



ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial Statements
For the three-month and nine- month periods ended 30 April 2023
together with the Independent Auditor's Review Report**

ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements
For the three- month and nine-month periods ended 30 April 2023

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

(1 / 1)

TO THE SHAREHOLDERS OF ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA**INTRODUCTION**

We have reviewed the accompanying interim consolidated statement of financial position of Ataa Educational Company ("the Company") and its subsidiaries (together "the Group") as of April 30, 2023 and the related interim consolidated statement of profit or loss, statement of other comprehensive income for the three-month and nine-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

For Al-Bassam & Co.

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Riyadh: 19 Dhu al-Qadah 1444
Corresponding to: 8 June 2023



ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**As at 30 April 2023**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 April 2023 (Unaudited)	31 July 2022 (Audited)
ASSETS			
Non-current assets			
Real estate, property and equipment	4	813,513,364	804,742,006
Intangible assets		619,295,691	621,524,338
Right-of-use assets		505,184,702	497,472,930
Advance for purchase of lands	5	19,545,500	-
Total non-current assets		1,957,539,257	1,923,739,274
Current assets			
Inventory		6,725,422	4,002,557
Accounts receivable	6	115,563,182	116,215,585
Prepayments and other current assets		45,454,857	34,337,592
Due from related parties	7-1	110,332	336,110
Cash and cash equivalents		18,064,315	48,961,017
Total current assets		185,918,108	203,852,861
Total assets		2,143,457,365	2,127,592,135
EQUITY AND LIABILITIES			
Equity			
Share capital	8	420,872,150	420,872,150
Share premium		276,786,861	276,786,861
Statutory reserve		41,756,561	41,756,561
Actuarial reserve		(9,919,614)	(9,919,614)
Retained earnings		129,401,039	130,149,649
Total equity attributed to shareholders in the parent Company		858,896,997	859,645,607
Non-controlling interests		84,783,011	78,916,954
Total equity		943,680,008	938,562,561
LIABILITIES			
Non-current liabilities			
Lease liabilities under right of use assets		511,199,010	503,346,927
Borrowings	10	305,752,918	367,920,761
Deferred revenue of government grants		759,260	1,043,614
Employees' post-employment benefits		60,721,421	60,261,770
Total non-current liabilities		878,432,609	932,573,072
Current liabilities			
Borrowings	10	162,209,238	122,867,861
Lease liabilities under right of use assets		46,666,717	54,799,655
Advanced revenue		66,166,598	26,958,505
Trade payables		15,255,718	13,251,206
Deferred revenue of government grants		384,153	399,199
Accrued expenses and other current liabilities		24,220,969	30,024,394
Due to related parties	7-2	2,776,197	3,401,214
Provision for Zakat	11-2	3,665,158	4,754,468
Total current liabilities		321,344,748	256,456,502
Total liabilities		1,199,777,357	1,189,029,574
Total equity and liabilities		2,143,457,365	2,127,592,135
Contingent liabilities and capital commitments	15	-	-

Chief Financial Officer

Adel Nader Desouky

Chief Executive Officer

Fahad bin Abdul-Aziz Al-Tuwaijri

Chairman of Board of Directors

Tariq bin Othman Al-Qasabi

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**For the three- month and nine-month periods ended 30 April 2023**

(All amounts in Saudi Riyals unless otherwise stated)

	<u>Note</u>	For the three-month period ended 30 April		For the nine-month period ended 30 April	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited) Restated (Note 18)
Revenue	16	156,336,283	137,925,247	490,954,246	409,844,964
Revenue of government grants	16	3,555,429	4,959,471	10,986,887	8,751,992
Cost of revenue	16	(123,820,881)	(119,169,656)	(379,417,571)	(330,823,965)
Gross profit		36,070,831	23,715,062	122,523,562	87,772,991
Marketing expenses		(2,285,200)	(534,071)	(6,221,736)	(1,381,733)
General and administrative expenses		(13,069,548)	(13,983,643)	(45,865,325)	(43,750,641)
provision for impairment accounts receivable	6	(65,609)	291,874	(1,417,086)	(3,675,685)
Gains from the acquisition of a subsidiary	12	-	-	-	38,121,000
Operating income		20,650,474	9,489,222	69,019,415	77,085,932
Other income		6,148,565	4,094,513	15,975,459	11,649,429
Capital gains (losses)		29,352	34,561	86,313	(104,623)
Finance costs	13	(14,174,839)	(10,522,995)	(35,871,001)	(29,739,695)
Net income for the period before zakat		12,653,552	3,095,301	49,210,186	58,891,043
Zakat	11-2	(578,228)	(34,648)	(2,005,524)	(2,245,071)
Net income for the period		12,075,324	3,060,653	47,204,662	56,645,972
Net income for the period attributed to:					
Shareholders in the parent Company		10,726,344	3,146,294	41,338,605	55,572,174
Non-controlling interests		1,348,980	(85,641)	5,866,057	1,073,798
		12,075,324	3,060,653	47,204,662	56,645,972
Basic and diluted earnings per share:					
Basic and diluted earnings per share as per net income for the period attributable to the shareholders in the parent Company	14	0.25	0.075	0.98	1.32

Chief Financial Officer

Adel Nader Desouky

Chief Executive Officer

Fahad bin Abdul-Aziz Al-Tuwaijri

Chairman of Board of Directors

Tariq bin Othman Al-Qasabi

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

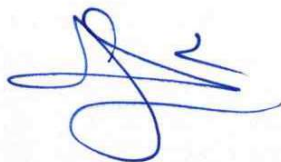
ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**For the three- month and nine-month periods ended 30 April 2023**

(All amounts in Saudi Riyals unless otherwise stated)

	For the three-month period ended 30 April		For the nine-month period ended 30 April	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income for the period	12,075,324	3,060,653	47,204,662	56,645,972
<u>Items that will not be reclassified subsequently to the statement of profit or loss:</u>				
Actuarial gains on remeasurement of employee's post-employment benefits	-	-	-	-
Total comprehensive income for the period	12,075,324	3,060,653	47,204,662	56,645,972
Total comprehensive income for the period attributed to:				
Shareholders in the parent Company	10,726,344	3,146,294	41,338,605	55,572,174
Non-controlling interests	1,348,980	(85,641)	5,866,057	1,073,798
	12,075,324	3,060,653	47,204,662	56,645,972



Chief Financial Officer
Adel Nader Desouky



Chief Executive Officer
Fahad bin Abdul-Aziz Al-Tuwaijri



Chairman of Board of Directors
Tariq bin Othman Al-Qasabi

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

ATAA EDUCATIONAL COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the nine-month periods ended 30 April 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Share Capital	Share premium	Statutory reserve	Actuarial reserve	Retained earnings	Total equity attributed to shareholders in the parent Company	Non-controlling interests	Total equity
For the nine-month period ended 30 April 2022								
Balance as at 31 July 2021 (Audited)	400,000,000	209,594,000	34,849,260	(7,686,781)	107,983,937	744,740,416	10,651,773	755,392,189
Previous years adjustments (note 18-3)	-	-	(154,296)	-	(1,388,664)	(1,542,960)	-	(1,542,960)
Balance as at 31 July 2021 (Restated - Audited)	400,000,000	209,594,000	34,694,964	(7,686,781)	106,595,273	743,197,456	10,651,773	753,849,229
Transferred from acquired companies	-	-	-	-	-	-	64,592,420	64,592,420
Net income for the period - before adjustment	-	-	-	-	71,338,384	71,338,384	1,073,798	72,412,182
Previous years adjustments (note 18-2)	-	-	-	-	(15,766,210)	(15,766,210)	-	(15,766,210)
Net income for the period - after adjustment	-	-	-	-	55,572,174	55,572,174	1,073,798	56,645,972
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	55,572,174	55,572,174	1,073,798	56,645,972
Issuance of shares (Note 18-1)	20,872,150	71,140,432	-	-	-	92,012,582	-	92,012,582
Shares issuance expenses (Note 18-1)	-	(3,947,571)	-	-	-	(3,947,571)	-	(3,947,571)
Dividends (Note 9)	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Balance as at 30 April 2022 (Restated - Unaudited)	420,872,150	276,786,861	34,694,964	(7,686,781)	122,167,447	846,834,641	76,317,991	923,152,632
For the nine-month period ended 30 April 2023								
Balance as at 31 July 2022 (Audited)	420,872,150	276,786,861	41,756,561	(9,919,614)	130,149,649	859,645,607	78,916,954	938,562,561
Net income for the period	-	-	-	-	41,338,605	41,338,605	5,866,057	47,204,662
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	41,338,605	41,338,605	5,866,057	47,204,662
Dividend (Note 9)	-	-	-	-	(42,087,215)	(42,087,215)	-	(42,087,215)
Balance as at 30 April 2023 (Unaudited)	420,872,150	276,786,861	41,756,561	(9,919,614)	129,401,039	858,896,997	84,783,011	943,680,008

Chief Financial Officer

Adel Nader Desouky

Chief Executive Officer

Fahad bin Abdul-Aziz Al-Tuwajri

Chairman of Board of Directors

Tariq bin Othman Al-Qasabi

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**For the nine-month period ended 30 April 2023**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the nine-month period ended 30 April	
		2023 (Unaudited)	2022(Restated -Unaudited)
Cash flows from operating activities			
Net income for the period before zakat		49,210,186	58,891,043
Adjustments for:			
Depreciation of property and equipment	16	20,296,555	18,780,957
Depreciation of investment properties		-	248,563
Amortization of intangible assets		2,228,647	3,809,542
Depreciation of right-of-use assets		40,249,981	36,480,542
(Gains) on disposal of lease liabilities under right of use assets		(21,187)	(34,471)
(Gains)/ losses on sale of property and equipment		(86,313)	104,623
provision for impairment of accounts receivable	6	1,417,086	3,675,685
Gains from acquisition of a subsidiary	12	-	(38,121,000)
Finance costs	13	35,871,001	29,739,695
Provision for Employees' post-employment benefits		11,290,598	9,819,365
		<u>160,456,554</u>	<u>123,394,544</u>
Changes in operating assets and liabilities			
Inventory		(2,722,865)	1,187,156
Accounts receivables		(764,683)	(23,509,343)
Prepayments and other current assets		(11,117,265)	(2,005,420)
Due from related parties		225,778	(63,368)
Advanced revenue		39,208,093	31,529,103
Trade payables		2,004,512	8,318,788
Accrued expenses and other current liabilities		(5,803,426)	(9,212,071)
Due to related parties		(625,017)	1,227,666
Cash generated from operating activities		<u>180,861,681</u>	<u>130,867,055</u>
Employees' post-employment benefits paid		(10,830,944)	(5,582,235)
Zakat paid	11-2	(3,094,834)	(2,108,069)
Net cash generated from operating activities		<u>166,935,903</u>	<u>123,176,751</u>
Cash flows from investing activities			
Additions to property and equipment and projects under progress		(29,067,913)	(34,899,913)
Advance for purchase of lands	5	(19,545,500)	-
Proceeds from sale property and equipment		86,313	267,972
Net cash flows from acquisition of subsidiary, net cash acquired		-	(195,011,759)
Net cash used in investing activities		<u>(48,527,100)</u>	<u>(229,643,700)</u>
Cash flows from financing activities			
Issuance of shares		-	20,872,150
Share premium		-	67,192,861
Received from borrowing	10-2	213,000,000	317,025,000
Repaid to borrowing	10-1/10-2	(248,513,360)	(188,951,069)
Lease liabilities paid		(65,266,920)	(36,008,606)
Dividends paid	9	(42,087,215)	(40,000,000)
Deferred revenue of government grant		(299,400)	(402,377)
Finance cost paid	10-1/10-2	(6,138,610)	(9,516,173)
Net cash (used in) / generated from financing activities		<u>(149,305,505)</u>	<u>130,211,786</u>
Net change in cash and cash equivalents		<u>(30,896,702)</u>	<u>23,744,837</u>
Cash and cash equivalents at the beginning of the period		48,961,017	7,498,833
Cash and cash equivalents at the end of the period		<u>18,064,315</u>	<u>31,243,670</u>
Non-cash transactions	17	-	-

Chief Financial Officer

Adel Nader Desouky

Chief Executive Officer

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Chairman of Board of Directors

Tariq bin Othman Al-Qasabi

The accompanying notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**For the nine-month period ended 30 April 2023**

(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS

Ataa Educational Company (the "Company") is a Saudi Joint Stock Company, was established under the Regulations of Companies laws in the Kingdom of Saudi Arabia and was registered in Riyadh as a Saudi Joint Stock Company under Commercial Registration No. 1010186435 dated 10 Rabi' al-Awwal 1424 H (corresponding to 11 May 2003), under the Ministerial Resolution No. (71/s) on 10 Rabi' al-Awwal 1431H (corresponding to 24 February 2010). On 29 Thul-Qi'dah 1440 H (corresponding to 31 July 2019) the Company's shares were listed and started trading on Saudi Stock Exchange (Tadawul) under the code (4292).

The Company's main activity is to construct, own, manage, run and establish private and international schools (kindergarten, primary middle and secondary) for boys and girls (general and memorization), and colleges and universities inside and outside the Kingdom of Saudi Arabia. Establishing, managing and maintaining training centers, purchasing existing schools and educational and training facilities and developing them. Owning, managing and running educational and training institutes, owning and managing vocational training centers, establishing, owning and managing 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 begins on 1 August and ends on 31 July of each year, according to the Company's Articles of Association.

The accompanying interim condensed consolidated financial statement include the Company's account and its branches and its subsidiaries as follows:

<u>Branch name</u>	<u>CR No.</u>
Al-Rowad Private Schools -Izdihar District	1010362199
Al-Rowad Private Schools -Al Rawabi District	1010275978
Al-Rowad Private Schools -Al Mansoura District	1010397500
Al-Rowad Private School - Al Andalus District	1010203258
Al-Rowad Private School - Ishbilia District	1010469726
Middle East International School - Ishbilia District	1010450854
Al Fikr Private School - Rahmaniyah District	1010192540
Middle East International School - AlMorooj district	1010192541
New Middle East International School - Al-Sulimaniyah District	1010250798
New Middle East International School- Ar Rawdah District	1010352008
Al Sulaymaniyah International Private School - Al-Sulimaniyah Distric	1010196919
Ataa Educational for Maintenance and Operation Company - Al Izdihar District	1010452144

ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**For the nine-month period ended 30 April 2023**

(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS (CONTINUED)

Subsidiaries with direct or indirect ownership (collectively referred to as the “Group”):

<u>Subsidiary</u>	<u>Country of incorporation</u>	<u>Legal form</u>	Effective shareholding (Direct / Indirect)	
			30 April 2023	31 July 2022
Al Nokhbah Educational Company	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Al Oruba International Company for Education Services	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Al-Rowad Company for Supporting Services	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Elm International Schools Company	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Wasat National Training and Education Company	Kingdom of Saudi Arabia	A limited liability company	52%	52%
Arabian Education and Training Group Holding Company	Kingdom of Saudi Arabia	Closed joint stock company	100%	100%
Creative Development Company	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Alfaisal International Academy	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Institutes Training Company	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Amjad Qurtuba Educational Services Company	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Nabaa Educational Company	Kingdom of Saudi Arabia	A limited liability company	100%	100%
Al-Alsun International Private Schools Company	Kingdom of Saudi Arabia	A limited liability company	62,8%	62,8%
Academic Company for Educational Services	Kingdom of Saudi Arabia	Closed joint stock company	52,2%	52,2%
Jasmine International Company *	Kingdom of Saudi Arabia	A limited liability company	49%	49%
Jeel Al Majd International Company	Kingdom of Saudi Arabia	A limited liability company	45%	45%

* On 4 Ramadan 1444 H corresponding to 26 March 2023, the Arabian Education and Training Group Holding Company signed a purchase agreement with the non-controlling parties in Jasmine International Company to acquire 100% of the Company’s capital for a total value of SAR 18,360 million, and according to the terms of the agreement, it must Obtaining approvals from the relevant regulatory authorities, which are represented by the Ministry of Commerce, the General Authority for Competition, and any other authorities where applicable, and accordingly, the financial impact of the acquisition process will appear on the consolidated Financial statements for the year ended 31 July 2023.

ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine-month period ended 30 April 2023

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT

2-1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34– “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), and should be read in conjunction with the Group's financial statements as at and for the year ending 31 July 2022, as it does not include all the information required to prepare a complete set of consolidated financial statements, yet it mentions the accounting policies and explanatory notes to explain the important events and transactions to understand the changes in the financial position of the Group and its performance since the last annual financial statements of the Group.

The results for the nine-month period ended 30 April 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 July 2023.

2-2 Basis of consolidation

The interim consolidated financial statements include the financial statements of the Atta Educational Company and its subsidiaries (collectively the “Group”) as disclosed within note (1). Accordingly, the financial statements comprise of the interim consolidated financial statements of the Parent Company and its subsidiaries as at 30 April 2023. Subsidiaries are entities which are controlled by the 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 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, and
- The ability to use its power over the investee to affect its returns

When the Group maintains less than the majority of 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 over voting holders of the investee
- Rights arising from other contractual arrangements
- The Groups voting rights and potential 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 its control the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group gains until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributed to shareholders of the parent Company of the Group and to the non-controlling interest, even if this results in the non-controlling interest 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 accounting policies. All intra-Group asset and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- 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 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.

ATAA EDUCATIONAL COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine-month period ended 30 April 2023

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)

2-3 Basis of measurement

These consolidated financial statements have been prepared on historical cost basis except for employees' benefits obligations and the borrowing granted by the Ministry of Finance, as they are recognized at the present value of future obligation using the projected unit credit method.

2-4 Going Concern

As at 30 April 2023, the Group's current liabilities exceeded its current assets by SAR 135.4 million (31 July 2022: SAR 52.6 million), which is mainly due to borrowings, lease liabilities under the right of use and advanced revenue amounting to SAR 274.9 million. Despite the deficit in working capital, the group has an operating cash flow of SAR 166.9 million, which is an indication of the group's ability to meet its obligations when they become due, and the group's management monitors cash management and analyzes liquidity risks extensively and is confident in its ability to close the deficit in the working capital, and accordingly, the accompanying interim condensed consolidated financial statements have been prepared on the basis of the going concern.

2-5 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group, all figure have been rounded off to nearest Saudi riyals unless otherwise mentioned.

2-6 Significant accounting judgments, estimates and assumptions

The preparation of these interim condensed consolidated financial statements required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a going concern basis. A revision of accounting estimates is recognized in the period in which the estimates are revised if the modification affects only that period, or in the period of the review and future periods if the modification affects both the current and future periods.

The significant estimates made by management when applying the Company's accounting policies and the significant sources of estimation uncertainties were the same as those shown in the last annual financial statements.

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the 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 statements have been prepared on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the interim condensed consolidated financial statements are in line with the policies followed in preparing the annual financial statements of the Company for the year ended 31 July 2022.

3-1 New standards, amendment to on standards and interpretations

There are no new standards issued, however, a number of amendments to the standards are effective as of 1 January 2022, and the details of this were clarified in the annual consolidated financial statements of the Group. However, they have no material impact on the Group's interim condensed consolidated financial statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these revised standards.

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4. REAL ESTATE, PROPERTY AND EQUIPMENT

- As at 30 April 2023 lands and buildings amounted to SAR 388.21 million (31 July 2022 SAR 392.14 million) are pledged as collateral in exchange for obtaining borrowing facilities as shown in Note (10).

- As at 30 April 2023, projects under construction amounting SR 13.9 million (31 July 2022 : SR 28,6 million) are represented in construction projects of an educational complex located in Izdihar district and building development works in educational complexes, And the construction of the educational complex for Wasat National Training and Education Company in Al-Salam district, and the buildings of Al-Alsun International Private Schools and Alfaisal International Academy Institutes Training Company. It is expected that these projects will be completed by the end of 2023, and the estimated remaining cost for completion is SR 100.5 million.

5. ADVANCE FOR PURCHASE OF LANDS

The advance payments are represented in the value of the purchase of Irqah land in Riyadh, amounting to SAR18,275 million, as the land was emptied for the benefit of the group on 1 May 2023, and an advance payment for the purchase of Al-Manar land in Riyadh, amounting to SAR 1,271 million, until an agreement is reached on the final value of the land.

6. ACCOUNTS RECEIVABLES

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Accounts receivables	129,639,481	128,874,798
Less: Provision for impairment in accounts receivables	(14,076,299)	(12,659,213)
	115,563,182	116,215,585

Provision for impairment in accounts receivables as follows:

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Balance at the beginning of the period / year	12,659,213	7,494,095
Balance transferred from acquired companies	-	40,052,544
Charged during the period / year	1,417,086	406,441
Used during the period / year	-	(35,293,867)
Balance at the end of the period / year	(14,076,299)	12,659,213

7. TRANSACTION AND BALANCES WITH RELATED PARTIES

Transactions with related parties represent the value of renting educational complexes, expense on behalf, salaries, bonuses, compensation and allowances for board members, senior executives and senior management that took place during the period between the Group and a shareholder, affiliate and partners in subsidiaries, and between the Group, members of the board of directors, senior executives and senior management, and these transactions take place in the context of the Group's ordinary course of business and according to the same basis transactions with others. The most important transactions with related parties and the balances resulting from them are as follows:

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7. TRANSACTION AND BALANCES WITH RELATED PARTIES (CONTINUED)

	Nature of Relationship	Nature of Transaction	Volume of transaction	
			30 April 2023 (Unaudited)	30 April 2022 (Unaudited)
Hayat Al-Shahrani	Partner in subsidiary	Expenses on behalf	136,030	26,881
Fawzia Al Hagbani	Partner in subsidiary	Expenses on behalf	136,030	26,881
El-shrouk Pioneer Academy	Affiliate	Expenses on behalf	226,222	10,863
Labinat Development Holding Company	Affiliate	Expenses on behalf	15,000	50,000
Dr. Ahmed Nasser Almutib	Shareholder and BOD member	Rents	10,812,520	11,021,153
Nabaa Educational Company	Affiliate	Expenses on behalf	-	1,936,680
Ali Ibrahim Al-Mahmoud	Partner in Affiliate	Expenses on behalf	-	1,915,600

7-1 Due from related parties

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Hayat Al-Shahrani	103,950	336,110
Fawzia Al Hagbani	6,382	-
	110,332	336,110

7-2 Due to related parties

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
El-shrouk Pioneer Academy	1,553,570	1,764,790
Labinat Development Holding Company	649,300	664,300
Dr. Ahmed Nasser Almutib	573,327	874,558
Fawzia Al Hagbani	-	97,566
	2,776,197	3,401,214

7-3 Benefits ,remunerations and compensations for senior management and senior executives

	For the three -month period ended on 30 April		For the nine -month period ended on 30 April	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Board of directors and committees' remunerations and allowances	610,000	608,500	1,830,000	1,825,500
Key personnel salaries and benefits	1,885,308	2,422,900	5,655,925	6,088,867
	2,495,308	3,031,400	7,485,925	7,914,367

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8. SHARE CAPITAL

The group authorized and paid capital is SAR 420.87 million as at 30 April 2023 (31 July 2022: SAR 420.87 million) divided into 42,087,215 shares (31 July 2022: 42,087,215 shares) with the value of 10 Saudi Riyals per share.

9. DIVIDENDS

On the 25 Jumada Al-Akher 1444 H corresponding to 18 January 2023, the ordinary general assembly decided dividends for the year ended 31 July 2022, with an amount of SAR 42,087 million, at a value of 1 Saudi riyals per share (30 April 2022: SAR 40 million at a value of 1 Saudi riyal per share).

10. BORROWINGS

Borrowings are presented as follow:

10-1 Borrowing from Ministry of Finance

The Group obtained long-term loans from the Ministry of Finance in the amount of SR 19,03 million to finance the contracting and construction works necessary for the construction of the educational complex in Mansoura district. The facility is repaid in ten annual installments after the grace period which is estimated as four years from the signing date of the agreement the last installment is due on 10 June, 2028. This facility was granted without a profit margin or commission.

Collaterals

These facilities are secured by pledging the land of the staff accommodation villa located in Al Rawabi and the land located in Al Salam district for a total amount of SAR 21,29 million (31 July 2022: SAR 21.29 million) Note (4).

The following is a statement of the movement of borrowing granted by the Ministry of Finance during the period / year:

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Balance at the beginning of the period / year	11,422,800	13,326,600
Balance transferred from acquired companies	-	3,097,980
Paid during the period / year	(1,903,800)	(5,001,780)
Balance at the end of the period / year	9,519,000	11,422,800

The following is a statement of the present value of borrowing granted by the Ministry of Finance:

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Borrowing at the end of the period / year	9,519,000	11,422,800
<u>Less: deferred financing expenses</u>		
Balance at the beginning of the period / year	(1,442,813)	(1,899,881)
Balance transferred from acquired companies	-	(59,576)
Finance expenses for the period / year (Note 13)	299,400	516,644
Balance at the end of the period / year	(1,143,413)	(1,442,813)
Present value for borrowing at the end of the period / year	8,375,587	9,979,987

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10. BORROWINGS (CONTINUED)**10-2 Borrowing granted from local banks**

The Group's has signed facility agreements compatible with Shariah regulations with several local banks in the form of Islamic Murabaha's with a total amount of SAR 934,9 million, these facilities were granted at a profit margin and commission on the facilities determined at the rate of return on internal borrowing between Saudi banks SAIBOR plus a fixed percentage. These facilities are secured by land and real estate amounting to SAR 366,92 million (31 July 2022: SAR 370,85 million) note (4) and (14) promissory notes amounting to SAR 868,11 million. The agreements with banks contain bank covenants and these covenants are monitored on a monthly basis by the management. In the event of a breach or possible breach of these covenants, measures are taken by the management to ensure that these covenants are fulfilled.

The following is a statement of the movement of borrowing granted by local banks:

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Balance at the beginning of the period / year	480,808,635	192,776,819
Balance transferred from acquired companies	-	124,649,226
Finance obtained during the period / year	213,000,000	380,025,000
Accrued finance expenses	18,526,104	17,212,765
Paid during the period / year	(252,748,170)	(233,855,175)
Total borrowing from local banks at end of the period / year	459,586,569	480,808,635

Details of borrowings were presented in the interim consolidated statement of financial position as follows:

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Non-current portion of borrowing *	305,752,918	367,920,761
Current portion of borrowing*	162,209,238	122,867,861
	467,962,156	490,788,622

*Include a borrowing from Ministry of Finance (note 10-1)

11. ZAKAT PROVISION**11-1 Zakat Assessment**

The Group submitted their declarations to the Zakat, Tax and Customs Authority (ZATCA) until the year ended 31 July 2022 and obtained a certificate from (ZATCA) valid until 16 Jumada Alawwal 1445H corresponding to 30 November 2023.

11-2 Zakat provision movement

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Balance at the beginning of the period / year	4,754,468	1,592,679
Balance transferred from acquired companies	-	3,895,797
Charged during the period / year	2,005,524	1,494,503
Paid during the period / year	(3,094,834)	(2,228,511)
Balance at the end of the period / year	3,665,158	4,754,468

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12. GAINS FROM ACQUIRING A SUBSIDIARY

On 8 August 2021, Ataa Educational Company acquired the Arab Group for Education and Training Holding Company (the “Company”) and its subsidiaries as of 1 August 2021. The acquisition resulted in a gain of SAR 52,5 million, which represents the difference between the net assets of the Arab Group Company Education and Training Holding Company (the “acquired”) and the purchase value on the date of acquisition.

During the fiscal year 2021/2022, the purchase price allocation was implemented by an independent valuer, which resulted in land and building valuation differences of SR 77.64 million, and accordingly, the gains resulting from the acquisition were retroactively modified on the balances of 30 April 2022 to become SR 38,121 million (Note 18).

13. FINANCE COSTS

	For the three -month period ended on 30 April		For the nine -month period ended on 30 April	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on right-of-use assets liabilities	6,042,939	5,142,735	17,045,497	16,330,088
Finance costs – borrowings from local banks (note 10-2)	8,032,100	5,325,569	18,526,104	13,066,806
Finance costs – borrowings from ministry of Finance (note 10-1)	99,800	54,691	299,400	342,801
	14,174,839	10,522,995	35,871,001	29,739,695

14. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing income for the period attributable to the parent Company’s shareholders by the weighted average number of ordinary shares outstanding during the period which amounted to 42,087,215 shares (30 April 2022: 42,087,215 share after retroactively taking the share increase). Diluted earnings per share is the same as basic earnings per share as the Parent Company has no diluted instruments.

	For the three -month period ended on 30 April		For the nine -month period ended on 30 April	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Income for the period attributable to the shareholders of the parent Company	10,726,344	3,146,294	41,338,605	55,572,174
Weighted average number of shares	42,087,215	42,087,215	42,087,215	42,087,215
	0.25	0.075	0.98	1.32

15. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	30 April 2023 (Unaudited)	31 July 2022 (Audited)
Suppliers	-	4,677,788
Capital commitments – projects under progress	2,214,115	2,214,115
	2,214,115	6,891,903

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16. SEGMENT REPORTING

The Group's main activity is the establishment of private and international schools, kindergartens, primary, intermediate, and secondary for boys and girls in the Riyadh region, mediating the employment of Saudis, recruitment agencies via the Internet, the activities of temporary employment agencies for expatriate labour services, providing other human resources, owning, managing, operating and establishing institutes Training and higher training institutes. Information related to the Group's operating segments is set out below that is regularly submitted to the Group's operating decision-makers and is described as follows:

- Education sector: this sector specializes in establishing and managing private schools, international, French and Indian schools.
- Training sector: this sector is concerned with establishing and operating training institutes.
- Requirement sector: this sector specializes in mediating the recruitment of Saudian and recruitment agencies via the Internet.

	30 April 2023 (Unaudited)			
	Educational sector	Training sector	Requirement sector	Total
Revenue:				
For nine-month period ending on 30 April 2023	456,053,707	28,888,529	6,012,010	490,954,246
For three-month period ending on 30 April 2023	146,406,485	6,470,079	3,459,719	156,336,283
Government grants:				
For nine-month period ending on 30 April 2023	8,286,691	639,850	2,060,346	10,986,887
For three-month period ending on 30 April 2023	3,374,572	289,500	(108,643)	3,555,429
Total Revenue:				
For nine-month period ending on 30 April 2023	464,340,398	29,528,379	8,072,356	501,941,133
For three-month period ending on 30 April 2023	149,781,057	6,759,579	3,351,076	159,891,712
Cost of revenue:				
For nine-month period ending on 30 April 2023	(327,245,836)	(26,467,796)	(25,703,939)	(379,417,571)
For three-month period ending on 30 April 2023	(109,761,699)	(7,964,340)	(6,094,842)	(123,820,881)
Gross profit:				
For nine-month period ending on 30 April 2023	137,094,562	3,060,583	(17,631,583)	122,523,562
For three-month period ending on 30 April 2023	40,019,358	(1,204,761)	(2,743,766)	36,070,831
	As at 30 April 2023 (Unaudited)			
Real estate, property and equipment	772,849,404	37,831,646	2,832,314	813,513,364
Depreciation of real estate, property and equipment	17,434,598	1,352,452	1,509,505	20,296,555

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16. SEGMENT REPORTING (CONTINUED)

	30 April 2022 (Unaudited)			
	Educational sector	Training sector	Requirement sector	Total
Activity Revenues:				
For nine -month period ending on 30 April 2022	348,622,406	21,210,065	40,012,493	409,844,964
For three-month period ending on 30 April 2022	117,478,487	6,846,519	13,600,241	137,925,247
Government grants:				
For nine -month period ending on 30 April 2022	6,170,605	308,765	2,272,622	8,751,992
For three-month period ending on 30 April 2022	4,102,394	109,462	747,615	4,959,471
Total Revenue:				
For nine -month period ending on 30 April 2022	354,793,011	21,518,830	42,285,115	418,596,956
For three-month period ending on 30 April 2022	121,580,881	6,955,981	14,347,856	142,884,718
Cost of revenue:				
For nine -month period ending on 30 April 2022	(274,675,273)	(21,148,398)	(35,000,294)	(330,823,965)
For three-month period ending on 30 April 2022	(99,680,057)	(7,963,565)	(11,526,034)	(119,169,656)
Gross profit:				
For nine -month period ending on 30 April 2022	80,117,738	370,432	7,284,821	87,772,991
For three-month period ending on 30 April 2022	21,900,824	(1,007,584)	2,821,822	23,715,062
	As at 30 April 2022 (Unaudited)			
Real estate, property and equipment	644,059,375	34,781,894	6,284,864	685,126,133
Depreciation of real estate, property and equipment	15,687,940	1,375,747	1,717,270	18,780,957

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

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16. SEGMENT REPORTING (CONTINUED)

30 April 2023 (Unaudited)				
	Educational sector	Training sector	Requirement sector	Total
Timing of Revenue Recognition:				
At point in time:				
For nine -month period ending on 30 April 2023	8,286,691	29,528,379	8,072,356	45,887,426
For three-month period ending on 30 April 2023	3,374,572	6,759,579	3,351,076	13,485,227
At period over time:				
For nine -month period ending on 30 April 2023	456,053,707	-	-	456,053,707
For three-month period ending on 30 April 2023	146,406,485	-	-	146,406,485
Total revenue:				
For nine -month period ending on 30 April 2023	464,340,398	29,528,379	8,072,356	501,941,133
For three-month period ending on 30 April 2023	149,781,057	6,759,579	3,351,076	159,891,712
30 April 2022 (Unaudited)				
	Educational sector	Training sector	Requirement sector	Total
Timing of Revenue Recognition:				
At point in time:				
For nine -month period ending on 30 April 2022	6,170,605	21,518,830	42,285,115	69,974,550
For three-month period ending on 30 April 2022	4,102,394	6,955,981	14,347,856	25,406,231
At period over time:				
For nine -month period ending on 30 April 2022	348,622,406	-	-	348,622,406
For three-month period ending on 30 April 2022	117,478,487	-	-	117,478,487
Total revenue:				
For nine -month period ending on 30 April 2022	354,793,011	21,518,830	42,285,115	418,596,956
For three-month period ending on 30 April 2022	121,580,881	6,955,981	14,347,856	142,884,718

17. NON-CASH TRANSACTIONS

	30 April 2023 (Unaudited)	30 April 2022 (Unaudited)
Additions to right of use assets against lease liabilities	59,847,160	1,046,672
Disposals of right of use assets against lease liabilities	-	545,834

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18. RECLASSIFICATION AND ADJUSTMENTS FOR PREVIOUS PERIODS

The following are the reclassifications and adjustments to the opening balances, as follows:

(1) Interim consolidated statement of financial position as at 30 April 2022

<u>Name Item</u>	<u>Balance before adjustment</u>	<u>reclassify debit /(credit)</u>	<u>Settlements Debit/(credit)</u>	<u>Balance after adjustment</u>	<u>Comment</u>
Real estate, property and equipment	685,126,133	-	77,403,592	762,529,725	The value of the net assessment difference for the acquisition of the Arab Group.
Intangible assets	554,570,472	-	(2,700,180)	551,870,292	The value of the accumulated depreciation of the student list for the year 2020, and the nine-month period ending on 30 April 2022.
Prepayments and other current assets	42,696,510	-	(3,947,571)	38,748,939	The value of expenses related to the issuance of shares for the capital increase.
Share capital	(400,000,000)	-	(20,872,150)	(420,872,150)	It is the issuance of 2,872,150 shares for the benefit of the partners in Nabaa Educational Company, its
Share premium	(209,594,000)	-	(67,192,861)	(276,786,861)	issuance premium and the related expenses of issuing new shares.
Retained earnings	(139,322,321)	-	17,154,874	(122,167,447)	It is represented in the depreciation of the student list, the depreciation of the building evaluation difference for the period, and the recalculation of the gains resulting from the acquisition of a subsidiary as a result of the implementation of the
Statutory reserve	(34,849,260)	-	154,296	(34,694,964)	purchase price allocation from an independent valuer and its impact on the statutory reserve.

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18. RECLASSIFICATION AND ADJUSTMENTS FOR PREVIOUS PERIODS (CONTINUED)**(2) Interim consolidated profit or loss statement For the nine -month period 30 April 2022**

<u>Name Item</u>	<u>Balance before adjustment</u>	<u>reclassify debit /(credit)</u>	<u>Settlements Debit/(credit)</u>	<u>Balance after adjustment</u>	<u>Comment</u>
Marketing expenses	-	1,381,733	-	1,381,733	Marketing expenses have been reclassified as a separate line in the interim consolidated statement of profit or loss
General and administrative expenses	45,132,374	(1,381,733)	-	43,750,641	
Gains resulting from the acquisition of a subsidiary	(52,495,759)	-	14,374,759	(38,121,000)	Reducing acquisition gains as a result of implementing purchase price allocation
Revenue	(413,166,824)	3,321,860	-	(409,844,964)	Revenue from government grants and capital gains has been reclassified as a separate item in the interim consolidated statement of profit or loss, and some revenues have been reclassified to other revenues.
Government grants	-	(8,751,992)	-	(8,751,992)	
Other income	(16,974,938)	5,325,509	-	(11,649,429)	
Capital Losses	-	104,623	-	104,623	Is the amortization value of the period for the student list and the depreciation of the building evaluation difference resulting from the implementation of the purchase price reduction.
Cost of revenue	329,432,514	-	1,391,451	330,823,965	

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18. RECLASSIFICATION AND ADJUSTMENTS FOR PREVIOUS PERIODS (CONTINUED)**(3) Consolidated statement of financial position as at 31 July 2021**

<u>Name Item</u>	<u>Balance before adjustment</u>	<u>reclassify debit /(credit)</u>	<u>Settlements Debit/(credit)</u>	<u>Balance after adjustment</u>	<u>Comment</u>
Intangible assets					
Statutory reserve	(34,849,260)	-	154,296	(34,694,964)	It is the value of the year's amortization for the list of students and its effect on
Retained earnings	(107,983,937)	-	1,388,664	(106,595,273)	retained earnings and statutory reserve

(4) Consolidated profit or loss statement For the year ended 31 July 2021

<u>Name Item</u>	<u>Balance before adjustment</u>	<u>reclassify debit /(credit)</u>	<u>Settlements Debit/(credit)</u>	<u>Balance after adjustment</u>	<u>Comment</u>
Cost of revenue	204,675,501	-	1,542,960	206,218,461	It is the amortization value for the year for the list of students of Wasat National Schools for Training and Education Company

19. SUBSEQUENT EVENTS

- On Shawwal 11, 1444 H, corresponding to May 1, 2023, Ataa Educational Company purchased land in the Irqah neighbourhood in Riyadh, amounting to SAR 17 million, not including real estate tax and office fee, for the purpose of construction an educational complex.
- On Shawwal 14, 1444 H, corresponding to May 4, 2023, Ataa Educational Company renewed a Sharia-compliant credit facilities agreement with Banque Saudi Francie amounting to SAR 107.1 million for the purpose of completing acquisitions, construction educational complexes and supporting working capital.
- On Shawwal 24, 1444 H, corresponding to May 14, 2023, Al-Wasat Al-Ahlia Company for Education and Training - a subsidiary Company - signed a Murabaha financing agreement with Banque Saudi Francie in compliance with the provisions of Islamic Sharia amounting to SAR 70 million, for the purpose of construction an educational complex in the Riyadh city.
- On Shawwal 27, 1444 H, corresponding to May 17, 2023, a Sharia-compliant credit facilities agreement with The Saudi Investment Bank was amended and renewed for a period of 10 years, amounting to SAR 213.74 million, for the purpose of completing acquisitions, construction educational complexes and supporting the working capital.
- On Dhu al-Qadah 1, 1444 H, corresponding to May 21, 2023, the General Authority for Competition issued a no-objection decision to complete the purchase deal for Al-Yasmine International Company, so that the ownership of Arabian Education and Training Group Holding Company - a subsidiary Company - become 100% of Al-Yasmine International Company.

20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the period ended 30 April 2023 were approved by the Audit committee under an authorization of the Board of Directors on 17 Dhu al-Qadah 1444 H corresponding 6 June 2023.