

**CATRION FOR CATERING HOLDING COMPANY
(FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2024

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI
AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY) (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of CATRION For Catering Holding Company (Formerly Known As Saudi Airlines Catering Company) (A Saudi Joint Stock Company) (the "Company" or the "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2024 and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services



Abdulaziz S. Alarifi
Certified Public Accountant
License No. (572)

Jeddah: 01 Safar 1446H
(05 August 2024G)



CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2024

	Notes	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	4	564,805,470	497,079,526	1,117,618,548	1,018,661,917
Cost of revenue	5	(415,370,450)	(372,193,045)	(815,726,984)	(751,129,316)
GROSS PROFIT		149,435,020	124,886,481	301,891,564	267,532,601
General and administrative expenses (Allowance) / reversal for expected credit losses		(78,037,451)	(67,926,741)	(156,624,491)	(138,875,160)
Other income	10	(3,001,570)	8,800,001	(8,501,570)	(619,682)
Other expenses		5,425,793	2,910,248	9,537,786	6,414,584
		(246,841)	(273,772)	(813,838)	(898,186)
TOTAL OPERATING PROFIT		73,574,951	68,396,217	145,489,451	133,554,157
Finance income		6,231,141	5,334,563	14,097,854	6,588,609
Finance cost		(4,881,118)	(5,060,034)	(9,651,663)	(10,092,149)
Share of results from investment in associate	9	3,773,122	4,453,540	9,517,677	9,540,434
PROFIT BEFORE ZAKAT		78,698,096	73,124,286	159,453,319	139,591,051
Zakat expense	14	(5,516,334)	(9,390,089)	(15,043,251)	(18,731,689)
NET PROFIT FOR THE PERIOD		73,181,762	63,734,197	144,410,068	120,859,362
Other comprehensive (loss) / income		(164,757)	1,660,983	(164,757)	1,660,983
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		73,017,005	65,395,180	144,245,311	122,520,345
Basic and diluted earnings per share (SR per share)	6	0.89	0.78	1.76	1.47

Chief Financial Officer

Chief Executive Officer

Board Member

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	489,526,994	414,893,911
Right-of-use assets	8	212,290,774	234,981,152
Leases receivables – non-current portion	8	-	990,148
Intangible assets		-	10,890
Investment property		27,755,155	28,734,575
Advance against investment in shares		1,875,000	1,875,000
Margin deposit		4,230,000	4,230,000
Investment in associate	9	41,472,551	36,954,874
TOTAL NON-CURRENT ASSETS		777,150,474	722,670,550
CURRENT ASSETS			
Inventories		92,695,094	77,190,313
Leases receivables - current portion	8	5,163,103	4,777,598
Trade and other receivables	10	821,729,703	601,498,527
Prepayments and other receivables		68,471,524	86,298,862
Cash and cash equivalents		565,082,208	702,456,181
TOTAL CURRENT ASSETS		1,553,141,632	1,472,221,481
TOTAL ASSETS		2,330,292,106	2,194,892,031
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	11	820,000,000	820,000,000
Statutory reserve	12	246,000,000	246,000,000
Retained earnings		274,113,775	220,068,464
TOTAL SHAREHOLDERS' EQUITY		1,340,113,775	1,286,068,464
NON-CURRENT LIABILITIES			
Lease liabilities – non-current portion	8	123,829,733	150,255,896
Employees' defined benefits obligation		166,097,360	164,848,553
Long-term bonus		15,700,000	11,700,000
TOTAL NON-CURRENT LIABILITIES		305,627,093	326,804,449
CURRENT LIABILITIES			
Lease liabilities – current portion	8	103,675,050	94,447,407
Zakat liabilities	14	12,082,254	25,528,529
Trade and other payables	15	568,793,934	462,043,182
TOTAL CURRENT LIABILITIES		684,551,238	582,019,118
TOTAL LIABILITIES		990,178,331	908,823,567
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,330,292,106	2,194,892,031



Chief Financial Officer



Chief Executive Officer



Board Member

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

	<i>Share capital SR</i>	<i>Statutory reserve SR</i>	<i>Retained earnings SR</i>	<i>Total SR</i>
Balance as at 1 January 2023 (audited)	820,000,000	246,000,000	53,926,179	1,119,926,179
Net profit for the period	-	-	120,859,362	120,859,362
Other comprehensive income	-	-	1,660,983	1,660,983
Total comprehensive income	-	-	122,520,345	122,520,345
Dividends declared (note 13)	-	-	(41,000,000)	(41,000,000)
Balance as at 30 June 2023 (Unaudited)	<u>820,000,000</u>	<u>246,000,000</u>	<u>135,446,524</u>	<u>1,201,446,524</u>
Balance as at 1 January 2024 (audited)	820,000,000	246,000,000	220,068,464	1,286,068,464
Net profit for the period	-	-	144,410,068	144,410,068
Other comprehensive loss	-	-	(164,757)	(164,757)
Total comprehensive income	-	-	144,245,311	144,245,311
Dividends declared (note 13)	-	-	(90,200,000)	(90,200,000)
Balance as at 30 June 2024 (Unaudited)	<u>820,000,000</u>	<u>246,000,000</u>	<u>274,113,775</u>	<u>1,340,113,775</u>



Chief Financial Officer



Chief Executive Officer



Board Member

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

	Notes	For the six-month period ended 30 June	
		2024 SR (Unaudited)	2023 SR (Unaudited)
OPERATING ACTIVITIES			
Profit before zakat		159,453,319	139,591,051
<i>Adjustments to reconcile profit before zakat and income tax to net cash flows:</i>			
Depreciation on property, plant and equipment	7	28,494,325	32,084,026
Depreciation on investment in property		979,420	979,420
Depreciation on right-of-use assets	8	23,760,778	31,036,739
Amortization of intangible assets		10,890	13,068
Provision for expected credit losses	10	8,501,570	619,682
Reversal of provision for slow-moving inventory, net		(2,698,430)	(2,901,558)
Finance income		(14,097,854)	(6,588,609)
Finance cost		9,651,663	10,092,149
Loss on disposal of property, plant and equipment		474,289	327,979
Share of results from associate	9	(9,517,677)	(9,540,434)
Provision for employees' defined benefits obligation		10,177,361	11,892,965
Modification on lease receivables		-	2,250,638
Long-term bonus		4,000,000	4,050,000
		219,189,654	213,907,116
<i>Changes in operating assets and liabilities:</i>			
Inventories		(12,806,351)	(26,180,116)
Trade receivables		(228,732,746)	(43,974,359)
Prepayments and other receivables		17,827,338	(1,445,571)
Trade and other payables		120,784,801	10,139,239
Cash generated from operations		116,262,696	152,446,309
Employees' defined benefits obligation paid		(12,751,890)	(11,953,963)
Net zakat paid	14	(28,489,526)	(30,002,081)
Net cash generated from operating activities		75,021,280	110,490,265
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(103,601,697)	(20,709,191)
Payment received for lease receivable	8	733,248	10,474,463
Dividend received from associate	9	5,000,000	-
Proceeds from disposal of property, plant and equipment		-	209,544
Net cash used in investing activities		(97,868,449)	(10,025,184)
FINANCING ACTIVITIES			
Payments of lease liabilities	8	(24,262,004)	(16,278,284)
Dividends paid		(90,264,800)	(40,821,707)
Net cash used in financing activities		(114,526,804)	(57,099,991)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(137,373,973)	43,365,090
Cash and cash equivalents at the beginning of the period		702,456,181	417,242,028
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		565,082,208	460,607,118
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION:			
Addition to right-of-use assets	8	1,070,400	25,366,266



Chief Financial Officer



Chief Executive Officer



Board Member

The attached notes 1 to 18 form part of these unaudited interim condensed consolidated financial statements.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024

1. ORGANIZATION AND ACTIVITIES

CATRION for Catering Holding Company (formerly known as Saudi Airlines Catering Company) (the “Parent Company”) is a Saudi Joint Stock Company domiciled in the Kingdom of Saudi Arabia. The Company was registered as a Saudi limited liability company on 20 Muharram 1429H (29 January 2008) under Commercial Registration No. 4030175741.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly involved in provision of cooked and non-cooked food to private and public sectors, provision of sky sales, operation and management of duty-free zones in Saudi Arabian airports and ownership, operation and management of restaurants at airports and other places, and the ownership, operation and management of central laundries.

The Company mainly provides catering services to Saudi Arabian Airlines and other foreign airlines in the airports of Jeddah, Riyadh, Dammam and Madinah in Saudi Arabia and to Saudi’s flights operating from Cairo International Airport.

The Group also has the following branches, which are operating under separate Commercial registrations:

<u>Branch Location</u>	<u>Commercial registration number</u>
Riyadh	1010336558
Riyadh	1010616679
Riyadh	1010616680
Dammam	2050082998
Medina	4650055980
Medina	4650216315
Sharma	3557100105
Jeddah	4030227251
Jeddah	4030285290
Jeddah	4030426294
Jeddah	4030477154
Jeddah	4030485646
Makkah	4031084114
Rabigh	4602006306

The Company has investment in the fully owned / controlled subsidiaries listed below, (the “subsidiaries”), collectively referred to as (the “Group”).

<u>Subsidiary Name</u>	<u>Commercial registration number</u>	<u>Date of incorporation</u>	<u>Country on incorporation</u>	<u>The principal activity</u>	<u>Effective holding</u>		<u>Share capital</u>	
					<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
CATRION For Catering Services (formerly known SACC for Catering Company)	4030371373	3 December 2019	Kingdom of Saudi Arabia	Catering services Laundry,	100%	100%	500,000	5,000,000
CATRION for Laundry Company	4030515446	22 June 2023	Kingdom of Saudi Arabia	Washing and Drycleaning Catering Services	100%	100%	500,000	5,000,000
CATRION for Operation and Maintenance CATRION Laundry for Operation and Maintenance	400536143	18 December 2023	Kingdom of Saudi Arabia	Facility Management Laundry,	100%	100%	500,000	500,000
	4030536144	18 December 2023	Kingdom of Saudi Arabia	Washing and Drycleaning	100%	100%	500,000	500,000

These interim condensed consolidated financial statements (the “consolidated financial statements”) include the financial statements of the Parent Company and its subsidiaries.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
At 30 June 2024

1. ORGANIZATION AND ACTIVITIES (Continued)

The registered head office of the Parent Company is:

Al Saeb Al Jomhi Street
Prince Sultan Bin Abdulaziz Road, Almohammadya District (5)
P. O. Box 9178, Jeddah 21413
Kingdom of Saudi Arabia

On 12 October 2023, the Extraordinary General Assembly approved to change the Company's trade name from Saudi Airlines Catering Company to be "CATRION Catering Holding Company". All legal formalities were completed during the year end 31 December 2023 in relation to the change of the name of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These interim condensed consolidated financial statements do not include all the information and disclosures required in full set of annual consolidated financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the interim period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024 (see also note 2.4)

2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting and the going concern assumption.

2.3 Functional and presentational currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals (SR), which is the functional currency of the Group.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2023.

The significant judgments, estimates and assumptions made by the management in applying the Group's accounting policies are same as those used described in the annual consolidated financial statements for the year ended 31 December 2023.

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2023. However, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is still evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
At 30 June 2024

2. BASIS OF PREPARATION (Continued)

2.5 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	The amendments aim to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.	Annual periods beginning on or after 01 January 2024.
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	Annual periods beginning on or after 01 January 2024.
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities as Current or Non-current	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve month is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 01 January 2024.

2.6 New standards not yet effective

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 21 Lack of exchangeability	The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.	1 January 2025.
IFRS 18 Presentation and disclosure in financial statements	IFRS 18 sets out requirements for the presentation and disclosure of information in financial statements. These examples are not intended to illustrate all aspects of the presentation and disclosure requirements in IFRS 18, nor do they illustrate a complete set of financial statements.	Annual periods beginning on or after 01 January 2027.
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
At 30 June 2024

2. BASIS OF PREPARATION (Continued)

2.6 New standards not yet effective (Continued)

Standard, interpretation, amendments	Description	Effective date
Amendments IFRS 9 and IFRS 7 - Classification and measurement of financial instruments	This amendment aims to improve clarity and consistency in accounting for financial instruments, particularly regarding classification of ESG-linked loans.	1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027

2.7 Basis of consolidation

These interim condensed consolidated financial statements comprises the interim condensed consolidated financial statements of the Group and its subsidiaries as for the period ended 30 June 2024. The subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. Intra-group balances and transactions, and any recognized income and expenses arising from intra-group transactions, are eliminated. Accounting policies of the subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Parent Company and its subsidiaries have the same reporting periods.

3. OPERATING SEGMENTS

a. Basis for segmentation

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

Reportable segments	Operations
Inflight	Inflight catering, airline equipment, business lounge and retail ground, onboard and online
Catering and facilities	Remote & Camp management, Business & Industries catering, Laundry services, Hajj and Umrah.

The Board of Directors is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements. However, the Group's financing (including finance costs, finance income and other income) and zakat are managed on a Group basis and are not allocated to operating segments.

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
At 30 June 2024

3. OPERATING SEGMENTS (Continued)

b. Information about reportable segments

30 June 2024 (Unaudited)

	Infight SR	Catering and facilities SR	Total reportable segments SR	Overheads SR	Head office SR	Elimination SR	Total SR
External revenue	877,805,263	239,813,285	1,117,618,548	-	-	-	1,117,618,548
Inter-segment revenue	121,543,108	73,956,552	195,499,660	-	-	(195,499,660)	-
Segment revenue	999,348,371	313,769,837	1,313,118,208	-	-	(195,499,660)	1,117,618,548
Segment profit / (loss) before Zakat	260,330,245	11,046,040	271,376,285	(111,922,966)	-	-	159,453,319
Depreciation and amortization	31,078,677	5,571,244	36,649,921	16,595,492	-	-	53,245,413
<i>30 June 2024 (Unaudited)</i>							
Assets:							
Segment assets	1,484,067,533	212,025,847	1,696,093,380	-	-	-	1,696,093,380
Head office	-	-	-	-	634,198,726	-	634,198,726
Total Assets	1,484,067,533	212,025,847	1,696,093,380	-	634,198,726	-	2,330,292,106
Liabilities:							
Segment liabilities	507,336,562	59,701,924	567,038,486	-	-	-	567,038,486
Head office	-	-	-	-	423,139,845	-	423,139,845
Total Liabilities	507,336,562	59,701,924	567,038,486	-	423,139,845	-	990,178,331

CATRION FOR CATERING HOLDING COMPANY (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At 30 June 2024

3. OPERATING SEGMENTS (Continued)

b. Information about reportable segments (Continued)

30 June 2023 (Unaudited)

	Inflight SR	Catering and facilities SR	Total reportable segments SR	Overheads SR	Head office SR	Elimination SR	Total SR
External revenue	748,052,797	270,609,120	1,018,661,917	-	-	-	1,018,661,917
Inter-segment revenue	126,367,171	56,396,632	182,763,803	-	-	(182,763,803)	-
Segment revenue	874,419,968	327,005,752	1,201,425,720	-	-	(182,763,803)	1,018,661,917
Segment profit / (loss) before Zakat	187,279,913	52,279,868	239,559,781	(99,968,730)	-	-	139,591,051
Depreciation and amortization	36,707,311	8,063,075	44,770,386	19,342,867	-	-	64,113,253

31 December 2023 (Audited)

<i>Assets:</i>							
Segment assets	1,397,836,774	199,706,226	1,597,543,000	-	-	-	1,597,543,000
Head office	-	-	-	-	597,349,031	-	597,349,031
<i>Total Assets</i>	1,397,836,774	199,706,226	1,597,543,000	-	597,349,031	-	2,194,892,031
<i>Liabilities:</i>							
Segment liabilities	468,261,621	55,103,696	523,365,317	-	-	-	523,365,317
Head office	-	-	-	-	385,458,250	-	385,458,250
<i>Total Liabilities</i>	468,261,621	55,103,696	523,365,317	-	385,458,250	-	908,823,567

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3. OPERATING SEGMENTS (Continued)

c. Reconciliations of information on reportable segments to primary statements

I. Revenue

	30 June 2024 SR (Unaudited)	30 June 2023 SR (Unaudited)
Total revenue for reportable segments	1,313,118,208	1,201,425,720
Elimination of intersegment revenue	(195,499,660)	(182,763,803)
Total revenue	1,117,618,548	1,018,661,917

II. Profit

	30 June 2024 SR (Unaudited)	30 June 2023 SR (Unaudited)
Total profit for reportable segments	271,376,285	239,559,781
Overheads	(111,922,966)	(99,968,730)
Total profit	159,453,319	139,591,051

III. Assets

	30 June 2024 SR (Unaudited)	31 December 2023 SR (Unaudited)
Total assets for reportable segments	1,696,093,380	1,597,543,000
Head office	634,198,726	597,349,031
Total assets	2,330,292,106	2,194,892,031

Head office amounts principally related to cash and cash equivalents, investments and prepayment and other assets. Right-of-use assets and subleased assets have been allocated to their related segments.

IV. Liabilities

	30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
Total liabilities for reportable segments	567,038,486	523,365,317
Head office	423,139,845	385,458,250
Total liabilities	990,178,331	908,823,567

Total liabilities for reportable segments include lease liabilities allocated to the related segments. Head office amounts are principally related to trade and other payables, zakat and tax liabilities and employees' terminal benefits.

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3. OPERATING SEGMENTS (Continued)

c. Reconciliations of information on reportable segments to primary statements (Continued)

V. Geographical information

Revenue	30 June 2024 SR (Unaudited)	30 June 2023 SR (Unaudited)
Kingdom of Saudi Arabia	1,085,283,392	989,359,610
<i>All foreign countries</i>		
Egypt – Cairo	32,335,156	29,302,307
Total revenue	1,117,618,548	1,018,661,917

d. Major customer

Revenue from one customer of the Group represented approximately 62% (30 June 2023: 56%) of the total revenues.

4. REVENUE

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2024 SR (Unaudited)	2023 SR (Unaudited)	30 June 2024 SR (Unaudited)	2023 SR (Unaudited)
In-flight catering revenue	372,368,292	300,755,514	729,649,264	610,858,909
Non-airlines revenue	116,427,779	128,583,422	234,139,529	271,273,017
Business lounge revenue	62,501,590	52,412,002	126,588,388	105,301,056
Retail revenue	10,127,981	13,129,899	19,756,017	26,067,444
Other operating revenue	3,379,828	2,198,689	7,485,350	5,161,491
	564,805,470	497,079,526	1,117,618,548	1,018,661,917

5. COST OF REVENUE

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2024 SR (Unaudited)	2023 SR (Unaudited)	30 June 2024 SR (Unaudited)	2023 SR (Unaudited)
Cost of materials and goods	214,197,302	178,110,573	426,223,279	353,218,892
Personnel costs	97,132,628	96,490,618	188,975,727	186,627,580
Depreciation	22,607,770	26,034,955	45,432,263	56,850,945
Rent and maintenance of production units	19,091,524	15,463,919	37,230,546	31,841,311
Other costs				
Manpower and transportation cost	17,035,198	17,093,153	34,123,722	34,474,721
Supplies and expandable items	14,117,083	13,530,486	27,979,537	28,327,008
Communication and utilities	7,025,723	7,468,395	13,422,397	14,581,923
Other operational costs	24,163,222	18,000,946	42,339,513	45,206,936
	415,370,450	372,193,045	815,726,984	751,129,316

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6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net income for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period. The calculation of diluted earnings per share is not applicable to the Group.

The basic and diluted earnings per share are calculated as follows:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>	<i>2023</i>	<i>30 June</i>	<i>2023</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Profit for the period (SR)	73,181,762	63,734,197	144,410,068	120,859,362
Weighted average number of ordinary shares	82,000,000	82,000,000	82,000,000	82,000,000
Basic and diluted earnings per share (SR per share)	0.89	0.78	1.76	1.47

7. PROPERTY, PLANT AND EQUIPMENT

	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<u>Cost:</u>		
Balance at the beginning of the period / year	900,717,430	783,600,274
Additions during the period / year	103,601,697	135,946,943
Disposals during the period / year	(4,730,359)	(18,829,787)
Balance at the end of the period / year	999,588,768	900,717,430
<u>Accumulated depreciation:</u>		
Balance at the beginning of the period / year	485,823,519	442,648,594
Charge for the period / year	28,494,325	61,258,738
Disposals during the period / year	(4,256,070)	(18,083,813)
Balance at the end of the period / year	510,061,774	485,823,519
<u>Carrying amounts:</u>		
At the end of period / year	489,526,994	414,893,911

- a) At 30 June 2024, the Group had capital work in progress of SR 210 million (31 December 2023: SR 118 million) which represents construction works at Red Sea Project and other civil works and renovations.

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8. LEASES

a. Right-of-use assets

	<i>Commercial Building SR</i>	<i>Land SR</i>	<i>Residential Building SR</i>	<i>Vehicles SR</i>	<i>Total 2024 SR</i>
<i>Cost:</i>					
Balance at 1 January 2024	447,488,787	57,898,037	23,838,365	14,763,450	543,988,639
Additions (see note (i) below)	-	-	1,070,400	-	1,070,400
Balance at 30 June 2024	<u>447,488,787</u>	<u>57,898,037</u>	<u>24,908,765</u>	<u>14,763,450</u>	<u>545,059,039</u>
<i>Accumulated depreciation:</i>					
Balance at 1 January 2024	263,383,136	12,087,328	18,773,573	14,763,450	309,007,487
Charge for the period	22,364,556	1,208,732	187,490	-	23,760,778
Balance at 30 June 2024	<u>285,747,692</u>	<u>13,296,060</u>	<u>18,961,063</u>	<u>14,763,450</u>	<u>332,768,265</u>
<i>Carrying amounts:</i>					
At 30 June 2024 (Unaudited)	<u>161,741,095</u>	<u>44,601,977</u>	<u>5,947,702</u>	<u>-</u>	<u>212,290,774</u>
	<i>Commercial Building SR</i>	<i>Land SR</i>	<i>Residential Building SR</i>	<i>Vehicles SR</i>	<i>Total 2023 SR</i>
<i>Cost:</i>					
Balance at 1 January 2023	450,353,468	59,814,366	44,839,680	14,763,450	569,770,964
Additions	45,355,425	-	-	-	45,355,425
Lease modifications	-	-	(12,399,971)	-	(12,399,971)
Terminations	(48,220,106)	(1,916,329)	(8,601,344)	-	(58,737,779)
Balance at 31 December 2023	<u>447,488,787</u>	<u>57,898,037</u>	<u>23,838,365</u>	<u>14,763,450</u>	<u>543,988,639</u>
<i>Accumulated depreciation:</i>					
Balance at 1 January 2023	251,964,777	11,031,342	24,867,194	14,763,450	302,626,763
Charge for the year	49,621,358	2,672,743	4,392,500	-	56,686,601
Lease modifications	-	-	(3,050,975)	-	(3,050,975)
Terminations	(38,202,999)	(1,616,757)	(7,435,146)	-	(47,254,902)
Balance at 31 December 2023	<u>263,383,136</u>	<u>12,087,328</u>	<u>18,773,573</u>	<u>14,763,450</u>	<u>309,007,487</u>
<i>Carrying amounts:</i>					
At 31 December 2023	<u>184,105,651</u>	<u>45,810,709</u>	<u>5,064,792</u>	<u>-</u>	<u>234,981,152</u>

i) During the period ended 30 June 2024, the company entered into a new contract for a new Office in Riyadh.

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8. LEASES (Continued)

b. Lease Liabilities

	30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
At beginning of the period / year	244,703,303	307,370,093
Additions to lease liabilities during the period / year	1,070,400	45,355,425
Interest expense during the period / year	5,993,084	13,606,546
Lease modifications	-	(14,640,248)
Related to terminated contract	-	(29,466,525)
Lease payment during the period / year	(24,262,004)	(77,521,988)
At the end of the period / year	227,504,783	244,703,303
Less: Current portion of lease liabilities	(103,675,050)	(94,447,407)
Non-Current portion of lease liabilities	123,829,733	150,255,896

c. Leases receivables

Movement in net lease receivables during the period/year is as follows:

	30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
Net lease receivables at beginning of the period / year	5,767,746	19,248,835
Finance income	128,605	412,884
Modification	-	(2,250,729)
Payments received during the period / year	(733,248)	(11,643,244)
Net lease receivables at end of the period / year	5,163,103	5,767,746
Less: Current portion of net lease receivables	(5,163,103)	(4,777,598)
Non-Current portion of net lease receivables	-	990,148

9. INVESTMENT IN ASSOCIATE

The Group has a 40% shareholding in Saudi French Company for Duty Free Operations and Management.

The balances of the investment in associate as at 30 June 2024 and 31 December 2023 are as follows:

Name	Country of incorporation	Effective ownership interest (%)		Carrying value	
		30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Saudi French Company for Duty Free Operations and Management	Kingdom of Saudi Arabia	40%	40%	41,472,551	36,954,874

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9. INVESTMENT IN ASSOCIATE (Continued)

a) The associate does not issue interim financial statements, accordingly the financial data below and the share of results for the six-month period ended 30 June 2024 and year ended 31 December 2023 are based on internal management reporting.

b) Below is the summary of the financial information of the associate as at 30 June 2024 and 31 December 2023:

<i>i) <u>Share in net assets</u></i>	30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
Non-current assets	211,859,656	40,659,145
Current assets	216,728,102	159,866,930
Total assets	428,587,758	200,526,075
Non-current liabilities	129,779,648	10,565,810
Current liabilities	198,045,910	100,492,258
Total liabilities	327,825,558	111,058,068
Net assets	100,762,200	89,468,007
Group's share in net assets	40,304,880	35,787,203
 <i>ii) <u>Share in profit</u></i>		
	30 June 2024 SR (Unaudited)	30 June 2023 SR (Unaudited)
Revenue	361,792,299	251,754,775
Net income for the period	23,794,193	23,851,086
Group's share of net income for the year (at 40%)	9,517,677	9,540,434
Group's share of profit for the period	9,517,677	9,540,434

The associate had no contingent liabilities or capital commitments as at 30 June 2024 and 2023.

c) The movement in investment in associate for the year is as follows:

	30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
At the start of the period / year	36,954,874	21,543,123
Group's share of results in an associate	9,517,677	15,411,751
Dividend received from associate	(5,000,000)	-
At the end of the period / year	41,472,551	36,954,874

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10. TRADE AND OTHER RECEIVABLES

	30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
Trade receivables - Due from related parties (note 16)	537,366,743	299,683,331
Trade receivables – Others	385,877,368	401,794,012
Unbilled receivables (<i>note c below</i>)	55,901,752	49,397,454
	979,145,863	750,874,797
Less: allowance for expected credit losses	(157,416,160)	(149,376,270)
	821,729,703	601,498,527

- a) Trade receivables are non-interest bearing. The credit terms of the trade receivables vary across the business segments of the Group. It is not the practice of the Group to obtain collateral over receivables and the vast majority of these are, therefore, unsecured. For terms and conditions with related parties please refer to Note 16.
- b) As at 30 June 2024, approximately 71% of the Group's trade receivable's balance was due from various governmental and semi-Government entities (31 December 2023: 60%).
- c) Unbilled receivables represent billing not yet approved by customers. As at 30 June 2024 and 31 December 2023 the unbilled receivables balances was having aging of less than one year.

The movements in allowance for expected credit losses were as follows:

	30 June 2024 SR (Unaudited)	31 December 2023 SR (Audited)
At the beginning of the period / year	149,376,270	148,413,824
Charge during the period / year	8,501,570	1,274,113
Written off during the period / year	(461,680)	(311,667)
At the end of the period / year	157,416,160	149,376,270

11. SHARE CAPITAL

As at the statement of financial position date, the authorized, issued and fully paid share capital is SR 820 million (2023: SR 820 million) which is divided into 82 million (2023: 82 million) shares of SR 10 par value each (2023: SR 10 par value each).

The shareholders are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

The shareholders and their percentage interests in the share capital of the Parent Company as at:

30 June 2024:

<u>Name of Shareholders</u>	Number of shares	Value in SR	Percentage Holding %
Saudi Arabian Airlines Corporation	29,274,000	292,740,000	35.7%
Abdulmohsen Alhokair Group for Tourism and Development	5,711,256	57,112,560	7.0%
General public	47,014,744	470,147,440	57.3%
	82,000,000	820,000,000	100%

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11. SHARE CAPITAL (Continued)

31 December 2023:

<i>Name of Shareholders</i>	<i>Number of shares</i>	<i>Value in SR</i>	<i>Percentage Holding %</i>
Saudi Arabian Airlines Corporation	29,274,000	292,740,000	35.7%
Abdulmohsen Alhokair Group for Tourism and Development	6,711,256	67,112,560	8.2%
General public	46,014,744	460,147,440	56.1%
	82,000,000	820,000,000	100%

12. STATUTORY RESERVE

In accordance with the previous Company's By-laws, the Company is required to maintain a statutory reserve equal to a maximum of 30% of its share capital. According to the latest update in the Regulations for Companies in the Kingdom of Saudi Arabia, the mandatory statutory reserve requirement had been abolished. In pursuant to this change, extraordinary general meeting ("EGA") approved in its meeting on 27 Rabi-Awwal 1445H (corresponding to 12 October 2023) the amendment of the Company's Bylaws in accordance with the new Companies Law which became effective as at 19 January 2023.

13. DIVIDENDS

On 21 March 2024, and in its issued resolution, the Board of Directors recommended the distribution of cash dividends to the Company's shareholders for the second half of the fiscal year 2023 which amounted to SR 90.2 million at SR 1.1 per share. The distribution date was 24 April 2024 (22 March 2023: SR 41 million at SR 0.5 per share). Subsequent to these interim condensed consolidated financial statements for the period ended 30 June 2024, the Company announces its Board of Directors resolution issued on 4 August 2024, for approval of distribution of cash dividends to the shareholders for the first half of the fiscal year ended 30 June 2024 amounting to SR 94.3 million at SR 1.15 per share.

14. ZAKAT

	<i>30 June 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Zakat payable	16,896,730	32,655,727
Advance income tax relating to foreign shareholding	(4,814,476)	(7,127,198)
Net zakat and income tax payable	12,082,254	25,528,529

i) Movements in Zakat provision were as follows:

	<i>30 June 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Balance at beginning of the period / year	32,655,727	28,777,772
Charge for the period / year	15,043,251	33,880,036
Payments during the period / year	(30,802,248)	(30,002,081)
Balance at end of the period / year	16,896,730	32,655,727

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14. ZAKAT (Continued)

ii) Charge of the period ended 30 June 2024 and year ended 31 December 2023 is as follows:

	<i>30 June 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Zakat charge for the period / year	15,043,251	32,655,727
Prior year adjustment	-	1,224,309
Total Zakat and income tax of the period / year	15,043,251	33,880,036

Zakat assessments status

The Group's status of the assessments is as follows:

The Parent Company:

From inception year to the year ended 31 December 2022:

The Zakat, Tax and Custom Authority ("ZATCA") has finalized its Zakat inspection on the Company's accounts from inception year to the year ended 31 December 2022. The Company has diligently fulfilled its obligations by successfully settling the corresponding invoices and cleared its Zakat position till the mentioned year.

For the year ended 31 December 2023:

The Company has filed its Zakat return for the fiscal year ended 31 December 2023, and obtained related Zakat certificate. ZATCA has not yet finalized the study of the mentioned year.

The Subsidiaries:

CATRION For Catering Company

The subsidiary has submitted its Zakat declarations up to the year ended 31 December 2023 and obtained the unrestricted Zakat certificate valid until 30 April 2025.

CATRION Laundry Trading Company

The subsidiary's first financial year is a short year, commencing on the inception date of 22 June 2023. The Company submitted its first Zakat declaration for the first period ended 31 December 2023 and obtained the unrestricted Zakat certificate valid until 30 April 2025.

15. TRADE AND OTHER PAYABLES

	<i>30 June 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Accrued expenses	280,507,108	258,528,771
Trade payables – third parties	227,581,749	155,237,106
Payroll accruals	54,420,305	45,433,737
Trade payables – related parties (note 16)	3,619,994	113,990
Dividend payable (note 13)	2,664,778	2,729,578
	568,793,934	462,043,182

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16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include Group's shareholders, associated companies, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

i) Following are the details of related party transactions during the period:

<i>Name of Related party</i>	<i>Nature of transactions</i>	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Shareholders</i>					
Saudi Arabian Airlines Corporation	Sale of goods and services	435,653,681	351,416,381	855,257,321	726,250,134
	Services received	-	1,503,160	745,814	1,772,344
<i>Affiliates</i>					
Saudi Ground Services Company	Sale of goods and services	15,248,987	15,840,025	27,333,012	28,736,838
	Services received	1,350,872	861,730	1,883,164	1,454,456
Saudi Airlines Cargo Company	Sale of goods and services	1,581,211	1,535,441	3,124,796	3,047,408
	Services received	55,940	12,882	152,424	871,015
Saudi French Company for Duty Free Operations and Management	Sale of goods and services	2,203,039	1,885,134	4,170,301	3,915,413
Saudi Airlines Real Estate Development Company	Services received	1,736,830	2,618,045	1,794,330	3,183,977
Saudi Private Aviation	Sale of goods and services	6,382,466	6,242,320	11,866,156	12,603,661
Saudia Royal Fleet	Sale of goods and services	10,034,135	8,104,656	18,194,808	16,458,393
Saudia Aerospace Engineering Industries	Sale of goods and services	3,350,522	960,653	6,367,485	1,541,526
Flyadeal Airlines Company	Sale of goods and services	6,692,519	4,860,822	9,124,738	7,763,995
Al Salam Aircraft Company	Sale of goods and services	-	46,123	-	125,197
Prince Sultan Aviation Academy	Sale of goods and services	24,150	-	26,910	12,133

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16. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

ii) Due from related parties (note 10) comprised the following:

	<i>30 June 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Saudi Arabian Airlines Corporation	469,010,880	231,652,733
Saudi Ground Services Company	24,648,645	21,911,720
Saudia Aerospace Engineering Industries	16,341,054	9,973,570
Saudi Private Aviation	10,416,126	8,180,216
Saudia Royal Fleet	8,723,415	21,875,274
Flyadeal Airlines Company	5,730,102	2,835,303
Saudi Airlines Cargo Company	1,358,279	1,822,441
Saudi French Company for Duty Free Operations and Management	835,583	699,030
Al Salam Aircraft Company	245,686	682,971
Prince Sultan Aviation Academy	56,973	50,073
	<u>537,366,743</u>	<u>299,683,331</u>

iii) Due to related parties comprised the following:

	<i>30 June 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Saudi Ground Services Company	1,883,164	-
Saudi Airlines Real Estate Development Company	1,736,830	-
Saudi Arabian Airlines Company	-	113,990
	<u>3,619,994</u>	<u>113,990</u>

Terms and conditions of transactions with related parties

Outstanding balances at the reporting period are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at year-end arise in the normal course of business. For the period ended 30 June 2024 and year ended 31 December 2023, the amounts owed by related parties are not impaired.

iv) Compensation of key management personnel of the Group:

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management is shown below:

	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
	<i>2024 SR (Unaudited)</i>	<i>2023 SR (Unaudited)</i>	<i>2024 SR (Unaudited)</i>	<i>2023 SR (Unaudited)</i>
Short term employee benefits	1,889,141	1,710,296	3,711,123	3,419,743
Post-employment benefits	24,300	16,200	48,600	40,500
Termination benefits	119,533	140,609	209,062	378,823
Key management bonus	1,000,000	1,000,000	2,000,000	2,000,000
	<u>3,032,974</u>	<u>2,867,105</u>	<u>5,968,785</u>	<u>5,839,066</u>

The amounts disclosed in the table are the amounts recognised as an expense during the year related to key management personnel.

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17. CONTINGENCIES AND COMMITMENTS

As at 30 June 2024 and 31 December 2023, the Group had the following commitments, letter of guarantees and contingencies:

	2024	2023
	SR	SR
Capital commitments	92,337,502	67,385,867
Letter of guarantees (refer to note below)	53,567,378	56,731,881

On 30 June 2024, the Group had outstanding letters of guarantee amounting to SR 53.6 million issued by banks on behalf of the Group to suppliers and promises to meet any financial obligations (31 December 2023: SR 56.7 million) with cash margin deposit amounting to SR 7.1 million (31 December 2023: SR 7.1 million).

Vendors and ex-employees have commenced an action against the Group in respect of individual and commercial claimed to be defective. The estimated payout is SR 1.6 million should the action be successful.

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 04 August 2024G (corresponding to 29 Muharram 1446H).