

**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 PERIOD ENDED 31 MARCH 2024

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-months period ended 31 March 2024

INDEX	Pages
Independent auditor's review report	1
Interim condensed consolidated statement of profit or loss and other comprehensive income	2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 – 23



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
King's Road Tower, 13th Floor
King Abdul Aziz Road (Malek Road)
P.O. Box 1994
Jeddah 21441
Kingdom of Saudi Arabia
Head Office – Riyadh

C.R. No. 4030276644

Tel: +966 12 221 8400
Fax: +966 12 664 4408

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITORS' 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 31 March 2024 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statements of changes in equity and cash flows for the three-months period then ended, and other 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 issued in the Kingdom of Saudi Arabia ("KSA"). 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 condensed consolidated financial statements consists of making inquiries, primarily of the 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 (ISAs) as endorsed in the KSA 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 KSA.

For Ernst & Young Professional Services

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

Jeddah: 23 Shawwal 1445 H
(02 May 2024 G)



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

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

For the three-month period ended 31 March 2024

	Notes	Three-month period ended 31 March	
		2024 SR (Unaudited)	2023 SR (Unaudited)
Revenues	4	552,813,078	521,582,391
Cost of revenue	5	(400,356,534)	(378,936,271)
GROSS PROFIT		152,456,544	142,646,120
Other income		4,111,993	3,504,336
General and administrative expenses		(78,587,040)	(70,948,419)
Allowance for expected credit losses	10	(5,500,000)	(9,419,683)
Other expenses		(566,997)	(624,414)
TOTAL OPERATING PROFIT		71,914,500	65,157,940
Finance income		7,866,713	1,254,046
Finance cost		(4,770,545)	(5,032,115)
Share of results from investment in associate	9	5,744,555	5,086,894
PROFIT BEFORE ZAKAT		80,755,223	66,466,765
Zakat and income tax expense	14	(9,526,917)	(9,341,600)
NET PROFIT FOR THE PERIOD		71,228,306	57,125,165
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		71,228,306	57,125,165
Basic and diluted earnings per share (SR per share)	6	0.87	0.70


Chief Financial Officer


Chief Executive Officer


Board Member

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		31 March 2024 SR (Unaudited)	31 December 2023 SR (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	431,014,244	414,893,911
Right-of-use assets	8	223,145,363	234,981,152
Leases receivables – non-current portion	8	718,299	990,148
Intangible assets		-	10,890
Investment property		28,244,865	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	42,699,429	36,954,874
TOTAL NON-CURRENT ASSETS		731,927,200	722,670,550
CURRENT ASSETS			
Leases receivables - current portion	8	4,759,401	4,777,598
Inventories		85,987,270	77,190,313
Trade and other receivables	10	870,611,027	601,498,527
Prepayments and other receivables		71,492,301	86,298,862
Cash and cash equivalents		554,619,323	702,456,181
TOTAL CURRENT ASSETS		1,587,469,322	1,472,221,481
TOTAL ASSETS		2,319,396,522	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		201,096,770	220,068,464
TOTAL SHAREHOLDERS' EQUITY		1,267,096,770	1,286,068,464
NON-CURRENT LIABILITIES			
Lease liabilities – non-current portion	8	127,369,241	150,255,896
Employees' defined benefits obligation		163,299,698	164,848,553
Long-term bonus		13,700,000	11,700,000
TOTAL NON-CURRENT LIABILITIES		304,368,939	326,804,449
CURRENT LIABILITIES			
Lease liabilities – current portion	8	104,444,246	94,447,407
Zakat liabilities	14	35,055,446	25,528,529
Trade and other payables	15	608,431,121	462,043,182
TOTAL CURRENT LIABILITIES		747,930,813	582,019,118
TOTAL LIABILITIES		1,052,299,752	908,823,567
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,319,396,522	2,194,892,031
		2,319,396,522	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 (A SAUDI JOINT STOCK COMPANY)
(FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-months period ended 31 March 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 2024 (audited)	820,000,000	246,000,000	220,068,464	1,286,068,464
Net profit for the period	-	-	71,228,306	71,228,306
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	71,228,306	71,228,306
Dividends declared (note 13)	-	-	(90,200,000)	(90,200,000)
Balance as at 31 March 2024 (Unaudited)	820,000,000	246,000,000	201,096,770	1,267,096,770
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	-	-	57,125,165	57,125,165
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	57,125,165	57,125,165
Dividends declared (note 13)	-	-	(41,000,000)	(41,000,000)
Balance as at 31 March 2023 (Unaudited)	820,000,000	246,000,000	70,051,344	1,136,051,344


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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-months period ended 31 March 2024

	Notes	For the three-month period ended 31 March	
		2024	2023
		SR (Unaudited)	SR (Unaudited)
OPERATING ACTIVITIES			
Profit before zakat		80,755,223	66,466,765
<i>Adjustments to reconcile profit before zakat and income tax to net cash flows:</i>			
Depreciation on property, plant and equipment	7	14,329,142	17,851,373
Depreciation on investment property		489,710	489,710
Depreciation on right-of-use assets	8	11,835,789	16,053,661
Amortization of intangible assets		10,890	6,534
Work in progress expensed-out	7	326,173	20,585
Provision for expected credit losses	10	5,500,000	9,419,683
(Reversal) /provision for slow-moving inventory, net		(621,063)	1,170,985
Finance income		(7,866,713)	(1,254,046)
Finance cost		4,770,545	5,032,115
Loss on disposal / sale of property, plant and equipment		9,841	191,130
Share of results from associate	9	(5,744,555)	(5,086,894)
Allowance for employees' defined benefits obligation		4,321,764	4,287,474
Modification on lease receivables		-	2,250,638
Provision for accrued bonus - long term		2,000,000	2,025,000
		<u>110,116,746</u>	<u>118,924,713</u>
<i>Changes in operating assets and liabilities:</i>			
Inventories		(8,175,894)	(6,606,595)
Trade and other receivables		(274,612,500)	(37,938,696)
Prepayments and other receivables		14,806,561	239,958
Trade and other payables		64,042,001	(20,940,664)
Cash generated (used in) / generated from operations		<u>(93,823,086)</u>	<u>53,678,716</u>
Employees' defined benefits obligation paid		(7,646,861)	(2,900,988)
Net cash generated (used in) / from operating activities		<u>(101,469,947)</u>	<u>50,777,728</u>
INVESTING ACTIVITIES			
Payments received for lease receivables		366,624	-
Purchase of property, plant and equipment	7	(30,785,489)	(12,431,128)
Proceeds from disposal of property, plant and equipment		-	169,974
Net cash used in investing activities		<u>(30,418,865)</u>	<u>(12,261,154)</u>
FINANCING ACTIVITIES			
Payments lease liabilities	8	(15,884,119)	(8,328,882)
Dividend paid		(63,927)	-
Net cash used in financing activities		<u>(15,948,046)</u>	<u>(8,328,882)</u>
(DECREASED) / INCREASE IN CASH AND CASH EQUIVALENTS		<u>(147,836,858)</u>	<u>30,187,692</u>
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		<u><u>554,619,323</u></u>	<u><u>447,429,720</u></u>
SUPPLEMENTARY NON-CASH INFORMATION:			
Transfer from capital work in progress	7	3,807,046	3,800,258
Dividends declared for distribution		(90,200,000)	(41,000,000)


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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 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
Jeddah	4030227251
Jeddah	4030285290
Jeddah	4030426294
Jeddah	4030477154
Jeddah	4030485646
Makkah	4031084114
Sharma	3557100105
Rabigh	4602006306
Medina	4650055980
Medina	4650216315

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>	
					2024	2023	2024	2023
CATRION For Catering Services (formerly known SACC for Catering Company)	4030371373	3 December 2019	Kingdom of Saudi Arabia	Catering services	100%	100%	500,000	5,000,000
CATRION for Laundry Company	4030515446	22 June 2023	Kingdom of Saudi Arabia	Laundry, Washing and Drycleaning	100%	100%	500,000	5,000,000
CATRION for Operation and Maintenance	400536143	18 December 2023	Kingdom of Saudi Arabia	Catering Services Facility Management	100%	100%	500,000	500,000
CATRION Laundry for Operation and Maintenance	4030536144	18 December 2023	Kingdom of Saudi Arabia	Laundry, Washing and Drycleaning	100%	100%	500,000	500,000

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 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 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 period ended 31 March 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 31 March 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 (A SAUDI JOINT STOCK COMPANY)
(FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 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 January 01, 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 January 01, 2024.
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities	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.	Annual periods beginning on or after January 01, 2024.
Amendments to IAS 1, Classification of Liabilities as Current or Non-current	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 months 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 January 01, 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 January 01, 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 (A SAUDI JOINT STOCK COMPANY)
(FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

2. BASIS OF PREPARATION (Continued)

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 31 March 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 subsidiary are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Parent Company and its subsidiary 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 three reportable segments, as follows:

<i>Reportable segments</i>	<i>Operations</i>
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 (A SAUDI JOINT STOCK COMPANY)
(FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

3. OPERATING SEGMENTS (continued)

b. Information about reportable segments

31 March 2024 (Unaudited)

	<i>Inflight SR</i>	<i>Catering and facilities SR</i>	<i>Total reportable segments SR</i>	<i>Overheads SR</i>	<i>Head office SR</i>	<i>Elimination SR</i>	<i>Total SR</i>
External revenue	435,293,674	117,519,404	552,813,078	-	-	-	552,813,078
Inter-segment revenue	58,534,241	39,279,681	97,813,922	-	-	(97,813,922)	-
Segment revenue	493,827,915	156,799,085	650,627,000	-	-	(97,813,922)	552,813,078
Segment profit / (loss) before zakat and tax	152,210,034	1,702,336	153,912,370	(73,157,147)	-	-	80,755,223
Depreciation and amortization	11,058,160	2,814,920	13,873,080	12,792,451	-	-	26,665,531
<i>31 March 2024 (Unaudited)</i>							
Assets:							
Segment assets	1,477,128,582	211,034,492	1,688,163,074	-	-	-	1,688,163,074
Head office	-	-	-	-	631,233,448	-	631,233,448
Total Assets	1,477,128,582	211,034,492	1,688,163,074	-	631,233,448	-	2,319,396,522
Liabilities:							
Segment liabilities	537,277,548	63,225,294	600,502,842	-	-	-	600,502,842
Head office	-	-	-	-	451,796,910	-	451,796,910
Total Liabilities	537,277,548	63,225,294	600,502,842	-	451,796,910	-	1,052,299,752

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

3. OPERATING SEGMENTS (continued)

b. Information about reportable segments (continued)

31 March 2023 (Unaudited)

	<i>Inflight Catering SR</i>	<i>Catering and facilities SR</i>	<i>Total reportable segments SR</i>	<i>Overheads SR</i>	<i>Head office SR</i>	<i>Elimination SR</i>	<i>Total SR</i>
External revenue	379,117,177	142,465,214	521,582,391	-	-	-	521,582,391
Inter-segment revenue	62,246,052	26,992,112	89,238,164	-	-	(89,238,164)	-
Segment revenue	<u>441,363,229</u>	<u>169,457,326</u>	<u>610,820,555</u>	<u>-</u>	<u>-</u>	<u>- (89,238,164)</u>	<u>521,582,391</u>
Segment profit / (loss) before zakat and tax	93,865,365	25,219,835	119,085,200	(52,618,435)	-	-	66,466,765
Depreciation and amortization	18,626,643	6,045,565	24,672,208	9,736,502	-	-	34,408,710
<i>31 December 2023 (Audited)</i>							
Assets:							
Segment assets	1,397,836,774	199,706,226	1,597,543,000	-	-	-	1,597,543,000
Other assets	-	-	-	-	597,349,031	-	597,349,031
Total Assets	<u><u>1,397,836,774</u></u>	<u><u>199,706,226</u></u>	<u><u>1,597,543,000</u></u>	<u><u>-</u></u>	<u><u>597,349,031</u></u>	<u><u>-</u></u>	<u><u>2,194,892,031</u></u>
Liabilities:							
Segment liabilities	468,261,621	55,103,696	523,365,317	-	-	-	523,365,317
Head office	-	-	-	-	385,458,250	-	385,458,250
Total Liabilities	<u><u>468,261,621</u></u>	<u><u>55,103,696</u></u>	<u><u>523,365,317</u></u>	<u><u>-</u></u>	<u><u>385,458,250</u></u>	<u><u>-</u></u>	<u><u>908,823,567</u></u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

3. OPERATING SEGMENTS (continued)

c. Reconciliations of information on reportable segments to primary statements

I. Revenue

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 March 2023 SR (Unaudited)</i>
Total revenue for reportable segments	650,627,000	610,820,555
Elimination of intersegment revenue	(97,813,922)	(89,238,164)
<i>Total revenue</i>	<u>552,813,078</u>	<u>521,582,391</u>

II. Profit

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 March 2023 SR (Unaudited)</i>
Total profit for reportable segments	153,912,370	119,085,200
Overheads	(73,157,147)	(52,618,435)
<i>Total profit</i>	<u>80,755,223</u>	<u>66,466,765</u>

III. Assets

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Unaudited)</i>
Total assets for reportable segments	1,688,163,074	1,597,543,000
Head office	631,233,448	597,349,031
<i>Total assets</i>	<u>2,319,396,522</u>	<u>2,194,892,031</u>

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

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Total liabilities for reportable segments	600,502,842	523,365,317
Head office	451,796,910	385,458,250
<i>Total liabilities</i>	<u>1,052,299,752</u>	<u>908,823,567</u>

Head office amounts are principally related to trade and other payables, zakat and tax liabilities and employees' terminal benefits. Lease liabilities have been allocated to the related segment.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

3. OPERATING SEGMENTS (continued)

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

V. Geographical information

Revenue	31 March 2024 SR (Unaudited)	31 March 2023 SR (Unaudited)
Kingdom of Saudi Arabia	535,092,214	514,164,291
<i>All foreign countries</i>		
Egypt – Cairo	17,720,864	7,418,100
Total revenue	552,813,078	521,582,391

d. Major customer

Revenue from one customer of the Group represented approximately 61% (31 March 2023: 56%) of the total revenues.

4. REVENUES

	2024 SR (Unaudited)	2023 SR (Unaudited)
In-flight catering revenue	357,280,972	310,103,395
Non-airlines revenue	117,711,750	142,689,595
Business lounge revenue	64,086,798	52,889,054
Retail revenue	9,628,036	12,937,545
Other operating revenues	4,105,522	2,962,802
	552,813,078	521,582,391

5. COST OF REVENUE

	2024 SR (Unaudited)	2023 SR (Unaudited)
Cost of materials and goods	212,025,977	175,108,319
Personnel costs	91,843,099	90,136,962
Depreciation	22,824,493	30,815,990
Rent and maintenance of production units	18,139,022	16,377,392
Other costs		
Manpower and transportation cost	17,088,524	17,381,568
Supplies and expandable items	13,862,454	14,796,522
Communication and utilities	6,396,674	7,113,528
Other operational costs	18,176,291	27,205,990
	400,356,534	378,936,271

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

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:

	2024 SR <i>(Unaudited)</i>	2023 SR <i>(Unaudited)</i>
Net Profit for the period	71,228,306	57,125,165
Weighted average number of ordinary shares	82,000,000	82,000,000
Basic and diluted earnings per share (SR per share)	0.87	0.70

7. PROPERTY, PLANT AND EQUIPMENT

	31 March 2024 SR <i>(Unaudited)</i>	31 December 2023 SR <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	30,785,489	135,946,943
Disposals during the period / year	(1,092,991)	(18,490,867)
Expensed during the period / year	(326,173)	(338,920)
Balance at the end of the period / year	930,083,755	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	14,329,142	61,258,738
Disposals during the period / year	(1,083,150)	(18,083,813)
Balance at the end of the period / year	499,069,511	485,823,519
<u>Carrying amounts:</u>		
At the end of period / year	431,014,244	414,893,911

- a) At 31 March 2024, the Group had capital work in progress of SR 141 million (31 December 2023: SR 118 million) represents construction works at Red Sea Project and other civil works and renovations.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

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>
<u>Cost:</u>					
Balance at 1 January 2024	447,488,787	57,898,037	23,838,365	14,763,450	543,988,639
Balance at 31 March 2024	<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>
<u>Accumulated depreciation:</u>					
Balance at 1 January 2024	263,383,136	12,087,328	18,773,573	14,763,450	309,007,487
Charge for the period	11,137,678	604,366	93,745	-	11,835,789
Balance at 31 March 2024	<u>274,520,814</u>	<u>12,691,694</u>	<u>18,867,318</u>	<u>14,763,450</u>	<u>320,843,276</u>
<u>Carrying amounts:</u>					
At 31 March 2024 (Unaudited)	<u>172,967,973</u>	<u>45,206,343</u>	<u>4,971,047</u>	<u>-</u>	<u>223,145,363</u>
	<i>Commercial Building SR</i>	<i>Land SR</i>	<i>Residential Building SR</i>	<i>Vehicles SR</i>	<i>Total 2023 SR</i>
<u>Cost:</u>					
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>
<u>Accumulated depreciation:</u>					
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>
<u>Carrying amounts:</u>					
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>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

8. LEASES (continued)

b. Lease Liabilities

	31 March 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	-	45,355,425
Interest expense during the period / year	2,994,303	13,606,546
Lease modifications	-	(14,640,248)
Related to terminated contract	-	(29,466,525)
Lease payment during the period / year	(15,884,119)	(77,521,988)
	<hr/>	<hr/>
At the end of the period / year	231,813,487	244,703,303
Less: Current portion of lease liabilities	(104,444,246)	(94,447,407)
	<hr/>	<hr/>
Non-Current portion of lease liabilities	127,369,241	150,255,896
	<hr/> <hr/>	<hr/> <hr/>

c. Leases receivables

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

	31 March 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	76,578	412,884
Modification	-	(2,250,729)
Payments received during the period / year	(366,624)	(11,643,244)
	<hr/>	<hr/>
Net lease receivables at end of the period / year	5,477,700	5,767,746
	<hr/>	<hr/>
Less: Current portion of net lease receivables	(4,759,401)	(4,777,598)
	<hr/>	<hr/>
Non-Current portion of net lease receivables	718,299	990,148
	<hr/> <hr/>	<hr/> <hr/>

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 31 March 2024 and 31 December 2023 are as follows:

Name	Country of incorporation	Effective ownership interest (%)		Carrying value	
		31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Saudi French Company for Duty Free Operations and Management	Kingdom of Saudi Arabia	40%	40%	42,699,429	36,954,874
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

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 three-month period ended 31 March 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 31 March 2024 and 31 December 2023:

<i>i) <u>Share in net assets</u></i>	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Non-current assets	22,752,962	40,659,145
Current assets	223,219,469	159,866,930
Total assets	<u>245,972,431</u>	<u>200,526,075</u>
Non-current liabilities	11,682,507	10,565,810
Current liabilities	130,460,529	100,492,258
Total liabilities	<u>142,143,036</u>	<u>111,058,068</u>
Net assets	<u>103,829,395</u>	<u>89,468,007</u>
Group's share in net assets	<u>41,531,758</u>	<u>35,787,203</u>
 <i>ii) <u>Share in profit</u></i>		
	<i>31 March 2024 SR (Unaudited)</i>	<i>31 March 2023 SR (Unaudited)</i>
Revenue	170,034,163	114,933,866
Net income for the period	14,361,387	12,717,236
Other comprehensive income	-	-
Group's share of net income for the year (at 40%)	5,744,555	5,086,894
Group's share of other comprehensive loss of an associate (at 40%)	-	-
Group's share of profit for the period	<u>5,744,555</u>	<u>5,086,894</u>

The associate had no contingent liabilities or capital commitments as at 31 March 2024 and 2023.

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

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
At the start of the period / year	36,954,874	21,543,123
Group's share of results in an associate	5,744,555	15,411,751
At the end of the period / year	<u>42,699,429</u>	<u>36,954,874</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

10. TRADE AND OTHER RECEIVABLES

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Trade receivables - Due from related parties (note 16)	569,164,530	299,683,331
Trade receivables – Others	392,074,682	401,794,012
Unbilled receivables (<i>note c below</i>)	63,787,975	49,397,454
	1,025,027,187	750,874,797
Less: allowance for expected credit losses	(154,416,160)	(149,376,270)
	870,611,027	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 31 March 2024, approximately 72% of the Group's trade receivable's balance was due from various governmental and semi-Government entities (31 December 2023: SR 60%).
- c) Unbilled receivables represent billing not yet approved by customers. As at 31 March 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:

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
At the beginning of the period / year	149,376,270	148,413,824
Charge during the period / year	5,500,000	1,274,113
Written off during the period / year	(460,110)	(311,667)
At the end of the period / year	154,416,160	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 31 March 2024 and 31 December 2023 are as follows:

<u><i>Name of Shareholders</i></u>	<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%

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

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 amounted to SR 90.2 million at SR 1.1 per share. The distribution date will be on 24 April 2024 (22 March 2023: SR 41 million at SR 0.5 per share).

14. ZAKAT

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Zakat payable	42,182,644	32,655,727
Advance income tax relating to foreign shareholding	(7,127,198)	(7,127,198)
	<hr/>	<hr/>
Net zakat and income tax payable	35,055,446	25,528,529
	<hr/> <hr/>	<hr/> <hr/>

i) Movements in Zakat provision were as follows:

	<i>31 March 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	9,526,917	33,880,036
Payments during the period / year	-	(30,002,081)
	<hr/>	<hr/>
Balance at end of the period / year	42,182,644	32,655,727
	<hr/> <hr/>	<hr/> <hr/>

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

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Zakat charge for the period / year	9,526,917	32,655,727
Prior year adjustment	-	1,224,309
	<hr/>	<hr/>
Total Zakat and income tax of the period / year	9,526,917	33,880,036
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

14. ZAKAT (continued)

Zakat assessments status

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

The Parent Company:

The Company has submitted its Zakat and tax declarations for the years 2008 to 2022.

For the year ended 31 December 2008, Zakat, Tax and Customs Authority ("ZATCA") partially accepted the objection reducing the claim to SR 312 thousand. Accordingly, the Company has accepted the remaining claim and is in the process of obtaining a refund request.

For the years ended 31 December 2009 to 2014, the ZATCA issued queries for the mentioned years. ZATCA has not issued any assessments. However, given the statute of limitation is five years under zakat regulations and the assessment for the subsequent years has been issued for 2015 to 2020, the Company believes there may not be any further correspondence for the above period which can therefore be considered as final.

For the year ended 31 December 2015 to 2018, The ZATCA issued assessments on 22 December 2020 claiming additional zakat, tax and delay penalties on tax amounting to SR 16 million. The Company submitted its objection against the assessment and after a hearing, the ZATCA issued revised assessment claiming SR 14 million, which the Company did not accept and escalated the case to next level. The Tax Violation and Dispute Resolution Committee ("TVDRC") hearing was held on 17 July 2022. The TVDRC issued its decision, partially accepting the Company's objection. The total additional Zakat of SR 11.7 million is appearing as due for all these years. The Company has escalated the objection to the Tax Violation and Dispute Appeal Committee ("TVDAC") on 12 September 2022.

For the year ended 31 December 2019 to 2020, post-submission of the response to the ZATCA queries and draft assessment, the ZATCA issued a final assessment claiming additional zakat, tax and penalties amounting to SR 9.2 million. The Company submitted an objection against the above assessment.

During the year ended 31 December 2023, the Company accepted and settled final settlement offer of SR 5.07 million in relation for the years ended 31 December 2015 to 2020 from Internal Settlement Committee.

For the years ended 31 December 2021 to 2022, the Company received a final assessment from ZATCA amounting to SAR 118 thousand which has been accepted and settled by the Company hence the above-mentioned years considered as final. The Company has a certificate valid to 30 April 2024.

The Company has a refund of SR 7.1 million for overpaid accelerated taxes. The Company is in the process of obtaining the said refund from ZATCA.

For the year ended 31 December 2023, the Company is in the process of submitting the Zakat declaration.

The Subsidiaries:

CATRION For Catering Company

The subsidiary has submitted its Zakat declarations up to the year ended 31 December 2022 and obtained the unrestricted Zakat certificate valid until 30 April 2024.

For the year ended 31 December 2023, the Company is in the process of submitting the Zakat declaration.

CATRION For Laundry Company

The subsidiary's first financial year is a short year, commencing on the inception date of 22 June 2023. The Company is in the process of submitting its first Zakat declaration for the first period ended 31 December 2023.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

15. TRADE AND OTHER PAYABLES

	<i>31 March</i> 2024 SR <i>(Unaudited)</i>	<i>31 December</i> 2023 SR <i>(Audited)</i>
Accrued expenses	279,579,829	258,528,771
Trade payables – third parties	183,006,525	155,237,106
Payroll accruals	51,701,010	45,433,737
Trade payables – related parties (note 16)	1,278,106	113,990
Dividend payable (note 13)	92,865,651	2,729,578
	608,431,121	462,043,182

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> 31 March	
		2024 SR <i>(Unaudited)</i>	2023 SR <i>(Unaudited)</i>
<i>Shareholders</i>			
Saudi Arabian Airlines Corporation	Sale of goods and services	419,603,640	374,833,752
	Services received	745,814	269,184
<i>Affiliates</i>			
Saudi Ground Services Company	Sale of goods and services	12,084,025	12,896,813
	Services received	532,292	592,726
Saudi Airlines Cargo Company	Sale of goods and services	1,543,585	1,511,968
	Services received	96,484	858,133
Saudi French Company for Duty Free Operations and Management	Sale of goods and services	1,967,262	2,030,279
Saudi Airlines Real Estate Development Company	Services received	57,500	565,932
Saudi Private Aviation	Sale of goods and services	5,483,690	6,361,341
Saudia Royal Fleet	Sale of goods and services	8,160,673	8,353,737
Saudia Aerospace Engineering Industries	Sale of goods and services	3,016,963	580,872
Flyadeal Airlines Company	Sale of goods and services	2,432,220	2,903,173
Al Salam Aircraft Company	Sale of goods and services	-	79,074
Prince Sultan Aviation Academy	Sale of goods and services	2,760	12,133

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

16. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

ii) Due from related parties comprised the following:

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Saudi Arabian Airlines Corporation	496,622,142	231,652,733
Saudia Royal Fleet	13,682,263	21,875,274
Saudi Ground Services Company	30,694,614	21,911,720
Saudi Private Aviation	9,557,725	8,180,216
Saudia Aerospace Engineering Industries	12,990,533	9,973,570
Flyadeal Airlines Company	2,068,608	2,835,303
Saudi Airlines Cargo Company	2,398,485	1,822,441
Al Salam Aircraft Company	465,892	682,971
Saudi French Company for Duty Free Operations and Management	631,435	699,030
Prince Sultan Aviation Academy	52,833	50,073
	<u>569,164,530</u>	<u>299,683,331</u>

iii) Due to related parties comprised the following:

	<i>31 March 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Saudi Arabian Airlines Company	745,814	113,990
Saudi Ground Services Company	532,292	-
	<u>1,278,106</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 31 March 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 31 March</i>	
	<i>2024 SR (Unaudited)</i>	<i>2023 SR (Unaudited)</i>
Short term employee benefits	1,821,982	1,709,447
Post-employment benefits	24,300	24,300
Termination benefits	89,529	238,214
Key management bonus	1,000,000	1,000,000
	<u>2,935,811</u>	<u>2,971,961</u>

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 March 2024

17. CONTINGENCIES AND COMMITMENTS

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

	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
Capital commitments	80,321,133	67,385,867
Letter of guarantees (refer to note below)	53,497,327	56,731,881

On 31 March 2024, the Group had outstanding letters of guarantee amounting to SR 53.5 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 30 April 2024 G (corresponding to 21 Shawwal 1445 H).