

ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025

ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025

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ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF OCTOBER 31,2025

(All amounts in Saudi Riyals unless otherwise stated)

	Note	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	933,159,687	901,246,071
Right-of-use assets		382,965,748	393,924,121
Intangible assets		20,554,011	21,091,569
Goodwill		535,544,389	535,544,389
Total non-current assets		1,872,223,835	1,851,806,150
Current assets			
Inventory		7,173,871	4,372,031
Prepayments and other current assets		95,321,721	94,629,576
Due from a related party	6-1	3,741	-
Accounts receivables	5	126,283,908	92,892,368
Cash and cash equivalents	7	110,290,660	63,168,420
Total current assets		339,073,901	255,062,395
Non-current assets held for sale		-	-
TOTAL ASSETS		2,211,297,736	2,106,868,545
EQUITY AND LIABILITIES			
Equity			
Share capital	8	420,872,150	420,872,150
Share premium		276,786,861	276,786,861
Other reserves		51,060,154	51,060,154
Actuarial reserve		(18,690,989)	(18,690,989)
Retained earnings		119,470,979	97,495,930
Total equity attributable to the shareholders of the Parent Company		849,499,155	827,524,106
Non-controlling interest		60,247,106	60,332,799
TOTAL EQUITY		909,746,261	887,856,905
LIABILITIES			
Non-current liabilities			
Borrowings	9-3	480,086,726	479,186,715
Lease liabilities		402,499,686	419,469,922
Deferred government subsidy income		180,937	216,844
Employees' benefit obligations		61,581,242	61,132,331
Deferred tax liabilities		29,553	29,553
Total non-current liabilities		944,378,144	960,035,365
Current liabilities			
Borrowings	9-3	106,240,360	146,918,295
Lease liabilities		37,090,643	43,636,695
Deferred government subsidy income		194,404	211,329
Contract liabilities		183,566,312	34,877,811
Accrued expenses and other current liabilities		21,941,847	22,345,343
Due to related parties	6-2	43,019	4,666,658
Trade payables	10-3	4,705,747	3,679,145
Zakat and income tax provision		3,390,999	2,640,999
Total current liabilities		357,173,331	258,976,275
TOTAL LIABILITIES		1,301,551,475	1,219,011,640
TOTAL EQUITY AND LIABILITIES		2,211,297,736	2,106,868,545

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 18 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, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		October 31, 2025 (Unaudited)	October 31, 2024 (Unaudited-Restated)
Revenue	14	165,224,872	171,428,595
Government subsidy income	14	2,549,161	2,670,454
Cost of revenue	14	(112,980,424)	(121,496,769)
Gross profit		54,793,609	52,602,280
Marketing expenses		(2,620,412)	(1,933,203)
General and administrative expenses		(16,904,056)	(16,851,631)
Expected credit losses expense		(1,941,250)	(793,383)
Operating profit		33,327,891	33,024,063
Other income		3,964,238	3,539,453
Finance costs	11	(14,652,773)	(14,009,608)
Net profit for the period before zakat and income tax		22,639,356	22,553,908
Zakat and income tax	10	(750,000)	(956,201)
Net profit for the period		21,889,356	21,597,707
Net profit for the period attributable to:			
Shareholders of the Parent Company		21,975,049	20,411,998
Non-controlling interest		(85,693)	1,185,709
		21,889,356	21,597,707
Basic and diluted earnings per share:			
Basic and diluted earnings per share as per net income for the period attributable to the shareholders of the Parent Company	12	0,52	0.48

**Chief Financial
Officer**

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ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	For the three-month period ended	
	October 31, 2025 (Unaudited)	October 31, 2024 (Unaudited-Restated)
Net profit for the period	21,889,356	21,597,707
Other comprehensive income		
<i>Items that will not be reclassified subsequently in the statement of profit or loss:</i>		
Remeasurement of employees' benefit obligations	-	-
Total Other comprehensive income for the period	-	-
Total comprehensive income for the period	21,889,356	21,597,707
Total comprehensive income for the period attributable to:		
Shareholders of the Parent Company	21,975,049	20,411,998
Non-controlling interest	(85,693)	1,185,709
	21,889,356	21,597,707

Chief Financial Officer
Adel Nader Desouki

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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, 2025**
(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	Other reserves	Actuarial reserve	Retained earnings	Total		
For the three-month period ended October 31, 2024								
Balance as of August 1, 2024 (Audited)	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 (Note 16)	-	-	-	-	20,411,998	20,411,998	1,185,709	21,597,707
Other comprehensive income for the period (Note 16)	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	20,411,998	20,411,998	1,185,709	21,597,707
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 (Unaudited-Restated)	420,872,150	276,786,861	51,060,154	(14,698,082)	87,712,245	821,733,328	63,068,899	884,802,227
For the three-months ended October 31, 2025								
Balance as of August 1, 2025 (audited)	420,872,150	276,786,861	51,060,154	(18,690,989)	97,495,930	827,524,106	60,332,799	887,856,905
Net profit for the period	-	-	-	-	21,975,049	21,975,049	(85,693)	21,889,356
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,975,049	21,975,049	(85,693)	21,889,356
Balance as of October 31, 2025 (Unaudited)	420,872,150	276,786,861	51,060,154	(18,690,989)	119,470,979	849,499,155	60,247,106	909,746,261








Chief Financial Officer
Adel Nader Desouki



Chief Executive Officer
Fahd bin Abdulaziz Al-Tuwaijri



Chairman
Tariq bin Othman Al-Qasabi



ATAA EDUCATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025

(All amounts in Saudi Riyals unless otherwise stated)

		For the three-month period ended	
		October 31, 2025	October 31, 2024
		(Unaudited)	(Unaudited-Restated)
	<u>Note</u>		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before zakat and income tax		22,639,356	22,553,908
Adjustments for:			
Depreciation of property, plant, and equipment		9,056,295	8,289,516
Losses from disposal of property, plant, and equipment		126,643	-
Amortization of intangible assets		537,558	699,643
Depreciation of right-of-use assets		10,958,373	12,784,715
(Gains) / losses on derecognition of lease liabilities		-	(387,292)
Allowance for expected credit losses		1,941,250	793,383
Finance costs	11	14,652,773	14,009,608
Provision for employee end-of-service benefits		3,621,492	3,264,980
		<u>63,533,740</u>	<u>62,008,461</u>
Changes in operating assets and liabilities:			
Inventory		(2,801,840)	774,477
Prepayments and other current assets		6,895,622	(24,918,349)
Due from related party		(3,741)	-
Accounts receivable		(35,064,514)	(24,739,565)
Contract liabilities		148,688,501	113,787,280
Accrued expenses and other current liabilities		(403,496)	7,570,289
Due to related parties		(4,623,639)	(4,149,669)
Trade payables		1,026,602	8,007,165
Net cash generated from operating activities		<u>177,247,235</u>	<u>138,340,089</u>
Employee benefit obligations		(3,172,581)	(4,152,695)
Zakat and income tax paid		-	(1,025,560)
Net cash generated from operating activities		<u>174,074,654</u>	<u>133,161,834</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(41,187,054)	(28,988,051)
Proceeds from sale of property and equipment		90,500	-
Purchase of intangible assets		-	(282,380)
Net cash used in investing activities		<u>(41,096,554)</u>	<u>(29,270,431)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	9	16,898,481	71,409,590
Repayment of borrowings	9	(57,811,987)	(182,726,493)
Lease liabilities paid		(28,958,062)	(29,708,837)
Deferred government subsidy income		(52,832)	(69,106)
Finance costs paid	9	(15,931,460)	(10,855,326)
Dividends paid		-	(1,759,200)
Net cash used in financing activities		<u>(85,855,860)</u>	<u>(153,709,372)</u>
Net change in cash and cash equivalents		<u>47,122,240</u>	<u>(49,817,969)</u>
Cash and cash equivalents at beginning of the period	7	63,168,420	85,599,869
Cash and cash equivalents at end of the period	7	<u>110,290,660</u>	<u>35,781,900</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 18 form an integral part of these interim condensed consolidated financial information.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(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 Unified National Number 7012408725 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 was listed on the Saudi Stock Exchange (Tadawul) under the code (4292), and trading in the Company’s shares on the Saudi Stock Exchange commenced on 31 July 2019 after obtaining the approval of the Capital Market Authority in the Kingdom of Saudi Arabia.

The company's main activity is primary education for boys students with an international curriculum. Primary education for female students with an international curriculum. Intermediate education for boys students with an international curriculum. Intermediate education for girls students with an international curriculum. Secondary education for boys students with an international curriculum. Secondary education for girls students .with an international curriculum

The Company’s head office is located at the following address:
Postal Code 12486
3987 Al-Hussein bin Ali Street, Al-Ezdihar District, Riyadh
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 By-laws.

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

(a) The Parent Company’s branches:

<u>Name of Branch</u>	<u>Unified National Number</u>
Al-Fikr Private Schools Company	7013060186
Ata' Al-Rowad Private Schools Company	7041083739
Middle East International Schools Company	7004233982
Middle East International Schools Company	7013633164
Al- Rowad Private Schools Company	7003769358
Middle East International School.	7014087220
Ataa Educational Company for Maintenance and Operation	7004329848
Al-Rowad Private Schools Company	7012111345
New Modern Middle East International School	7013771576
Al- Rowad Private Schools Company	7013410704
Middle East International School	7036623135
Al- Rowad Private Schools Company	7012371873
Al- Rowad Private Schools Company	7018055025
Middle East International School	7013617456

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(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 parent 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>	Effective Ownership % (Directly / indirectly)	
			October 31, 2025	July 31, 2025
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%	80%

- (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 Unified National Number 7001532659 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 Unified National Number 7011474223 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 Unified National Number 7001140669 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.

- (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 Unified National Number 7018063516 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND ACTIVITY (CONTINUED)

- (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 Unified National Number 7001870497 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 Unified National Number 7007765121 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 Unified National Number 7001696355 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 Unified National Number 7001472690 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) Backwood 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 Unified National Number 7041198578 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.

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, 2025, 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, 2025 are not necessarily indicative of the results that can be expected for the financial year ended July 31, 2026.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)

2.2 Basis of consolidation

The interim condensed consolidated financial information includes the financial information of Atta Educational Company, its branches (“the Parent Company”) and subsidiaries (“Group”) 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 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.

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.

Goodwill is measured at the acquisition of a subsidiary and is presented as a separate item in the consolidated statement of financial position. Goodwill is not amortized and is tested annually for impairment, or more frequently if events or changes in circumstances indicate a possible impairment. It is recorded at cost less any impairment losses.

As at the date of the condensed interim consolidated financial information for the three-month period ended 31 October 2025, no indicators were identified that would require an impairment test for goodwill. No significant changes have occurred in goodwill during the period or since the last impairment assessment performed as at 31 July 2025.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)

2.2 Basis of consolidation (continued)

2.3 Basis of measurement

The interim condensed consolidated financial information have been prepared on the accrual basis of accounting, going concern basis and historical cost convention, except for items included in the interim condensed consolidated 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 measured at present value.
- Deferred government subsidy income measured at present value.

2.4 Going concern

As at 31 October 2025, the Group's current liabilities exceeded its current assets by SAR 18.01 million (31 July 2025: SAR 3.91 million), which is mainly attributable to the current balances of borrowings, lease liabilities, and contract liabilities amounting to SAR 326.90 million (31 July 2025: SAR 225.43 million). Revenues received in advance are settled over the coming periods, with the balance of receivables in accordance with the due dates of tuition fees. Despite the deficit in working capital, the Group generated operating cash flows amounting to SAR 174.07 million (31 October 2024: SAR 133.16 million), which indicates the Group's ability to meet its obligations as they fall due. The Group's management closely monitors cash management and analyzes liquidity risks and is confident in its ability to eliminate the working capital deficit. Accordingly, the accompanying interim condensed consolidated financial information has been prepared on a going concern basis.

2.5 Functional And Presentation Currency

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SAR"), 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with policies followed in the preparation of the Group's annual consolidated financial statements for the year ended July 31, 2025, except that the Group has reassessed the method of recognition for educational revenues, whereby revenues are now recognized over the duration of the academic year rather than the financial year.

3.1 NEW STANDARDS , AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them as they don't have a material impact in preparing these Consolidated Financial Statements. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

- Amendments to IAS 21 – Lack of exchangeability
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- IFRS 18, 'Presentation and Disclosure in Financial Statements'.
- IFRS 19, Subsidiaries without Public Accountability: Disclosures

4. PROPERTY, PLANT AND EQUIPMENT

As of October 31, 2025, there are certain lands and buildings amounting to SR 134.60 million (July 31, 2025: SR 135.30 million) mortgaged as collateral against obtaining certain credit facilities as stated in note (9).

As of October 31, 2025, the projects in progress amounting to SR 74.08 million (July 31, 2025: SR 44.22 million) represent the development works of buildings in the educational complexes and the construction of educational complexes in the Arqa district. These projects are expected to be completed by the end of 2025.

5.ACCOUNTS RECEIVABLES

	October 31, 2025 (Unaudited)	July 31, 2025 (Audited)
Accounts receivables	168,233,899	133,169,385
Less: Allowance for expected credit losses	(41,949,991)	(40,277,017)
	126,283,908	92,892,368

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

	October 31, 2025 (Unaudited)	July 31, 2025 (Audited)
Balance at the beginning of the period/year	40,277,017	27,573,358
Provision charged during the period/year	1,672,974	12,703,659
Balance at the end of the period/year	41,949,991	40,277,017

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025**

(All amounts in Saudi Riyals unless otherwise stated)

6.RELATED PARTIES 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:

Related party	Nature of relationship	Nature of transaction	Amount of transactions	
			For the three -month period ended October 31,2025 (Unaudited)	October 31,2024 (Unaudited)
Fawzia Al Haqbani	Shareholder at a subsidiary	Expenses paid on behalf	13,690	21,730
Hayat Al Shahrani	Shareholder at a subsidiary	Expenses paid on behalf	13,690	21,730
Dr. Ahmed bin Nasser Al Miteb	Shareholder and former BOD Member	Rents	2,507,000	2,507,000
		Payments	6,507,000	8,088,207

6.1 Due from a related party

	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
Hayat Al-Shahrani	3,741	-
	<u>3,741</u>	<u>-</u>

6.2 Due to related parties

	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
Fawzia Al Haqbani	43,019	56,709
Dr. Ahmed bin Nasser Al Miteb	-	4,600,000
Hayat Al Shahrani	-	9,949
	<u>43,019</u>	<u>4,666,658</u>

6.3 Benefits, remuneration, and compensation to key management and executives

	October 31,2025 (Unaudited)	October 31, 2024 (Unaudited)
Key management personnel's salaries and benefits	424,250	355,750
Board members' and committees' bonuses and allowances	508,750	610,000
Key management personnel compensation	1,354,167	1,299,792
	<u>2,287,167</u>	<u>2,265,542</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025**

(All amounts in Saudi Riyals unless otherwise stated)

7.CASH AND CASH EQUIVALENTS

	October 31,2025 (Unaudited)	July 31, 2025 (audited)
Cash at banks	110,195,524	63,082,772
Cash in hand	95,136	85,648
	110,290,660	63,168,420

8.SHARE CAPITAL

The authorized and paid-up capital of the Company is SR 420.87 million as of October 31,2025 (July 31, 2025: SR 420.87 million) divided into 42,087,215 shares (July 31, 2025: 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 of an 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.

Guarantees

These facilities are secured by a mortgage on the land of the staff accommodation villa in Al Rawabi District and the land located in Al Salam District, totaling SR 21.29 million (as of July 31, 2025: SR 21.29 million) (note 4).

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

	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
Balance at the beginning of the period/year	3,807,600	5,711,400
Payment during the period/year	-	(1,903,800)
Balance at the end of the period/year	3,807,600	3,807,600

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

	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
Borrowing at the end of the period/year	3,807,600	3,807,600
<u>Less: Deferred finance charges</u>		
Balance at the beginning of the period/year	(428,173)	(704,597)
Finance charges during the period/year (note 11)	52,832	276,424
Balance at the end of the period/year	(375,341)	(428,173)
Present value of the borrowings at the end of the period/year	3,432,259	3,379,427

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FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025**

(All amounts in Saudi Riyals unless otherwise stated)

9. BORROWINGS

9.2 Borrowings from local banks

The Group has entered into Shariah-compliant facility agreements with several local banks in the form of Islamic Murabaha facilities totaling SAR 1.173 billion. These facilities were granted with a profit margin and a facility commission determined based on the Saudi Interbank Offered Rate (SIBOR) plus a fixed rate. The agreements with the banks contain banking covenants that are monitored by management on a monthly basis. In the event of a breach or a potential breach of these covenants, management undertakes the necessary actions to ensure compliance with such covenants.

Guarantees

The facilities are secured by land and properties amounting to SAR 113.3 million (31 July 2025: SAR 114 million) (Note 4), and seven (7) promissory notes amounting to SAR 1.243 billion (31 July 2025: number (7) promissory notes amounting to SAR 1.243 billion).

Movement in the borrowings granted by local banks is set out below:

	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
Balance at the beginning of the period/year	622,725,583	615,426,919
Finance obtained during the period/year	16,898,481	407,104,661
Finance charges during the period/year (note 11)	9,158,167	33,979,575
Accrued finance cost from discontinued operations	-	10,728
Deferred finance charges during the period/year	7,856,043	8,933,708
Payment during the period/year	(57,811,987)	(406,482,596)
Paid Interest during the year	(15,931,460)	(36,247,412)
Total borrowings from local banks at the end of the period/year	582,894,827	622,725,583

9.3 Presentation of the interim condensed consolidated statement of financial position

Breakdown of the borrowings is presented as follows:

	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
Borrowings - non-current portion	480,086,726	479,186,715
Borrowings - current portion	106,240,360	146,918,295
	586,327,086	626,105,010

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FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025**

(All amounts in Saudi Riyals unless otherwise stated)

10. ZAKAT AND INCOME TAX PROVISION

10.1 Zakat and income tax status

The Group submitted its zakat and income tax returns to the Zakat, Tax and Customs Authority (“ZATCA”) until the year ended July 31, 2025, and obtained a certificate from ZATCA valid until 20Jumada’II 1448 H, corresponding to November 30, 2026.

Ataa Educational Company (the “Parent Company”) has obtained the required regulatory approvals, including the approval of the Authority, to calculate Zakat based on the consolidated financial statements of the Group. The Zakat provision is calculated on the unified Zakat base of the Parent Company and its wholly owned direct and indirect subsidiaries. The Zakat examinations for the years 2021, 2022, 2023, and 2024 have been finalized, resulting in Zakat differences amounting to SAR 480,092, which have not yet been settled.

10.2 Tax status

Ataa Educational Company and its subsidiaries have submitted all Value Added Tax (VAT) returns up to October 31, 2025, and have settled all related amounts due. The VAT examinations have been completed up to the year 2024.

10.3 Movement in Zakat and Income Tax provision

	October 31,2025 (Unaudited)	July 31, 2025 (Audited)
Balance at the beginning of the period/year	2,640,999	3,411,924
Charge during the period/year	750,000	2,564,243
Zakat differences	-	2,902
Payment during the period/year	-	(3,338,070)
Balance at the end of the period/year	3,390,999	2,640,999

11. FINANCE COSTS

	For the three-month period ended	
	October 31,2025 (Unaudited)	October 31,2024 Unaudited-Restated)
Finance costs of borrowings from local banks (Note 9-2)	9,158,167	6,474,839
Interest on lease liabilities	5,441,774	7,465,663
Finance costs – borrowing from the Ministry of Finance (Note 9-1)	52,832	69,106
	14,652,773	14,009,608

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

12. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the net income for the period attributable to the shareholders of the Parent Company by the weighted average number of outstanding ordinary shares during the period, amounting to 42,087,215 shares (October 31, 2024: 42,087,215 shares). Diluted earnings per share are the same as basic earnings per share, as the Parent Company has no dilutive instruments.

	For the three-months ended 30 April	
	October 31, 2025	October 31, 2024
	(Unaudited)	(Unaudited-Restated)
Net profit for the period attributable to shareholders of the Parent Company	21,975,049	20,411,998
Weighted average number of shares	42,087,215	42,087,215
Basic and diluted earnings per share	0,52	0,48

13. CONTINGENCIES AND CAPITAL COMMITMENTS

	October 31, 2025	July 31, 2025
	(Unaudited)	(Audited)
Capital commitments - projects in progress	20,971,259	35,825,887
	20,971,259	35,825,887

As of October 31, 2025, there are contingent liabilities consisting of seven promissory notes amounting to SAR 1,243 billion (July 31, 2025: seven promissory notes amounting to SAR 1,243 billion). The agreements with the banks include certain banking covenants that are monitored monthly by management. In the event of any actual or potential breach of these covenants, management takes the necessary actions to ensure compliance.

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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025**

(All amounts in Saudi Riyals unless otherwise stated)

14. SEGMENT REPORTING (CONTINUED)

For the Three-month period ended October 31,2025 (Unaudited)

	Education Segment	Training Segment	Recruitment Segment	Total
Revenue	165,224,872	-	-	165,224,872
Government subsidy income	2,549,161	-	-	2,549,161
Total revenue	167,774,033	-	-	167,774,033
Cost of revenue	(112,980,424)	-	-	(112,980,424)
Gross profit	54,793,609	-	-	54,793,609
Net profit	21,889,356	-	-	21,889,356

As of October 31,2025 (Unaudited)

Property, plant and equipment	933,159,687	-	-	933,159,687
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For the Three-month period ended October 31,2024 (Unaudited-Restated)

	Education Segment	Training Segment	Recruitment Segment	Total
Revenue	164,979,793	6,349,339	99,463	171,428,595
Government subsidy income	2,534,954	110,500	25,000	2,670,454
Total revenue	167,514,747	6,459,839	124,463	174,099,049
Cost of revenue	(113,306,788)	(7,611,828)	(578,153)	(121,496,769)
Gross profit	54,207,959	(1,151,989)	(453,690)	52,602,280
Net profit	24,208,462	(2,130,353)	(480,402)	21,597,707

As of October 31,2024 (Unaudited)

Property, plant and equipment	870,065,163	39,614,750	445,688	910,125,601
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- 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025**

(All amounts in Saudi Riyals unless otherwise stated)

14. SEGMENT REPORTING (CONTINUED)

For the Three-month period ended October 31,2025				
(Unaudited)				
	Education Segment	Training Segment	Recruitment Segment	Total
Timing of revenue recognition:				
At a certain point in time	2,549,161	-	-	2,549,161
Over time	165,224,872	-	-	165,224,872
Total revenue	167,774,033	-	-	167,774,033
For the Three-month period ended October 31,2024 (Unaudited- Restated)				
	Education Segment	Training Segment	Recruitment Segment	Total
Timing of revenue recognition:				
At a certain point in time	2,534,954	6,459,839	124,463	9,119,256
Over time	164,979,793	-	-	164,979,793
Total revenue	167,514,747	6,459,839	124,463	174,099,049

The educational revenue is subject to seasonal fluctuations, primarily due to the academic calendar. Tuition and related fee income is recognized mainly during the academic calendar, resulting in higher revenue and cash inflows in those periods. During non-teaching periods and academic breaks, revenues are significantly lower. As a result, the financial performance and cash flows for the interim period are not necessarily indicative of results for the full financial year.

15. NON-CASH TRANSACTIONS

	October 31,2025 (Unaudited)	October 31,2024 (Unaudited- Restated)
Deferred finance charges	7,856,043	4,212,711
Additions of right-of-use assets	-	23,945,945
Disposals of right-of-use assets	-	10,690,667
unpaid dividends	-	152,000
Share of non-controlling interest in investments in subsidiaries during the period	-	20,000

16. PRIOR PERIODS ADJUSTMENTS

During the current financial period, the Group reassessed its revenue recognition method for educational service revenues so that revenues are now recognized over the duration of the academic year rather than the financial year. This change has been made in accordance with the guidance which released by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The assessment also included a recalculation of the costs incurred relating to the educational segment in line with the aforementioned guidance. As a result of the change in the method for recognizing educational service revenues and the related costs, the comparative figures have been restated. This change reflects the Group's application of method that more faithfully represent the pattern of satisfaction of its contractual performance obligations under IFRS. Accordingly, the following balances have been restated in the condensed interim consolidated comparative financial information as follows:

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31,2025**

(All amounts in Saudi Riyals unless otherwise stated)

16. PRIOR PERIODS ADJUSTMENTS (CONTINUED)

1) Interim condensed consolidated statement of profit or loss for the three-month period ended 31 October 2024:

	Balance before adjustment	Adjustment (DR/CR)	Balance after adjustment
Revenues	165,325,240	6,103,355	171,428,595
Cost of revenues	(116,514,698)	(4,982,071)	(121,496,769)
Gross profit	51,480,996	1,121,284	52,602,280
Net profit for the period	20,476,423	1,121,284	21,597,707
Net profit for the period attributable to:			
Shareholders of the Company	19,573,251	838,747	20,411,998
Non-controlling interest	903,172	282,537	1,185,709
Basic and diluted earnings per share as per net income for the period attributable to the shareholders of the Company	0,47	0.01	0.48

2) Interim condensed consolidated statement of cash flows for the three-month period ended 31 October 2024:

	Balance before adjustment	Adjustment (DR/CR)	Balance after adjustment
Cash flows from operating activities			
Net profit for the period before zakat	21,432,624	1,121,284	22,553,908
Contract liabilities	119,890,635	(6,103,355)	113,787,280
Accrued expenses and other current liabilities	2,588,218	4,982,071	7,570,289

3) Interim condensed consolidated statement of changes in equity for the three-month period ended 31 October 2024:

	Balance before adjustment	Adjustment (DR/CR)	Balance after adjustment
Retained earnings	86,873,498	838,747	87,712,245
Non-controlling interest	62,786,362	282,537	63,068,899

Management confirms that this correction does not affect the consolidated statement of financial position for prior years or for the current period, and that its impact is limited to the presentation of revenue.

17. SUBSEQUENT EVENTS

Management believes that there are no significant events occurred from the end of the financial period until the date of approval of the condensed consolidated interim financial information, that would require disclosure or adjustment to this interim condensed consolidated financial information.

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information for the period ended OCTOBER 31,2025 were approved by the Audit Committee authorized by the Board of Directors on 17 Jumada'II 1447 H (corresponding to December 8, 2025)