</b>
<b>Net carrying amounts:</b>								
<b>At 31 December 2025</b>	<b>53,039</b>	<b>55,481</b>	<b>941</b>	<b>6,363</b>	<b>11,070</b>	<b>10,143</b>	<b>18,302</b>	<b>155,339</b>
At 31 December 2024	23,674	35,835	1,405	5,100	7,826	6,125	34,233	114,198

\* Other assets mainly comprise office equipment, vehicles and computers & software.

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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:

	2025 SAR'000	2024 SAR'000
Cost of revenues (Note 4.4)	10,588	8,123
General, selling and administrative expenses (Note 5)	6,529	4,246
	<b>17,117</b>	<b>12,369</b>

The cost of fully depreciated assets still in use as at 31 December 2025 is SAR 34,954 thousand (2024: SAR 24,119 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:

	2025 SAR'000	2024 SAR'000
As at 1 January	97,118	85,218
Additions	77,064	43,030
Modification	(2,654)	(742)
Transfer to property and equipment (Note 8)	-	(3,676)
Depreciation	(31,283)	(26,712)
As at 31 December	<b>140,245</b>	<b>97,118</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025 SAR'000	2024 SAR'000
As at 1 January	103,182	85,352
Additions	77,064	43,030
Accretion of interest *	7,397	6,454
Modification	(2,654)	(742)
Payments	(38,870)	(30,912)
As at 31 December	<b>146,119</b>	<b>103,182</b>
Current	23,382	29,744
Non-current	122,737	73,438

The maturity analysis of lease liabilities is disclosed in Note 22.



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**9 LEASES (continued)**

The following are the amounts recognized in the consolidated statement of profit or loss with respect to leases:

	2025 SAR'000	2024 SAR'000
Depreciation - direct (Note 4.4)	31,136	26,712
Depreciation - indirect (Note 5)	147	-
Interest expense (Note 7.2) *	5,635	6,454
Short-term leases – direct (Note 4.4)	1,269	994
Short-term leases – indirect (Note 5)	2,948	1,480
	<u>41,135</u>	<u>35,640</u>
Total amount recognized in profit or loss	<u>41,135</u>	<u>35,640</u>

\* The Group's total interest expense on leases amounted SAR 7,397 thousand, of this amount, SAR 1,762 thousand was capitalized within Property and Equipment related to a project under construction at HDC, while the remaining SAR 5,635 thousand was recognized as an expense in the consolidated statement of profit or loss.

The Group does not have lease contracts that contain variable payments. The Group's lease contracts contain extension and termination options, which are 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 to Notes 1 & 2.1):

	Goodwill SAR'000	Agreements and student relationship with definite useful lives SAR'000	Brand names with definite useful lives SAR'000	Total SAR'000
Cost:				
At 1 January 2024, 31 December 2024, & 31 December 2025	500,267	142,583	3,840	646,690
Amortization:				
At 1 January 2024	-	25,682	224	25,906
Amortisation (Note 5)	-	5,526	224	5,750
At 31 December 2024	-	31,208	448	31,656
Amortisation (Note 5)	-	5,526	224	5,750
<b>At 31 December 2025</b>	<u>-</u>	<u>36,734</u>	<u>672</u>	<u>37,406</u>
Carrying amounts				
<b>At 31 December 2025</b>	<u>500,267</u>	<u>105,849</u>	<u>3,168</u>	<u>609,284</u>
At 31 December 2024	500,267	111,375	3,392	615,034

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**10 BUSINESS COMBINATIONS (continued)**

Goodwill arising on business combinations is related to the following cash generating units:

	2025 SAR'000	2024 SAR'000
Middlesex University (1)	279,848	279,848
Human Development Company (2)	220,419	220,419
	<u>500,267</u>	<u>500,267</u>

**(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.

**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 2025. The recoverable amount of the CGU has been determined at 31 December 2025 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 11.5% (2024: 10.8%). Based on the analysis performed, no impairment to goodwill has been identified.



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**10 BUSINESS COMBINATIONS (continued)**

**(3) Goodwill impairment assessment (continued)**

**Human Development Company LLC**

The Group has performed an impairment test on goodwill as at 31 December 2025. The recoverable amount of the CGU has been determined at 31 December 2025 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 11.5% (2024: 10.8%). 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 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.

**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 2025 and 2024, management utilized growth rate of 2.5% for Middlesex Associates FZ-LLC and 3% for Human Development Company. 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.

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**11 INVESTMENT IN AN ASSOCIATE (continued)**

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

	2025 SAR'000	2024 SAR'000
NEMA Holding Company LLC ("NEMA")	427,236	401,893

The movement in the investment in associate is as follows:

	2025 SAR'000	2024 SAR'000
At the beginning of the year	401,893	389,702
Share of results	55,115	32,918
Amortization of PPA assets	(3,033)	(3,033)
Share of results in profit or loss	52,082	29,885
Dividends	(26,739)	(17,694)
At the end of the year	427,236	401,893

The following table illustrates the summarized financial information of the Group's investment in NEMA as at and for year ended 31 December:

	2025 SAR'000	2024 SAR'000
Current assets	300,514	221,000
Non-current assets	1,214,371	1,154,729
Current liabilities	(226,237)	(225,220)
Non-current liabilities	(401,206)	(350,478)
Non-controlling interests	(6,337)	-
Equity attributable to the equity holders of NEMA	881,105	800,031
Group's share in net assets at 35%	308,387	280,011
Goodwill and intangibles at acquisition	132,653	132,653
Costs of acquisition capitalized	9,484	9,484
Amortization of PPA assets	(23,288)	(20,255)
<b>Group's carrying amount of the investment</b>	<b>427,236</b>	<b>401,893</b>
Revenue	770,065	569,576
Net Profit	157,473	94,052
<b>Group's share of profit at 35%</b>	<b>55,115</b>	<b>32,918</b>



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**12 TRADE AND OTHER RECEIVABLES**

	2025 SAR'000	2024 SAR'000
Trade receivables	168,518	139,178
Less: allowance for expected credit losses	(27,797)	(23,200)
	<u>140,721</u>	<u>115,978</u>
Prepayments	10,881	5,502
Refundable deposits	4,265	3,970
Accrued share of revenue from joint services agreements	18,166	15,168
Accrued interest on term deposits	1,384	-
Advances to suppliers	5,874	4,218
Amounts due under joint operations agreements	4,506	5,261
Other receivables	12,980	4,664
	<u>198,777</u>	<u>154,761</u>

The movement in the allowance for expected credit losses is as follows:

	2025 SAR'000	2024 SAR'000
At 1 January	23,200	28,563
Charge for the year (Note 5)	17,395	4,951
Write-offs	(12,798)	(10,314)
<b>At 31 December</b>	<u>27,797</u>	<u>23,200</u>

Information regarding the Group's credit exposures is disclosed in Note 22.

**13 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent the shareholders, 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.

Significant related parties' transactions for the year ended 31 December are as follows:

Related Party	Nature of Relationship	Nature of transaction	2025 SAR'000	2024 SAR'000
Amanat Holdings PJSC	Ultimate Parent	Collections/Payments of amounts on behalf	5,892	2,880
Other related party	Key management personnel and minority shareholder	Purchase of land Property lease at HDC	3,994 450	644
Nema Holding Company LLC	Associates	Key management personnel fee *	7,329	2,943

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**13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

*Balances with related parties*

	2025 SAR'000	2024 SAR'000
<b>Due from related parties</b>		
Associate (Note 11)	-	8,847
<b>At 31 December</b>	<u>-</u>	<u>8,847</u>
<b>Due to related parties</b>		
Ultimate Parent	-	2,880
	<u>-</u>	<u>2,880</u>

\* 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.

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:

	2025 SAR'000	2024 SAR'000
Short-term benefits	19,299	9,632
Post-employment benefits	620	300

The amounts disclosed above are the amounts recognised as expense during the financial years 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:

	2025 SAR'000	2024 SAR'000
Cash on hand	10	17
Current accounts with banks	78,674	113,488
Banks term deposits	260,516	87,462
<b>Cash and bank balances</b>	<u>339,200</u>	<u>200,967</u>



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**14 CASH AND BANK BALANCES (continued)**

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

	2025 SAR'000	2024 SAR'000
<b>Cash and bank balances</b>	<b>339,200</b>	200,967
Less:		
Bank term deposits (with initial maturity of more than 3 months)	<b>(80,182)</b>	(26,795)
<b>Cash and cash equivalents</b>	<b>259,018</b>	174,172

The total interest income from bank term deposits for the year ended 31 December 2025 was SAR 7,379 thousand (2024: 3,664 thousand), of which SAR 5,995 thousand was received in cash (2024: 3,664 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.

**15 SHARE CAPITAL AND STATUTORY RESERVE**

**15.1 Share capital**

During 2024, upon obtaining required regulatory approvals, The Ultimate Parent (Amanat) 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.

In December 2025, the Company completed its initial public offering, whereby 30% of the Company's share capital was listed on the Saudi Exchange "Tadawul". Following the listing, Amanat retains a 70% ownership interest, while the remaining 30% is held by public shareholders.

The share capital of the Company as of 31 December 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.

**15.2 Statutory reserve**

The Company previously established a statutory reserve in accordance with the requirements of the former Companies Law, however, this reserve is no longer required under current legislation. Such reserves are not available for shareholder distribution.

**16 SHAREHOLDERS CONTRIBUTIONS**

The shareholders 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**

	2025 SAR'000	2024 SAR'000
Revolving bank facilities (1)	<b>54,989</b>	45,750
Term loans (2) (3)	<b>42,187</b>	16,915
	<b>97,176</b>	62,665

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**17 FINANCING FROM BANKS (continued)**

Movement in financing from banks during the year is as follows:

	2025 SAR'000	2024 SAR'000
As at 1 January	<b>62,665</b>	12,029
Proceeds	<b>108,720</b>	74,938
Repayments	<b>(74,209)</b>	(24,302)
As at 31 December	<b>97,176</b>	62,665
Current	<b>54,989</b>	45,750
Non-current	<b>42,187</b>	16,915
As at 31 December	<b>97,176</b>	62,665

- (1) Revolving bank facilities are 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.

The Group's term loans comprise the following:

- (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 a period of three years. As of 31 December 2025, an amount of SAR 16.8 million remains outstanding.
- (3) During the year ended 31 December 2025, HDC obtained an additional long-term Shariah-compliant financing facility of SAR 50 million to finance its ongoing expansion projects. The facility carries a profit mark-up in line with prevailing market rates and is repayable in semi-annual installments over a period of five years. As at 31 December 2025, SAR 25.4 million has been drawn down from this facility. The facility is subject to certain financial and non-financial covenants, which are required to be maintained and tested annually. The Group was in full compliance with all applicable covenants as at 31 December 2025.

The Group incurred total finance costs on borrowings amounting to SAR 4,759 thousand. Of this amount, SAR 1,797 thousand was capitalized as part of the cost of qualifying property, plant, and equipment in accordance with IAS 23 "Borrowing Costs," while the remaining SAR 2,962 thousand was recognized as an expense in the consolidated statement of profit or loss. During the year, the Group paid SAR 4,257 thousand of interest on borrowings.

Term loans included above are secured by a corporate guarantee from the shareholders of HDC, personal guarantees from minority shareholders of HDC and certain land properties owned by HDC (Note 8).

**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**

	2025 SAR'000	2024 SAR'000
Balance as at 1 January	<b>20,396</b>	16,719
Defined benefit cost	<b>8,046</b>	6,631
Actuarial remeasurement loss/(gain)	<b>1,346</b>	(1,375)
Payments made during the year	<b>(2,589)</b>	(1,579)
<b>Balance as at 31 December</b>	<b>27,199</b>	20,396



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**18 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS (continued)**

**Charge to the statement of comprehensive income**

	2025 SAR'000	2024 SAR'000
Current service cost	7,150	6,631
Finance cost on benefit obligation	896	-
<b>Total expenses charged to profit or loss</b>	<b>8,046</b>	6,631
Actuarial remeasurement loss/(gain)	1,346	(1,375)
<b>Net charge to total comprehensive income</b>	<b>9,392</b>	5,256

**Significant assumptions**

The significant assumptions used in determining the post-employment defined benefit obligation include the following:

	2025 %	2024 %
Discount rate - UAE	4.62	5.19
Discount rate - KSA	4.62	5.08
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:

	<b>Impact on defined Benefit obligation</b>	
	2025 %	2024 %
Discount rate - UAE:		
0.5% increase	(1.80)	(2.00)
0.5% decrease	1.90	2.10
Discount rate - KSA:		
0.5% increase	(1.80)	(1.80)
0.5% decrease	1.90	1.90

	<b>Impact on defined Benefit obligation</b>	
	2025 %	2024 %
Salary increment rate - UAE:		
0.5% increase	2.20	2.30
0.5% decrease	(2.10)	(2.20)
Salary increment rate - KSA:		
0.5% increase	2.20	2.20
0.5% decrease	(2.10)	(2.10)

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**18 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS (continued)**

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 estimated. 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.

**Mortality risk**

The risk that the actual mortality rate is different. The effect depends on the beneficiaries' service / age distribution and the benefit. Changes in the mortality rates are not expected to have a material impact on employees' defined benefits liabilities.

**19 ACCOUNTS AND OTHER PAYABLES**

	2025 SAR'000	2024 SAR'000
Accrued profit share	30,741	24,562
Zakat and income tax provision (Note 24.3)	16,028	13,104
Staff related accruals	13,916	6,202
Customer deposits	13,641	5,446
Accounts payable	13,187	4,966
Accrued royalty fee	3,927	3,100
Dividend payable to non-controlling interests	1,262	4,000
VAT payables, net	517	2,200
Other accruals and payables	14,656	5,781
	<b>107,875</b>	<b>69,361</b>

**20 BASIC AND DILUTED EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share has been based on profit for the year attributable to the equity holders of the Company and weighted average number of ordinary shares issued by the Company.

	2025	2024
Profit for the year attributable to the equity holders of the Company (SAR'000)	<b>130,428</b>	120,082
Weighted average number of ordinary shares ('000)	<b>102,401</b>	102,401
Basic and diluted earnings per share (SAR)	<b>1.27</b>	1.17



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**21 COMMITMENTS AND CONTINGENCIES**

**21.1 Bank guarantees**

	2025 SAR'000	2024 SAR'000
Bank guarantees	<u>3,877</u>	<u>3,649</u>

Banks guarantees are held against cash margins placed with issuing banks amounting to SAR 3,877 thousand as at 31 December 2025 (2024: SAR 3,649 thousand).

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

	2025 SAR'000	2024 SAR'000
Bank guarantees	<u>35,722</u>	<u>30,977</u>

**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 31,795 thousand at 31 December 2025 (2024: 5,963 thousand) 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**

	2025 SAR'000	2024 SAR'000
<b>Debt instruments at amortised cost</b>		
Trade and other receivables (excluding prepayments & advances)	182,022	145,041
Due from a related party	-	8,847
<b>Total financial assets (current)*</b>	<u>182,022</u>	<u>153,888</u>

\*Financial assets, other than cash and bank balances

**22.2 Financial liabilities**

	2025 SAR'000	2024 SAR'000
<b>Interest-bearing borrowings and leases</b>		
Lease liabilities	146,119	103,182
Financing from banks	97,176	62,665
	<u>243,295</u>	<u>165,847</u>

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**22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

	2025 SAR'000	2024 SAR'000
<b>Financial liabilities at amortized cost</b>		
Accounts and other payables (excluding staff related accruals and taxes)	77,414	47,855
Due to a related party	-	2,880
	<u>77,414</u>	<u>50,735</u>
<b>Total financial liabilities</b>	<u>320,709</u>	<u>216,582</u>
<b>Total current</b>	<u>155,785</u>	<u>126,229</u>
<b>Total non-current</b>	<u>164,924</u>	<u>90,353</u>

**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 a related party 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 a related party, 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 a related party and bank balances that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk, market risk, interest rate risk and currency 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 analyze 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 consolidated statement of financial position at each reporting date is the carrying amounts of the financial assets disclosed in Note 22.1.



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**22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**22.4 Financial instruments risk management objectives and policies (continued)**

**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 Group's credit exposure arises in the Kingdom of Saudi Arabia and the United Arab Emirates

**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 Human Development Company 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 mainly comprising of Government entities and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At 31 December 2025, HDC had 1 customer (2024: 1 customer) that accounted for approximately 87% (2024: 95%) of the total HDC trade receivables outstanding and 74% (2024: 78%) 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 2025					
	Total SAR'000	Not past due SAR'000	Days past due			
0-60 days SAR'000			61-120 days SAR'000	121-365 days SAR'000	>365 days SAR'000	
Estimated total gross carrying amount at default	168,518	133,254	2,611	1,298	10,172	21,183
Expected credit loss %	16%	0%	15%	27%	61%	98%
Expected credit loss	27,797	-	391	353	6,219	20,834

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**22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**22.4 Financial instruments risk management objectives and policies (continued)**

31 December 2024

	Total SAR'000	Not past due SAR'000	Days past due			
			0-60 days SAR'000	61-120 days SAR'000	121-365 days SAR'000	>365 days SAR'000
Estimated total gross carrying amount at default	139,178	106,289	4,002	1,280	7,872	19,735
Expected credit loss %	17%	0%	17%	28%	52%	92%
Expected credit loss	23,200	-	660	354	4,077	18,109

**Due from related parties**

Balance 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 2025

	Less than 3 months SAR'000	3 to 12 months SAR'000	1 to 5 years SAR'000	After 5 years SAR'000	Total SAR'000
Accounts and other payables	30,663	46,751	-	-	77,414
Lease liabilities	11,934	20,043	70,992	115,403	218,372
Financing from banks	1,790	53,199	39,315	2,872	97,176
	<b>44,387</b>	<b>119,993</b>	<b>110,307</b>	<b>118,275</b>	<b>392,962</b>

31 December 2024

	Less than 3 months SAR'000	3 to 12 months SAR'000	1 to 5 years SAR'000	After 5 years SAR'000	Total SAR'000
Accounts and other payables	20,655	27,200	-	-	47,855
Due to a related party	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
	<b>53,798</b>	<b>78,687</b>	<b>79,861</b>	<b>43,008</b>	<b>255,354</b>

**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.



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**22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**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 at fixed rates, hence any changes in interest 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:

	2025 SAR'000	2024 SAR'000
<i>Fixed rate instruments – assets</i>		
Term deposits with banks	<u>260,516</u>	<u>87,462</u>
<i>Variable rate instruments – liabilities</i>		
Revolving bank facilities	<u>(54,989)</u>	<u>(45,750)</u>
Term loans	<u>(42,187)</u>	<u>(16,915)</u>
	<u>(97,176)</u>	<u>(62,665)</u>

**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 shareholders' 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 shareholders', return capital to shareholders' or issue new shares. The Group monitors capital using a gearing ratio, which is 'debt' divided by total capital plus debt.

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**22 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**Capital management (continued)**

The Group includes within net (cash) / debt, interest bearing loans and borrowings excluding lease liabilities, less cash and bank balances.

	2025 SAR'000	2024 SAR'000
Interest-bearing loans and borrowings*	<u>97,176</u>	<u>62,665</u>
Less: cash and bank balances	<u>(339,200)</u>	<u>(200,967)</u>
<b>Net debt / (cash)</b>	<u>(242,024)</u>	<u>(138,302)</u>
<b>Equity attributable to equity holders</b>	<u>1,287,872</u>	<u>1,158,252</u>
<b>Equity and debt</b>	<u>1,385,048</u>	<u>1,220,917</u>
<b>Gearing ratio</b>	<u>7.01%</u>	<u>5.13%</u>

\* 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 is compliant with the related covenants. Refer to Note 17 for details.

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 is provided below:

**Proportion of equity interest held by non-controlling interests:**

**Non-controlling interests**

	2025	2024
<b>Subsidiary</b>		
Human Development Company LLC and its subsidiary	<u>40%</u>	<u>40%</u>

**Accumulated balances of non-controlling interests:**

	2025 SAR'000	2024 SAR'000
Human Development Company LLC and its subsidiary	<u>76,082</u>	<u>64,167</u>

During the year ended 31 December 2025, dividends of SAR 40,000 thousand (2024: SAR 40,000 thousand) were declared by HDC, of which SAR 16,000 thousand (2024: SAR 16,000 thousand) was attributable to the non-controlling interests of HDC.



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**24 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 consolidated 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 (31 December 2025: SAR 49,686 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 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 are subject and 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.

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 consolidated statement of profit or loss. Any difference in the estimate is recorded when the final assessment is approved.

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

	2025 SAR'000	2024 SAR'000
Current Income tax and Zakat	12,065	14,051
Deferred Tax – Unwinding of temporary differences	(1,365)	-
	<u>10,700</u>	<u>14,051</u>

24.2 The current income tax and zakat expense arising from the Group operations pertain to the following geographical areas:

	2025 SAR'000	2024 SAR'000
United Arab Emirates	989	7,942
Kingdom of Saudi Arabia	9,711	6,109
	<u>10,700</u>	<u>14,051</u>

24.3 The movement in the zakat and income tax provision is as follows:

	2025 SAR'000	2024 SAR'000
Opening balance	13,104	2,195
Charge during the year (note 24.1)	12,065	14,051
Paid during the year	(9,141)	(3,142)
As at 31 December (note 19)	<u>16,028</u>	<u>13,104</u>

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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**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 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 interests' 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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**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:

	2025 SAR'000	2024 SAR'000
<b>Profit before Zakat &amp; income tax</b>	<b>169,581</b>	162,169
<i>Add/(deduct):</i>		
One-off non-recurring items	12,077	885
<b>Adjusted Profit before Zakat &amp; income tax</b>	<b>181,658</b>	163,054
<i>Add/(deduct):</i>		
One-off non-recurring items	(4,655)	-
Zakat and Income taxes	(10,700)	(14,051)
<b>Adjusted Profit</b>	<b>166,303</b>	149,003
<i>Add/(deduct):</i>		
Non-controlling interests *	(31,053)	(28,036)
<b>Adjusted Profit attributable to equity holders</b>	<b>135,250</b>	120,967
Depreciation and amortization	54,150	44,831
Purchase price amortisation of an associate	3,033	3,033
Finance income	(7,379)	(3,664)
Finance costs	8,597	9,192
Zakat and Income Taxes	10,700	14,051
Non-controlling interests	31,053	28,036
One-off non-recurring items	(7,422)	(885)
<b>EBITDA</b>	<b>227,982</b>	215,561
<i>Add:</i>		
One-off non-recurring items	12,077	885
<b>Adjusted EBITDA</b>	<b>240,059</b>	216,446

\* Adjusted for share of non-controlling interests in one-off non-recurring items.

**26 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 consolidated statements of financial position, profit or loss, and comprehensive income and notes to the consolidated financial statements.

Information about revenue by geographical area in which the Group operates is as follows:

	2025 SAR'000	2024 SAR'000
<b>Country</b>		
Kingdom of Saudi Arabia	261,294	215,296
United Arab Emirates	272,573	221,769
<b>Total revenue</b>	<b>533,867</b>	437,065

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**26 SEGMENT INFORMATION (continued)**

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

	2025 SAR'000	2024 SAR'000
<b>Country</b>		
Kingdom of Saudi Arabia	484,889	394,772
United Arab Emirates	419,979	431,578
	<b>904,868</b>	826,350

Non-current assets for this purpose consist of property and equipment, right-of-use assets, and goodwill and intangible assets.

**27 EMPLOYEES'S DEFINED CONTRIBUTION PLAN**

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 12,589 thousand (2024: SAR 9,914 thousand).

**28 SUBSEQUENT EVENTS**

Subsequent to the year ended 31 December 2025, the Board of Directors during its meeting held on 10 February 2026, proposed a cash dividend of SAR 75,000 thousand equivalent to SAR 0.73 per ordinary share, which is subject to the approval of the shareholders at the forthcoming Annual General Assembly Meeting of the Company. The proposed dividend does not constitute a liability as of 31 December 2025.

Other than the above, 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.

**29 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on behalf of the shareholders on 22 Shaaban 1447H (corresponding to 10 February 2026).



# APPENDIX





# GRI CONTENT INDEX

**Statement of use** Almasar Alshamil Education Company has reported the information cited in this GRI content index for the period from January 1 to December 31, 2025, with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI standard	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	About the Report
	2-2 Entities included in the organization's sustainability reporting	About the Report
		Organizational Structure
		Financial Statements
	2-3 Reporting period, frequency and contact point	About the Report
	2-6 Activities, value chain and other business relationships	Discover Almasar Alshamil Education
		Business Lines
		Our Business Model: A Lifelong Education Platform
	2-7 Employees	Employees
	2-9 Governance structure and composition	Corporate Governance Overview
	2-15 Conflicts of interest	Conflicts of Interest
	2-19 Remuneration policies	Remuneration
2-20 Process to determine remuneration	Remuneration	
2-22 Statement on sustainable development strategy	Sustainability Approach	
2-23 Policy commitments	Discover Almasar Alshamil Education	
	Sustainability Approach	
2-24 Embedding policy commitments	Business Lines	
	Student Experience	
	Employees	
	Health and Safety	
	Community Engagement	

GRI standard	Disclosure	Location
<b>GRI 103: Energy 2025</b>	103-1 Energy policies and commitments	Environmental Protection
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Business Lines
		Student Experience
		Operational Review
<b>GRI 306: Waste 2020</b>	306-2 Management of significant waste-related impacts	Environmental Protection
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Health and Safety
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	Employees
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Community Engagement

## Saudi Exchange (Tadawul) ESG Disclosure Themes

ESG	Themes	Key issues	Location in the Report
<b>S</b>	Human Capital	Labor Management	Employees
		Health and Safety	Health and Safety
		Human Capital Development	Employees
	Product Liability	Privacy and Data Security	Digital Solutions
<b>G</b>	Corporate Governance	Board	Board of Directors
		Tax Transparency	Financial Statements
		Pay	Remuneration
		Ownership & Control	Share Capital and Ownership Structure
		Accounting	Financial Statements
Corporate Behavior	Business Ethics	Corporate Governance Overview	