

ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024
AND INDEPENDENT AUDITOR'S REVIEW REPORT

ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024

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

To the shareholders of Ataa Educational Company
(A Saudi joint stock company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Ataa Educational Company** ("the Company") and its subsidiaries (collectively referred to as "the Group") as of October 31, 2024, the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The Group's interim condensed consolidated financial information for the three -month period ended October 31, 2023 was reviewed by another auditor, who expressed an unmodified conclusion on this interim condensed consolidated financial information on Jumada II 28, 1445H, corresponding to December 19, 2023.

RSM Allied Accountants Professional Services



Muhammad Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

8 Jumada^{II} 1446H (corresponding to December 9, 2024)



ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF OCTOBER 31, 2024

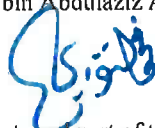
(All amounts in Saudi Riyals unless otherwise stated)

	Note	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	910,125,601	889,427,066
Right-of-use assets		455,159,324	454,688,761
Intangible assets		25,067,131	25,484,394
Goodwill		535,544,389	535,544,389
Total non-current assets		1,925,896,445	1,905,144,610
Current assets			
Inventory		5,756,320	6,530,797
Prepayments and other current assets		74,894,710	45,743,650
Due from a related party	6	1,197,314	1,197,314
Accounts receivables	5	118,591,276	94,645,094
Cash and cash equivalents	7	35,781,900	85,599,869
Total current assets		236,221,520	233,716,724
Non-current assets held for sale		36,477,040	36,477,040
TOTAL ASSETS		2,198,595,005	2,175,338,374
EQUITY AND LIABILITIES			
Equity			
Share capital	8	420,872,150	420,872,150
Share premium		276,786,861	276,786,861
Statutory reserve		51,060,154	51,060,154
Actuarial reserve		(14,698,082)	(14,698,082)
Retained earnings		86,873,498	67,300,247
Total equity attributable to the shareholders of the Parent Company		820,894,581	801,321,330
Non-controlling interests		62,786,362	63,774,390
Total equity		883,680,943	865,095,720
LIABILITIES			
Non-current liabilities			
Borrowings	9	338,240,019	346,255,441
Lease liabilities		472,944,818	476,994,160
Deferred government subsidy income		375,341	428,174
Employees' end of service benefits		61,157,137	62,044,852
Total non-current liabilities		872,717,315	885,722,627
Current liabilities			
Borrowings	9	171,768,954	274,178,281
Lease liabilities		47,835,033	54,151,703
Deferred government subsidy income		260,150	276,423
Unearned revenue		179,444,737	59,554,102
Accrued expenses and other current liabilities		21,164,989	18,424,771
Due to related parties	6	229,017	4,378,686
Trade payables		18,151,302	10,144,137
Zakat and income tax provision	10	3,342,565	3,411,924
Total current liabilities		442,196,747	424,520,027
TOTAL LIABILITIES		1,314,914,062	1,310,242,654
TOTAL EQUITY AND LIABILITIES		2,198,595,005	2,175,338,374

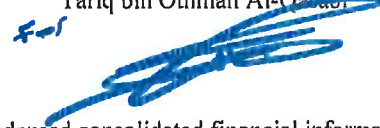
Chief Financial Officer
Adel Nader Desouki



Chief Executive Officer
Fahd bin Abdulaziz Al-Tuwaijri



Chairman
Tariq bin Othman Al-Qasbi



The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial information.

ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		October 31, 2024 (Unaudited)	October 31, 2023 (Unaudited)
Revenue	14	165,325,240	170,498,483
Government subsidy income	14	2,670,454	3,244,278
Cost of revenue	14	(116,514,698)	(118,343,627)
Gross profit		51,480,996	55,399,134
Marketing expenses		(1,933,203)	(2,440,527)
General and administrative expenses		(16,851,631)	(17,206,146)
Expected credit losses expense		(793,383)	(2,777,621)
Operating profit		31,902,779	32,974,840
Other income		3,539,453	5,960,459
Finance costs	11	(14,009,608)	(14,858,765)
Net profit for the period before zakat and income tax		21,432,624	24,076,534
Zakat and income tax expense	10	(956,201)	(681,754)
Net profit for the period		20,476,423	23,394,780
Net profit for the year attributable to:			
Shareholders of the Parent Company		19,573,251	22,051,259
Non-controlling interests		903,172	1,343,521
		20,476,423	23,394,780
Basic and diluted earnings per share:			
Basic and diluted earnings per share attributable to the shareholders of the Parent Company	12	0.47	0.52

Chief Financial Officer
Adel Nader Desouki



Chief Executive Officer
Fahd bin Abdulaziz Al-Tuwaijri



Chairman
Tariq bin Othman Al-Qasabi



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ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	For the three-month period ended	
	October 31, 2024 (Unaudited)	October 31, 2023 (Unaudited)
Net profit for the period	20,476,423	23,394,780
Other comprehensive income		
<i>Items that will not be reclassified subsequently in the statement of profit or loss:</i>		
Remeasurement of employees' end of service benefits	-	-
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	20,476,423	23,394,780
Total comprehensive income attributable to:		
Shareholders of the Parent Company	19,573,251	22,051,259
Non-controlling interests	903,172	1,343,521
	20,476,423	23,394,780

Chief Financial Officer
Adel Nader Desouki



Chief Executive Officer
Fahd bin Abdulaziz Al-Tuwaijri



Chairman
Tariq bin Othman Al-Osabi



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ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Equity attributable to the shareholders of the Parent Company						Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Actuarial reserve	Retained earnings	Total		
<u>For the three-month period ended October 31, 2023</u>								
Balance as of August 1, 2023 (audited - as previously stated)	420,872,150	276,786,861	48,535,163	(12,175,112)	90,871,266	824,890,328	60,045,665	884,935,993
Prior year adjustments	-	-	(3,812,100)	-	(34,308,900)	(38,121,000)	-	(38,121,000)
Balance as of August 1, 2023 (restated)	420,872,150	276,786,861	44,723,063	(12,175,112)	56,562,366	786,769,328	60,045,665	846,814,993
Net profit for the period	-	-	-	-	22,051,259	22,051,259	1,343,521	23,394,780
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	22,051,259	22,051,259	1,343,521	23,394,780
Balance as of October 31, 2023	420,872,150	276,786,861	44,723,063	(12,175,112)	78,613,625	808,820,387	61,389,186	870,209,773
<u>For the three-month period ended October 31, 2024</u>								
Balance as of August 1, 2024	420,872,150	276,786,861	51,060,154	(14,698,082)	67,300,247	801,321,330	63,774,390	865,095,720
Net profit for the period	-	-	-	-	19,573,251	19,573,251	903,172	20,476,423
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	19,573,251	19,573,251	903,172	20,476,423
Dividends	-	-	-	-	-	-	(1,911,200)	(1,911,200)
Share of non-controlling interest in investments in subsidiaries during the period	-	-	-	-	-	-	20,000	20,000
Balance as of October 31, 2024	420,872,150	276,786,861	51,060,154	(14,698,082)	86,873,498	820,894,581	62,786,362	883,680,943

Chief Financial Officer
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ATAA EDUCATIONAL COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		October 31, 2024 (Unaudited)	October 31, 2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before zakat and income tax		21,432,624	24,076,534
Adjustments for:			
Depreciation of property, plant and equipment		8,289,516	7,957,262
Loss from disposal of property, plant and equipment		-	558,187
Amortization of intangible assets		699,643	665,611
Depreciation of right-of-use assets		12,784,715	13,024,222
(Gains) / losses on derecognition of lease liabilities		(387,292)	288,143
Allowance for expected credit losses	5	793,383	2,777,621
Finance costs	11	14,009,608	14,858,765
Current service cost of employees' end of service benefits		3,264,980	3,810,668
		<u>60,887,177</u>	<u>68,017,013</u>
Changes in operating assets and liabilities:			
Inventory		774,477	(2,175,509)
Prepayments and other current assets		(24,918,349)	(33,350,074)
Accounts receivables		(24,739,565)	(39,794,782)
Unearned revenue		119,890,635	158,433,642
Accrued expenses and other current liabilities		2,588,218	(48,976,419)
Due to related parties		(4,149,669)	(485,857)
Trade payables		8,007,165	(2,981,106)
Cash from operating activities		<u>138,340,089</u>	<u>98,686,908</u>
Employees' end of service benefits paid		(4,152,695)	(3,414,207)
Zakat and income tax paid	10	(1,025,560)	-
Net cash generated from operating activities		<u>133,161,834</u>	<u>95,272,701</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(28,988,051)	(22,623,881)
Additions to Intangible assets		(282,380)	-
Net cash used in operating activities		<u>(29,270,431)</u>	<u>(22,623,881)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	9	71,409,590	110,796,496
Repayment of borrowings	9	(182,726,493)	(157,476,677)
Lease liabilities paid		(29,708,837)	(27,294,770)
Deferred government subsidy income		(69,106)	(84,754)
Finance costs paid		(10,855,326)	(9,382,552)
Dividends paid		(1,759,200)	-
Net cash used in financing activities		<u>(153,709,372)</u>	<u>(83,442,257)</u>
Net change in cash and cash equivalents		<u>(49,817,969)</u>	<u>(10,793,437)</u>
Cash and cash equivalents at beginning of the period		85,599,869	39,493,187
Cash and cash equivalents at end of the period		<u>35,781,900</u>	<u>28,699,750</u>
Non-cash transactions	15		

Chief Financial Officer
Adel Nader Desouki

Chief Executive Officer
Fahd bin Abdulaziz Al-Tuwaijri

Chairman
Tariq bin Othman Al-Qasabi

The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial information.

ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024**

(All amounts in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND ACTIVITY

Ataa Educational Company (the "Company") is a Saudi joint stock company, incorporated under the Regulations for Companies in the Kingdom of Saudi Arabia and was registered in Riyadh under Commercial Registration No. 1010186435 dated 10 Rabi' I 1424H corresponding to May 11, 2003, as a Saudi joint stock company according to the Ministerial Resolution No. (71/S) issued on 10 Rabi' I 1431 H corresponding to February 24, 2010.

On 28 Thul-Qi'dah 1440 H corresponding to July 31, 2019, the Company's shares were listed and started trading on Saudi Stock Exchange (Tadawul) under the code (4292).

The Company's principal activity is the establishment, ownership, management, and operation of international schools (kindergarten, primary, intermediate, secondary schools) for boys and girls (general and memorization) and colleges and universities in the Kingdom of Saudi Arabia and abroad; the establishment, management and maintenance of training centers, acquisition, development and management of existing schools and educational and training facilities; acquisition, management and operation of educational and training institutes; acquisition, management and operation of vocational training centers, acquisition, management and operation of special education schools. The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities.

The Company's head office is located at the following address:
P.O. Box 87527
Riyadh 11652
Kingdom of Saudi Arabia

The Company's financial year commences on 1 August and ends on 31 July of each year in accordance with the Company's articles of association.

The accompanying interim condensed consolidated financial information includes the accounts of the Company and its branches and its subsidiaries, as follows:

(a) The Parent Company's branches:

<u>Name of Branch</u>	<u>Registration Number</u>
Al-Rowad Schools - Al Izdihar district	1010362199
Al-Rowad Schools - Al Rawabi District	1010275978
Al-Rowad Schools - Al Mansoura District	1010397500
Al-Rowad Schools - Al-Andalus District	1010203258
Al-Rowad Schools - Ishbilyah District	1010469726
Middle East International School - Ishbilyah District	1010450854
Al Fikr Private School - Al-Rahmaniyah District	1010192540
Middle East International School - Sulaymaniyah District	1010903137
Middle East International School - Mourouj District	1010192541
New Middle East International School - Sulaymaniyah District	1010250798
Modern Middle East International School - Al Rawda branch	1010352008
Al Sulaymaniyah International Private School - Sulaymaniyah District	1010196919
Ataa Educational Company for Maintenance and Operation - Al Izdihar district	1010452144
Atta Al-Rowad Company	1009075645

ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024**

(All amounts in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND ACTIVITY (CONTINUED)

The accompanying interim condensed consolidated financial information includes the accounts of the Company and its branches and its subsidiaries, as follows:

(b) The Group's subsidiaries, which it owns directly or indirectly ("the Group"):

<u>Name of the subsidiary</u>	<u>Place of incorporation</u>	<u>Legal form</u>	<u>Effective Ownership % (Directly / indirectly)</u>	
			<u>October 31, 2024</u>	<u>July 31, 2024</u>
Al Nokhbah Educational Company (1)	Kingdom of Saudi Arabia	LLC	100%	100%
Al Oruba International Company for Education Services (2)	Kingdom of Saudi Arabia	LLC	100%	100%
Al-Rowad Company for Supporting Services (3)	Kingdom of Saudi Arabia	LLC	100%	100%
Elm International Schools Company (4)	Kingdom of Saudi Arabia	LLC	100%	100%
Wasat National Training and Education Company (5)	Kingdom of Saudi Arabia	LLC	52%	52%
Arabian Education and Training Group Holding Company (6)	Kingdom of Saudi Arabia	CJSC	100%	100%
Amjad Qurtuba Educational Services Company (6)	Kingdom of Saudi Arabia	LLC	100%	100%
Nabaa Educational Company (6)	Kingdom of Saudi Arabia	LLC	100%	100%
Al-Alsun International Private Schools Company (6)	Kingdom of Saudi Arabia	LLC	100%	100%
Jasmine International Company (6)	Kingdom of Saudi Arabia	LLC	100%	100%
Jeel Al Majd International Private Schools Company (6)	Kingdom of Saudi Arabia	LLC	100%	100%
Academic Company for Educational Services (6)	Kingdom of Saudi Arabia	CJSC	52.2%	52.2%
Backswood Riyadh Schools for Education Company (7)	Kingdom of Saudi Arabia	LLC	80%	-
Creative Development for Rehabilitation *	Kingdom of Saudi Arabia	Branch of Arabian Education and Training Group Holding Company	-	-
Al Faisal International Academy *	Kingdom of Saudi Arabia	Branch of Arabian Education and Training Group Holding Company	-	-

- (1) The Nokhbah Educational Company ("the Company") is a limited liability Company, incorporated under the Regulations for Companies in Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010231261 on 26 Rabi' I 1428H corresponding to April 14, 2007.

The Company' is principally engaged in pre-school and kindergarten education with a national curriculum, primary, intermediate and secondary education for male and female students with a national curriculum.

The Company operates through Al Nokhba Educational Schools, Al Kharj Branch, in Al Nahda District, under commercial registration No. 1011010525 in Riyadh on 15 Jumada' I 1425 H corresponding to July 3, 2004.

- (2) Al Oruba International Company for Education Services ("the Company") is a limited liability Company, incorporated under the Regulations for Companies in Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010259834 on 25 Dhual-Hijjah 1429 H corresponding to December 24, 2008.

The Company is principally engaged in pre-school and kindergarten education with an international curriculum, primary, intermediate and secondary education for male and female students with an international curriculum.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024**

(All amounts in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND ACTIVITY (CONTINUED)

- (3) Al-Rowad Company for Supporting Services (“the Company”) is a limited liability Company, incorporated under the Regulations for Companies in Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010299500 on 19 Muharram 1432 H corresponding to December 25, 2010.

The Company is principally engaged in general construction for non-residential buildings such as schools, hospitals and hotels, and educational transportation.

- (4) Elm International Schools Company (“the Company”) is a limited liability Company, incorporated under the Regulations for Companies in Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010218835 on 3 Rabi’ II 1427H corresponding to May 1, 2006.

The Company is principally engaged in pre-school and kindergarten education with an international curriculum, primary, intermediate and secondary education for male and female students with an international curriculum.

The Company operates through the Elm International Schools Company branch, under commercial registration No. 1010393369 in Riyadh on 1 Rabi’ II 1435H corresponding to February 1, 2014.

- (5) Al-Wasat National Training and Education Company is a limited liability Company, incorporated under the Regulations for Companies in Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010192295 on 26 Shawwal 1424H corresponding to December 18, 2003.

The Company is principally engaged in primary, intermediate and secondary education for students with a national curriculum.

- (6) Arabian Education and Training Group Holding Company (“the Company”) is a Saudi closed joint stock company in Kingdom of Saudi Arabia and was registered under the Commercial registration No. 1010206103 in Riyadh on 18 Muharram 1426H corresponding to February 27, 2005.

The Company is principally engaged in managing subsidiaries of holding companies, investing the funds of subsidiaries of holding companies, holding real estate and movable property necessary for the holding companies, providing loans, guarantees, and finance to subsidiaries of the holding companies, holding industrial property rights to subsidiaries of the holding companies and leasing industrial property rights to subsidiaries of the holding companies.

Ataa Educational Company (“the Company”) indirectly owns the rest of the companies mentioned in the Note through Arabian Education and Training Group Holding Company (“the Company”) according to ownership percentages set out in the note.

- (7) Backswood Riyadh Schools for Education Company (“the Company”) is a limited liability company incorporated under the Regulations for Companies in the Kingdom of Saudi Arabia and registered under Commercial Registration No. 1009079975 issued in Riyadh on 26 Muharram 1446H corresponding to August 1, 2024.

The Company’s is principally engaged in pre-primary education, primary education, intermediate education, and secondary education.

* On February 1, 2024, Al Faisal International Academy and Creative Development for Rehabilitation Company were transformed into branches of the Arab Group for Education and Training Holding Company.

On 22 Safar 1446H, corresponding to August 26, 2024, a memorandum of understanding was signed with a third party to review the sale of the subsidiary records of the Al Faisal International Academy Institutes and Creative Development for Rehabilitation Company, branches of the Arab Group for Education and Training Holding Company. The term of the memorandum of understanding was extended for an additional twenty days on 24 Rabi’II 1446H, corresponding to October 27, 2024, and then the two parties agreed to extend the term of the memorandum for an additional thirty days until 15/12/2024, dated 16 Jumada’I 1446H, corresponding to November 18, 2024.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024**
(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in Kingdom of Saudi Arabia. should be read in conjunction with the Group's financial statements as of and for the year ended July 31, 2024, as it does not include all the information required to prepare a full set of consolidated financial statements. However, it indicates the accounting policies and explanatory notes to explain significant events and transactions for understanding changes in the Group's financial position and performance since the Group's last annual consolidated financial statements.

The results for the three-month period ended October 31, 2024 are not necessarily indicative of the results that can be expected for the financial year ended July 31, 2025.

2.2 Basis of consolidation

The interim condensed consolidated financial information includes the financial information of Atta Educational Company, its branches and subsidiaries ("the Parent Company") as described in note (1).

Subsidiaries are entities which are controlled by Group. 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 control 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 proceeds from its involvement with the investee, and
- The ability to use control over the investee to affect its proceeds

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 with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2024**
(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)

2.2 Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Parent Company of the Group and non-controlling interest, even if this results in non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies which applied 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 assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in consolidated statement of profit or loss.
- Reclassifies the Parent Company's share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Basis of measurement

The interim condensed consolidated financial statements have been prepared on the accrual basis of accounting, going concern basis and historical cost convention, except for items included in the condensed consolidated interim statement of financial position:

- Employees' end of service benefits are measured at the present value of future liabilities using the projected unit credit method.
- Lease liabilities are measured at the net present value of lease payments.
- Ministry of Finance Loan at present value

2.4 Going concern

As at 31 October 2024, the Group's current liabilities exceeded its current assets by SAR 169,49 million (31 July 2024: SAR 154.32 million), which was mainly related to borrowings, lease liabilities and deferred revenue amounting to SAR 399.04 million (31 July 2024: SAR 387.88 million) as the revenues received in advance during the coming periods are settled with the balances of receivables according to the dues of tuition fees and despite the deficit in working capital, the Group has an operating cash flow of SAR 133.16 million, which is an indication of the Group's ability to meet its obligations when they fall due. The Group's management monitors cash management and analyzes liquidity risks intensively and is confident of its ability to close the deficit in working capital, and accordingly, the accompanying interim condensed consolidated financial information has been prepared on a going concern basis.

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(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)

2.5 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Group's functional and presentation currency. Figures are rounded to the nearest Riyal unless otherwise stated.

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these interim condensed consolidated financial information required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are reviewed if the revision affects only that period, or in the period of the revision and future periods affected.

The significant estimates made by management in applying the Company's accounting policies and key sources of estimation uncertainties were similar to those described in the last annual consolidated financial statements.

The Group's management has assessed the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial information has been prepared on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with policies followed in the preparation of the Group's annual consolidated financial statements for the year ended July 31, 2024.

3.1 NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The following are new standards and amendments to standards applicable for years beginning on or after January 1, 2024, which do not have a material impact on the interim condensed consolidated financial information. The Group is not required to change its accounting policies or make retrospective adjustments as a result of applying these revised standards.

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Non-current Liabilities with Covenants and Classification of Liabilities as Current or non-Current.
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements.
- Amendments to IAS 27 - Exchangeability.

The following are the new IFRS sustainability disclosure standards effective for periods beginning on or after January 1, 2024 subject to endorsement of the SOCPA.

- IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information"
- IFRS S2 "Climate-related Disclosures"

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4. PROPERTY, PLANT AND EQUIPMENT

As of October 31, 2024, there are certain lands and buildings amounting to SR 149.86 million (July 31, 2024: SR 185.96 million) mortgaged as collateral against obtaining certain credit facilities as stated in note (9).

As of October 31, 2024, the projects in progress amounting to SR 35.72 million (July 31, 2024: SR 101.95 million) represent the construction project of an annex to the educational complex located in Al-Izdihar district, building developments in educational complexes and construction works of educational complexes in Arqa district and Alfaisal International Academy Company. These projects are expected to be completed by the end of 2025.

5. ACCOUNTS RECEIVABLES

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Accounts receivables	<u>146,958,017</u>	<u>122,218,452</u>
Less: Allowance for expected credit losses	<u>(28,366,741)</u>	<u>(27,573,358)</u>
	<u>118,591,276</u>	<u>94,645,094</u>

The movement in the allowance for expected credit losses is as follows:

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Balance at beginning of the period / year	<u>27,573,358</u>	<u>16,998,457</u>
Provision charged during the period / year	<u>793,383</u>	<u>10,575,403</u>
Write-off	<u>-</u>	<u>(502)</u>
Balance at end of the period / year	<u>28,366,741</u>	<u>27,573,358</u>

6. RELATED PARTY TRANSACTIONS AND BALANCES

Related-party transactions include rentals of educational complexes, expenses on behalf, salaries and remunerations and compensations and committee allowances to board members and key executives and management carried out between the Group and a shareholder, between the Group and associates, or shareholders of subsidiaries, and between the Group and board members and key executives and management during the period, and those transactions are carried out in the normal course of Group's activities according to the same transaction terms with third party. Significant related party transactions and resulting balances are as follows:

	Nature of relationship	Nature of transaction	Amount of transactions	
			For the three-month period ended	October 31, 2023
			October 31, 2024 (Unaudited)	October 31, 2023 (Unaudited)
Fawzia Al Haqbani	Shareholder at a subsidiary	Expenses paid on behalf	<u>21,730</u>	-
Hayat Al Shahrani	Shareholder at a subsidiary	Expenses paid on behalf	<u>21,730</u>	-
Dr. Ahmed bin Nasser Al Miteb	Shareholder	Rents	<u>2,507,000</u>	2,793,932
		Payments	<u>8,088,207</u>	6,043,000

6.1 Due from a related party

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Kholoud Al-Issa	<u>3,525,399</u>	<u>3,525,399</u>
Less: Allowance for expected credit losses	<u>(2,328,085)</u>	<u>(2,328,085)</u>
	<u>1,197,314</u>	<u>1,197,314</u>

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6. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

6.1 Due from a related party (continued)

The movement in allowance for expected credit losses is as follows:

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Balance at beginning of the period / year	2,328,085	-
Provision during the period / year	-	2,328,085
Balance at end of the period / year	2,328,085	2,328,085

6.2 Due to related parties

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Fawzia Al Haqbani	137,888	159,619
Hayat Al Shahrani	91,129	112,859
Dr. Ahmed bin Nasser Al Miteb	-	4,106,208
	229,017	4,378,686

6.3 Benefits, remunerations and compensation to key management and executives

	For the three-month period ended	
	October 31, 2024 (Unaudited)	October 31, 2023 (Unaudited)
Board members and committees' bonus and allowances	610,000	610,000
Key management personnel compensation	355,750	359,833
Key management personnel's salaries and benefits	1,299,792	1,068,959
	2,265,542	2,038,792

7. CASH AND CASH EQUIVALENTS

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Cash at banks	35,285,626	85,424,134
Cash in hand	496,274	175,735
	35,781,900	85,599,869

8. SHARE CAPITAL

The authorized and paid-up capital of the Group is SR 420.87 million as of October 31, 2024 (July 31, 2024: SR 420.87 million) divided into 42,087,215 shares (July 31, 2024: 42,087,215 shares) of SR 10 each.

9. BORROWINGS

Borrowings are as follows:

9.1 Borrowing from the Ministry of Finance

The Group obtained a long-term borrowing from the Ministry of Finance totaling SR 21.2 million to finance the contracting and construction of educational complex in Al Mansoura District. The facility is repayable in ten annual payments after a four-year grace period from the date of signing the agreement on October 29, 2014 and the last payment is due on June 10, 2027. These facilities were made without profit margin or commission.

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9. BORROWINGS (CONTINUED)

9.1 Borrowing from the Ministry of Finance (continued)

Guarantees

These facilities are secured by a mortgage on the land of staff accommodation villa in Al Rawabi District and the land located in Al Salam district totaling SR 21.29 million (July 31, 2024: SR 21.29 million) note (4).

Movement in the borrowing from the Ministry of Finance during the period / year is set out below:

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Balance at the beginning of the period / year	5,711,400	7,615,200
Payment during the period / year	-	(1,903,800)
Balance at end of the period / year	<u>5,711,400</u>	<u>5,711,400</u>

The present value of the borrowing from the Ministry of Finance is set out below:

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Borrowing at end of the period / year	5,711,400	5,711,400
<u>Less: Deferred finance charges</u>		
Balance at the beginning of the period / year	(704,597)	(1,043,613)
Finance charges during the period / year (note 11)	69,106	339,016
Balance at end of the period / year	<u>(635,491)</u>	<u>(704,597)</u>
Present value of the borrowings at end of the period / year	<u>5,075,909</u>	<u>5,006,803</u>

9.2 Borrowings from local banks

The Group has signed Shariah-compliant facility agreements with several local banks in the form of Islamic Murabahat totaling SR 1,159 billion. These facilities were made with a profit margin and commission at the Saudi interbank offered rate (SIBOR) plus a fixed rate on the facilities. These facilities are secured by a mortgage on the land and properties amounting to SR 128,57 million (July 31, 2024: SR 164,67 million) note (4), and (9) promissory notes amounting to SR 1,178 billion. The agreements with banks contain covenants and these covenants are monitored by the management on a monthly basis, in the event of a breach or possible breach of these covenants, management takes actions to ensure compliance with these covenants. Movement in the borrowings from local banks is set out below:

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Balance at the beginning of the period / year	615,426,919	490,552,534
Finance obtained during the period / year	71,409,590	771,370,509
Finance charges during the period / year	7,465,663	33,727,301
Deferred finance charges during the period / year	4,212,711	-
Payment during the period / year	<u>(193,581,819)</u>	<u>(680,223,425)</u>
Total borrowings from local banks at end of the period/year	<u>504,933,064</u>	<u>615,426,919</u>

9.3 Presentation of the interim condensed consolidated statement of financial position

Breakdown of the borrowings is presented as follows:

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Borrowings - non-current portion	338,240,019	346,255,441
Borrowings - current portion	171,768,954	274,178,281
	<u>510,008,973</u>	<u>620,433,722</u>

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10. ZAKAT AND INCOME TAX PROVISION

10.1 Zakat status

The Group submitted its zakat returns to the Zakat, Tax and Customs Authority (“ZATCA”) until the year ended July 31, 2023 and obtained a certificate from ZATCA valid until 9 Jumada’II 1447H, corresponding to November 30, 2025.

Ataa Educational Company (“the Parent Company”) obtained the necessary regulatory approvals and the approval of the ZATCA to calculate zakat according to the consolidated financial statements, where the zakat provision is calculated on the basis of the consolidated zakat base of the Parent Company and its subsidiaries which are 100% owned directly and indirectly. The Company is currently undergoing zakat inspection for the years 2021, 2022 and 2023, and the inspection has not been completed until the date of approval of the initial consolidated condensed financial information.

10.2 Tax status

Ataa Educational Company and its subsidiaries submitted all tax returns for value added tax until October 31, 2024 and paid all amounts due. The tax inspection was conducted for the years 2021 and 2022 and resulted in differences amounting to SR 50,466 that were paid. For the year 2023, it resulted in differences amounting to SR 37,393 that were paid.

10.3 Movement in zakat and income tax provision

	October 31, 2024 (Unaudited)	July 31, 2024 (Audited)
Balance at the beginning of the period / year	3,411,924	4,358,879
Charge during the period / year	956,201	1,779,563
Provision no longer required	-	(34,932)
Payment during the period / year	(1,025,560)	(2,691,586)
Balance at end of the period / year	3,342,565	3,411,924

11. FINANCE COSTS

	For the three-month period ended	
	October 31, 2024 (Unaudited)	October 31, 2023 (Unaudited)
Interest on lease liabilities	6,474,839	6,661,344
Finance costs on borrowings from local banks (note 9-2)	7,465,663	8,112,667
Finance costs on borrowing from the Ministry of Finance (note 9-1)	69,106	84,754
	14,009,608	14,858,765

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12. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing income for the period attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding at the end of the period amounting to 42,087,215 shares (October 31, 2023: 42,087,215 shares). Diluted earnings per share are the same as basic earnings per share as the Parent Company has no diluted instruments.

	For the three-month period ended	
	October 31, 2024	October 31, 2023
	(Unaudited)	(Unaudited)
Net profit for the period attributable to the shareholders of the Parent Company	19,573,251	22,051,259
Weighted average number of shares	42,087,215	42,087,215
	0.47	0.52

13. CONTINGENCIES AND CAPITAL COMMITMENTS

	October 31, 2024	July 31, 2024
	(Unaudited)	(Audited)
Capital commitments - projects in progress	55,328,000	10,002,621
	55,328,000	10,002,621

As of October 31, 2024, there are contingencies consisting of 9 promissory notes amounting to SR 1,178 billion. The agreements with banks contain bank covenants and these covenants are monitored on a monthly basis by management. In the event of a breach or potential breach of these covenants, management takes action to ensure compliance with these covenants.

14. SEGMENT REPORTING

The Group's principally engaged in establishing national and international schools, kindergartens, primary, intermediate and secondary schools for boys and girls in Riyadh, intermediary for employment of Saudis, online recruitment agencies, agencies for temporary employment of migrant labor, providing other human resources, owning, managing, operating and establishing training institutes and higher training institutes. Information related to the Group's operating segments set out below is the one that is regularly reported to the Group's operational decision makers as follows:

- Education Segment: This segment is engaged in establishing and managing national, international, French and Indian schools.
- Training segment: This segment is engaged in establishing and operating training institutes.
- Recruitment Segment: This segment is engaged in intermediary for employment of Saudis and online recruitment agencies.

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14. SEGMENT REPORTING (CONTINUED)

	October 31, 2024 (Unaudited)			
	Education Segment	Training Segment	Recruitment Segment	Total
Activity revenue				
For the three-month period ended October 31, 2024	158,876,438	6,349,339	99,463	165,325,240
Government subsidy income				
For the three-month period ended October 31, 2024	2,534,954	110,500	25,000	2,670,454
Total revenue				
For the three-month period ended October 31, 2024	161,411,392	6,459,839	124,463	167,995,694
Cost of revenue				
For the three-month period ended October 31, 2024	(108,324,717)	(7,611,828)	(578,153)	(116,514,698)
Gross profit				
For the three-month period ended October 31, 2024	53,086,675	(1,151,989)	(453,690)	51,480,996
Net profit				
For the three-month period ended October 31, 2024	23,087,178	(2,130,353)	(480,402)	20,476,423
	October 31, 2024 (Unaudited)			
Property, plant and equipment	870,065,163	39,614,750	445,688	910,125,601
	October 31, 2023 (Unaudited)			
	Education Segment	Training Segment	Recruitment Segment	Total
Activity revenue				
For the three-month period ended October 31, 2023	159,526,592	9,473,928	1,497,963	170,498,483
Government subsidy income				
For the three-month period ended October 31, 2023	2,875,278	247,500	121,500	3,244,278
Total revenue				
For the three-month period ended October 31, 2023	162,401,870	9,721,428	1,619,463	173,742,761
Cost of revenue				
For the three-month period ended October 31, 2023	(107,181,067)	(8,558,084)	(2,604,476)	(118,343,627)
Gross profit				
For the three-month period ended October 31, 2023	55,220,803	1,163,344	(985,013)	55,399,134
Net profit				
For the three-month period ended October 31, 2023	25,397,205	98,449	(2,100,874)	23,394,780
	July 31, 2024 (Audited)			
Property, plant and equipment	849,279,741	39,581,452	565,873	889,427,066

- Due to the nature of the Group's activity and its management structure, it is not possible to practically allocate the other assets and liabilities items to the various operating segments.

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14. SEGMENT REPORTING (CONTINUED)

	October 31, 2024 (Unaudited)			Total
	Education Segment	Training Segment	Recruitment Segment	
Timing of revenue recognition				
At point in time				
For the three-month period ended October 31, 2024	2,534,954	6,459,839	124,463	9,119,256
Over time				
For the three-month period ended October 31, 2024	158,876,438	-	-	158,876,438
Total revenue				
For the three-month period ended October 31, 2024	<u>161,411,392</u>	<u>6,459,839</u>	<u>124,463</u>	<u>167,995,694</u>
	October 31, 2023 (Unaudited)			Total
	Education Segment	Training Segment	Recruitment Segment	Total
Timing of revenue recognition				
At point in time				
For the three-month period ended October 31, 2023	2,875,278	9,721,428	1,619,463	14,216,169
Over time				
For the three-month period ended October 31, 2023	159,526,592	-	-	159,526,592
Total revenue				
For the three-month period ended October 31, 2023	<u>162,401,870</u>	<u>9,721,428</u>	<u>1,619,463</u>	<u>173,742,761</u>

15. NON-CASH TRANSACTIONS

	October 31, 2024 (Unaudited)	October 31, 2023 (Unaudited)
Addition of right-of-use assets against lease liabilities	23,945,945	23,035,973
Disposals of right-of-use assets against lease liabilities	10,690,667	-
Dividends unpaid	152,000	-
Unpaid minority interest in investments in subsidiaries	20,000	-
Deferred finance charges	4,212,711	-

16. SUBSEQUENT EVENTS

Management believes that there are no significant events occurred subsequent to the reporting date, that would require disclosure or adjustment to this interim condensed consolidated financial information.

17. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information for the period ended October 31, 2024 were approved by the Audit Committee authorized by the Board of Directors on 8 Jumada II 1446H, corresponding to December 9, 2024.