HULT INTERNATIONAL BUSINESS SCHOOL, INC. AND SUBSIDIARIES

Consolidated Financial Statements

Year ended July 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hult International Business School, Inc.
Cambridge, Massachusetts

Opinion

We have audited the consolidated financial statements of Hult International Business School, Inc. (a Massachusetts nonprofit corporation) (the "School") and Subsidiaries, which comprise the consolidated statement of financial position as of July 31, 2025, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the School as of July 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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.

INDEPENDENT AUDITOR'S REPORT

(continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Schools's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Leonard, Mulherin & Greene, P.C.

LEONARD, MULHERIN & GREENE, P.C.
Braintree, Massachusetts

January 28, 2026

HULT INTERNATIONAL BUSINESS SCHOOL, INC.

Consolidated Statement of Financial Position
July 31, 2025

ASSETS		
Current Assets		
Cash and cash equivalents	$	**19,003,484**
Accounts receivable, net of allowance for credit losses		**5,997,064**
Grant receivable		**1,199,152**
Other receivables (see Note 5)		**4,312,753**
Investments		**26,955,369**
Prepaid expenses and other assets		**11,054,857**
Prepaid income taxes, net		**256,139**
Total current assets		**68,778,818**
PROPERTY AND EQUIPMENT,		
net of accumulated depreciation and amortization		**588,473**
OTHER ASSETS		
Operating leases, right-of-use, net		**52,828,776**
Goodwill, net		**1,150,993**
Restricted deposits		**3,254,576**
Total assets	**$**	**126,601,636**
LIABILITIES AND NET ASSETS/EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	**$**	**11,956,087**
Deferred revenue		**39,169,009**
Operating lease liabilities, current portion		**21,596,507**
Other current liabilities (see Note 5)		**554,660**
Total current liabilities		**73,276,263**
LONG-TERM LIABILITIES		
Operating lease liabilities, less current portion		**32,632,725**
Total liabilities		**105,908,988**
COMMITMENTS AND CONTINGENCIES		
NET ASSETS/ EQUITY		
Without donor restrictions		**20,295,540**
Equity in wholly-owned subsidiaries		**397,108**
Total net assets/ equity		**20,692,648**
Total liabilities and net assets/ equity	**$**	**126,601,636**

The accompanying notes are an integral part of these consolidated financial statements.

HULT INTERNATIONAL BUSINESS SCHOOL, INC.

Consolidated Statement of Activities
Year ended July 31, 2025

		Without Donor Restrictions
REVENUE, SUPPORT AND GAINS		
Tuition and fees	$	**206,851,683**
Student scholarships		**(64,806,582)**
Investment income		**1,842,808**
Grant revenue		**1,689,453**
Foreign exchange gains (losses)		**90,283**
Other income		**7,207,599**
Total revenue, support and gains		**152,875,244**
EXPENSES		
Staff costs		**45,314,115**
Property and office related costs		**39,889,377**
Purchased goods and services		**36,984,156**
Student enrollment and marketing		**27,995,461**
Total expenses		**150,183,109**
CHANGE IN NET ASSETS/EQUITY		**2,692,135**
NET ASSETS/EQUITY, beginning of year		**18,000,513**
NET ASSETS/EQUITY, end of year	**$**	**20,692,648**

The accompanying notes are an integral part of these consolidated financial statements.

HULT INTERNATIONAL BUSINESS SCHOOL, INC.

Consolidated Statement of Cash Flows
Year ended July 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	**$ 2,692,135**
Adjustments to reconcile change in net assets	
to net cash provided by (used in) operating activities	
Depreciation	**396,682**
Amortization of goodwill	**28,581**
Realized and unrealized gains on investments	**(266,083)**
Operating leases, net adjustment under ASC 842	**506,953**
Loss on disposal of fixed assets	**1,638**
(Increase) decrease in asset accounts	
Accounts receivable	**722,025**
Contribution receivable	**6,000,000**
Grant receivable	**(1,199,152)**
Other receivables	**190,558**
Prepaid expenses and other assets	**2,901,751**
Prepaid income taxes	**23,923**
Increase (decrease) in liability accounts	
Accounts payable and accrued expenses	**2,148,760**
Deferred revenue	**(31,204,558)**
Other current liabilities	**(8,006,531)**
Net cash provided by (used in) operating activities	**(25,063,318)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	**(58,764)**
Proceeds from sale or maturity of investments	**125,462,918**
Purchase of investments	**(126,458,302)**
Purchase of wholly-owned subsidiaries	**(2,704,408)**
Net cash provided by (used in) investing activities	**(3,758,556)**
Net increase (decrease) in cash, cash equivalents and restricted cash	**(28,821,874)**
Cash, cash equivalents and restricted cash, beginning of year	**51,079,934**
Cash, cash equivalents and restricted cash, end of year	**$ 22,258,060**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
The School paid no interest during the year ended July 31, 2025.	
Income taxes paid	**$ 103,652**
Cash paid for amounts included in the measurement of the operating lease liabilities	**$ 22,058,628**
Noncash Transactions	
Recognition of operating lease right-of-use assets and liabilities	**$ 58,585,672**

The accompanying notes are an integral part of these consolidated financial statements.

1 – NATURE OF ORGANIZATION

Hult International Business School, Inc. is a nonprofit organization that was incorporated in Massachusetts in September 1996. The School offers one or multi-year Post Graduate Programs, in among others, Business Administration, Finance, International Business and International Marketing, as well as a Bachelor's Program in Business Administration.

The School is accredited by the New England Commission of Higher Education, Inc. and is a member of the American Assembly of Collegiate Schools of Business ("AACSB").

The School has campus locations in Cambridge, Massachusetts and San Francisco, California, and services students in London, United Kingdom and Dubai, United Arab Emirates.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
The financial statements are consolidated and include the accounts of Hult International Business School, Inc. ("HIBS"), Hult Support Services, Ltd. ("HSS"), Hult Investments FZ-LLC ("FZ-LLC"), and Hult Business Consulting Services Private Ltd. ("HBCS") (collectively the "School"). All material intercompany financial transactions have been eliminated. HIBS, HSS, FZ-LLC, and HBCS have been consolidated because HSS, FZ-LLC, and HBCS are wholly-owned subsidiaries of HIBS. HSS was acquired prior to July 31, 2024 and FZ-LLC and HBCS were acquired on May 1, 2025 and June 17, 2025, respectively.

Basis of Accounting
The consolidated financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Estimates
The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash
For purposes of the Consolidated Statement of Cash Flows, the School considers all highly liquid investments available for current use with an initial maturity of three months or less, to be cash equivalents, excluding amounts held for investment purposes.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statement of Financial Position to the sum of those amounts reported in the Consolidated Statement of Cash Flows as of July 31:

	2025
Cash and cash equivalents	**$ 19,003,484**
Restricted deposits	**3,254,576**
Total cash, cash equivalents and restricted cash	**$ 22,258,060**

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Deposits

In connection with the School's federal financial aid program with the United States Department of Education, the School is required to maintain a letter of credit with a bank totaling $2,954,576. Additionally, the School is required to maintain a letter of credit with a bank totaling $300,000 in connection with its lease agreement in San Francisco. See Note 8. These letters of credit are secured by cash accounts in the same amounts and totaled $3,254,576 at July 31, 2025.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recorded net of any allowance for credit losses and are reported as a single portfolio segment. Management considers relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of accounts receivable in connection with estimating any allowance for credit losses. The allowance estimate is derived from a review of the School's historical losses based on historical loss rates. In addition, at each reporting date, this estimate is updated to reflect any changes in credit risk since the accounts receivable were initially recorded. As applicable, this estimate is calculated by pooling amounts with similar characteristics. In addition, as applicable, an account receivable is evaluated individually when specific facts and circumstances indicate it may not be collectible. Risk characteristics used by the School to pool accounts receivable amounts consisted of historical or expected credit loss patterns.

Activity in the allowance for credit losses for accounts receivable is as follows for the year ended July 31, 2025:

Beginning balance, August 1, 2024	**$7,654,911**
Credit loss expense	**2,475,934**
Write-offs charged against the allowance	**(620,893)**
Ending balance, July 31, 2025	**$9,509,952**

Investments

In accordance with GAAP, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at market value in the Consolidated Statement of Financial Position. Realized and unrealized gains or losses are included in the change in net assets on the Consolidated Statement of Activities.

Property and Equipment

Property and equipment are recorded at cost. Depreciation expense has been calculated using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Significant fixed asset additions are capitalized, while expenditures for maintenance and repairs are expensed as incurred. The School purchases classroom supplies which include textbooks, literature and other materials to carry on educational activities. These purchases are expensed as incurred.

Leases

The School applies Accounting Standards Codification ("ASC") 842, *Leases* ("ASC 842"), in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property or equipment for a period of time in excess of twelve months in exchange for consideration.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The School defines control of the assets as the right to obtain substantially all of the economic benefits from use of the identified assets as well as the right to direct the use of the identified assets. The School further determined if its existing leases are operating leases, which are included as right-of-use ("ROU") assets and lease liabilities in the Statement of Financial Position. ROU assets represent the School's right to use leased assets over the term of the lease. Lease liabilities represent the School's contractual obligation to make lease payments and are measured at the present value of the future lease payments over the lease term. ROU assets are calculated as the present value of the future lease payments adjusted by any initial direct costs, deferred rent liability and lease incentives. ROU assets and lease liabilities are recognized at the lease commencement date.

The School uses the rate implicit in the leases if it is determinable. When the rate implicit in the leases is not determinable, the School uses the risk-free rate as permitted in ASU 2021-09, *Discount Rate for Lessees That Are Not Public Business Entities*. The risk-free rate is applied to all classes of leased assets. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term. The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants and to the extent a lease arrangement includes both lease and non-lease components, the components are accounted for separately. In addition, the School applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of twelve months or less.

Goodwill

The School has adopted GAAP relating to goodwill and other intangible assets. These principles require that goodwill and intangible assets with indefinite lives, including such assets recorded in past business combinations, be tested for impairment on an annual basis.

In fiscal year 2025, HIBS acquired FZ-LLC and HBCS and recognized goodwill as a result of the transactions.

During the year ended July 31, 2025, the School adopted the accounting alternative for the subsequent measurement of goodwill provided in *FASB ASC 350-20*. Under this accounting alternative, the School began amortizing goodwill on a straight-line basis over 10 years and only evaluates goodwill for impairment when a triggering event occurs. During the year ended July 31, 2025, no triggering events occurred requiring impairment testing. As such, no impairment loss was recorded.

Goodwill presented on the Consolidated Statement of Financial Position as of July 31, 2025 consisted of the following:

	2025
Goodwill - FZ-LLC	**$1,106,922**
Goodwill - HBCS	**72,652**
Total goodwill	**1,179,574**
Less accumulated amortization	**(28,581)**
Goodwill, net	**$1,150,993**

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets, revenue, support, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Consist of net assets available for use in general operations that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Consist of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or the expending of the net assets for particular purposes as specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the principal is to be maintained in perpetuity (donor-restricted endowment) and only the income from such net assets may be expended as specified by the donor or in accordance with the applicable Massachusetts law.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released to net assets without donor restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

The School had no net assets with donor restrictions as of July 31, 2025.

Revenue Recognition

The School's revenues are primarily generated by tuition and fees received from students enrolled in and attending the School's academic programs. Revenue is recognized as the services are provided to students. Student payments received in advance of services provided are recorded as deferred revenue.

Contributions

Contributions are recognized at the earlier of when received or when a donor declares an unconditional promise to give cash or other assets to the School. Donor-restricted contributions are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the same fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction has been satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barriers to be overcome before the School is entitled to the assets transferred or promised, and a right of return or release, are not recognized as contributions revenue until the conditions have been substantially met or waived.

Functional Allocation of Expenses

The costs of providing program and supporting services activities for the year ended July 31, 2025 have been summarized on a functional basis below. Expenses directly attributable to a specific functional activity are reported as expenses of those functional activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)
The expenses that are allocated include employee compensation, occupancy, various other program and administrative costs and depreciation. These expenses have been allocated on the basis of estimated time and effort, square footage, as well as other reasonable allocation methods.

Year ended July 31, 2025	**Program Services**	**Supporting Services**	**Total Expenses**
Staff costs	**$ 42,290,524**	**$ 3,023,591**	**$ 45,314,115**
Property and office related costs	**27,572,228**	**12,317,149**	**39,889,377**
Purchased goods and services	**36,984,156**	**-**	**36,984,156**
Student enrollment and marketing	**27,995,461**	**-**	**27,995,461**
Total expenses	**$ 134,842,369**	**$ 15,340,740**	**$ 150,183,109**

Advertising
Advertising and promotional costs are expensed as incurred and totaled $7,453,915 for the year ended July 31, 2025.

Foreign Currency Transactions
Revenue and expense transactions in foreign currencies are converted into United States dollars at the specific rate of exchange on the date of the transactions. In addition, assets and liabilities held in foreign currencies are converted into United States dollars at the applicable rate of exchange at fiscal year-end. Gains and losses on foreign exchange transactions are reflected on the Consolidated Statement of Activities.

Tax Status
HIBS is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and contributions to it are tax deductible within the limitations prescribed by the Code.

The School is subject to routine examinations by U.S. taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The School believes it is no longer subject to U.S. income tax examinations for years prior to 2022.

HSS, FZ-LLC and HBCS are for profit companies and are subject to income tax under the applicable tax laws and regulations in the United Kingdom, United Arab Emirates and India, respectively. Income tax expense for the year ended July 31, 2025 totaled $34,676 for all subsidiaries.

Subsequent Events
The School evaluated events that occurred after July 31, 2025, the date of the Consolidated Statement of Financial Position, but before the date the financial statements were available to be issued, January 28, 2026 for potential recognition or disclosure in the financial statements. Except for the information disclosed in Note 5 and Note 8, the School did not identify any subsequent events that had a material effect on the accompanying financial statements.

3 - LIQUIDITY AND AVAILABILITY

The School regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures.

At July 31, 2025, financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Consolidated Statement of Financial Position date consist of the following:

Cash and cash equivalents	**$ 19,003,484**
Accounts receivable, net of allowance for credit losses	**5,997,064**
Grant receivable	**1,199,152**
Investments	**26,955,369**
Total financial assets available within one year	**$ 53,155,069**

4 – FAIR VALUE MEASUREMENTS

The School applies the provisions of GAAP, which establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), a lower priority to significant other observable inputs (Level 2 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under these provisions are described below:

Basis of Fair Value Measurement

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Treasury bills are valued at quoted market prices.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

4 – FAIR VALUE MEASUREMENTS (continued)

The asset or liability's measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents assets that are measured at fair value on a recurring basis at July 31, 2025:

	Total	Level 1	Level 2	Level 3
Investments:				
United States Treasury Bills	**$26,902,149**	**$26,902,149**	**$ -**	**$ -**
Cash	**53,220**	**53,220**	**-**	**-**
Total Investments	**$26,955,369**	**$26,955,369**	**$ -**	**$ -**

Investment income consisted of the following for the year ended July 31:

	2025
Interest income	**$1,576,725**
Realized and unrealized gains on investments	**266,083**
Investment income	**$1,842,808**

5 – SIGNIFICANT PARTY TRANSACTIONS

In connection with the recruitment of students and administration of its educational programs, in prior years, the School entered into various agreements with significant parties. Expenses incurred under the agreements have been priced using a fair market value analysis as determined by an independent third party. Activities with significant parties are described below:

Contractual Agreements

The School has a contractual agreement with EF Services, Inc. ("EF Services") for certain local administrative services. EF Services provides payroll processing, health insurance and retirement plan administration and other administrative support services to the School. The School and EF Services contracted these services under an agreement that is subject to renewal on October 1 of each year. The School was charged $3,702,946 by EF Services for these services during the year ended July 31, 2025. At July 31, 2025, EF Services owed the School $5,547, which is included in "Other receivables" on the accompanying Consolidated Statement of Financial Position.

5 – SIGNIFICANT PARTY TRANSACTIONS (continued)

Contractual Agreements (continued)
Prior to its acquisition of FZ-LLC, HIBS had a contractual agreement with FZ-LLC, an LLC organized in the United Arab Emirates, whereby FZ-LLC delivered all local operational and administrative services relating to HIBS's academic programs in Dubai, including general and administrative services (finance, payroll, facilities management, etc.), recruitment, and curriculum implementation. Service costs incurred by HIBS with FZ-LLC prior to May 1, 2025 totaled $3,556,527 during the year ended July 31, 2025.

On May 1, 2025, HIBS purchased FZ-LLC for total consideration of $2,400,000.

The School and Hult International Business School, Ltd. ("Hult Ltd."), a charitable organization in the United Kingdom ("UK"), have a contractual agreement, whereby Hult Ltd. delivers all local operational and administrative services relating to the School's academic programs in the UK. These services include general and administrative services (finance, payroll, facilities management, etc.), and curriculum implementation. Service costs incurred by the School with Hult Ltd. totaled $24,668,236 for the year ended July 31, 2025. At July 31, 2025, the School owed Hult Ltd. $414,588, which is included in "Other current liabilities" on the accompanying Consolidated Statement of Financial Position. Additionally, the School prepaid $6,246,809 to Hult Ltd. as of July 31, 2025 for future services, which is included in "Prepaid expenses and other assets" on the accompanying Consolidated Statement of Financial Position.

The School and Hult Prize Foundation, Inc. ("Hult Prize)", a non-profit corporation organized in Massachusetts, had a contractual agreement whereby Hult Prize provided marketing activities for the School. During the year ended July 31, 2025, there were no marketing costs incurred. Further, the School provided short-term funding to Hult Prize during the year ended July 31, 2025. At July 31, 2025, Hult Prize owed the School $2,805,411, which is included in "Other receivables" on the accompanying Consolidated Statement of Financial Position.

The School was the sole member of Hult Prize through December 31, 2024, on which date the School assigned its rights, title and interest in Hult Prize to a third party outside of the School's legal structure.

Other Contractual Agreements
The School has contractual agreements with various significant parties to provide enrollment and recruitment services to the School. Amounts billed for student enrollment and recruitment services for the year ended July 31, 2025 are as follows:

Hult Investments FZ-LLC (United Arab Emirates)	**$3,080,149**
Hult International Business School, Ltd. (Hong Kong)**	**2,284,251**
Hult Business Consulting Services Private Ltd. (India)*	**355,233**

*On June 17, 2025, HIBS purchased Hult Business Consulting Services Private Ltd. for total consideration of $304,408.

**On September 25, 2025, HIBS acquired Hult International Business School Ltd. (Hong Kong) for a purchase price of $460,492.

5 – SIGNIFICANT PARTY TRANSACTIONS (continued)

License Fees

The School has a licensing agreement with Hult International Business School AG (“AG”), a Swiss corporation, that allows the School to use certain trademarks, logos, domain names and other intangible assets owned by AG.

The School was charged a license fee according to the license agreement between the parties, priced using a fair market value analysis of the intangibles, as determined by an independent third party. AG has waived the full licensing fee for the year ended July 31, 2025 and has charged only a minimum fee of $25,000. There were no amounts due to or from AG at July 31, 2025.

Rental Agreements

The School rents classroom, dormitory and administrative space from Efekta Schools, Inc., Efekta Entrance, Inc., and Efekta Three, Inc. (collectively “Efekta”) as described in Note 8.

Legal Fees

A member of the board of directors is a partner of McDermott, Will, and Schulte, a law firm that provides legal services to the School. Amounts billed for legal services provided by the firm for the year ended July 31, 2025 totaled $48,399.

6 – PROPERTY AND EQUIPMENT

Property and equipment at July 31, 2025 are summarized below:

	Cost	Accumulated Depreciation
Leasehold improvements	$ 341,870	$ 319,980
Computer equipment	770,071	478,688
Office equipment and furnishings	2,237,848	1,962,648
Total	$ 3,349,789	$ 2,761,316

Depreciation expense for the year ended July 31, 2025 totaled $396,682.

7 – RETIREMENT PLAN

HIBS participates in a salary deferral "401(k) Plan" (the “Plan”), administered by EF Services. The Plan allows employees to contribute a portion of their compensation to the Plan on a tax-deferred basis with a 25% matching contribution by HIBS.

HSS participates in a pension plan. The pension plan automatically enrolls employees to contribute 5% with a 3% employer contribution.

Contributions to both plans charged to operations totaled $696,905 for the year ended July 31, 2025.

8 – LEASES

Operating Leases

The School maintains operating leases for various classroom and administrative space with lease expiration dates through August 2029. Payments under two of the lease arrangements are all fixed with no annual increases. The Hult Campus - San Francisco lease arrangement has fixed payments with annual increases netted against any deferred rent. One of the Hult Campus – Cambridge lease arrangements has fixed payments with annual increases of 5%.

The Injaz Building- Dubai lease agreement has fixed payments with annual increases that vary each year. Under the terms of its office/property leases, the School bears its share of real estate taxes and maintenance costs.

As part of its lease agreement in San Francisco, the School is required to maintain a letter of credit with a bank totaling $300,000 at July 31, 2025. The letter of credit is secured by cash accounts in the same amount. This amount is included as “Restricted deposits” on the accompanying Consolidated Statement of Financial Position at July 31, 2025.

As of July 31, 2025, the right-of-use assets recorded under the operating leases totaled $77,703,131 with related accumulated amortization of $24,874,355.

The weighted-average remaining lease term related to the School’s operating lease liabilities as of July 31, 2025 was 2.52 years and the discount rate was 3.54%.

Operating lease liability maturities as of July 31, 2025, are as follows:

2026	**$ 23,126,266**
2027	**23,833,234**
2028	**7,858,515**
2029	**1,742,420**
2030	**143,403**
Total undiscounted lease payments	**56,703,838**
Less imputed interest	**(2,474,606)**
Total operating lease liabilities	**54,299,232**
Less current portion	**(21,596,507)**
Operating lease liabilities, less current portion	**$ 32,632,725**

Lease expenses from operating leases totaled $21,779,609 for the year ended July 31, 2025.

On October 2, 2025, the School entered into an agreement to terminate the Hult Campus - San Francisco lease in exchange for an early termination fee in the amount of $5,000,000, of which $300,000 will be paid from the letter of credit described above.

Operating Sublease

The School sublet a portion of the administrative space at its Dubai location to EF Corporate Education FZ-LLC and EF Education First FZ-LLC. Monthly payments to the School under the sublease agreements are variable and totaled $46,690 for the year ended July 31, 2025. Sublease payments under the agreements will be approximately $15,600 monthly through the end of the agreements on August 31, 2029.

8 – LEASES (continued)

Short-Term Leases
Lease expenses from short-term leases 12 months or less totaled $38,863 for the year ended July 31, 2025.

9 – CONTINGENCY AND CONCENTRATIONS OF CREDIT RISK

Contingency

Legal Matters
The School is party to claims arising in the normal course of business. While the ultimate resolution of these claims or other proceedings against the School cannot be predicted with certainty, management does not expect these matters to have a materially adverse effect on the School's financial position or results of operations.

Concentrations of Credit Risk
The School maintains its cash in bank accounts with financial institutions that management believes to be of high credit quality. Balances in these accounts may, at times, exceed federal or other insured limits. The School has not experienced any losses in such accounts. The School believes it is not exposed to any significant credit risk relative to cash or cash equivalents.

The School holds investments primarily consisting of United States Treasury Bills and similar low risk investments. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities could occur in the near term.