

**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 NINE-MONTH PERIODS ENDED 30
SEPTEMBER 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 nine-month periods ended 30 September 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

**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”) and its subsidiaries (collectively referred to as “the Group”) as at 30 September 2024, and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-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: 5 Jumada Al-Ula 1446 H
(7 November 2024 G)



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 nine-month periods ended 30 September 2024

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024 SR (Unaudited)	2023 SR (Unaudited)	2024 SR (Unaudited)	2023 SR (Unaudited)
Revenue	4	587,209,457	565,970,910	1,704,828,005	1,584,632,827
Cost of revenue	5	(422,034,053)	(409,703,472)	(1,237,761,037)	(1,160,832,788)
GROSS PROFIT		165,175,404	156,267,438	467,066,968	423,800,039
General and administrative expenses		(61,114,292)	(72,545,413)	(217,738,783)	(211,420,573)
Reversal / (allowance) for expected credit losses	10	8,600,267	(7,654,431)	98,697	(8,274,113)
Other income		2,354,004	20,051,441	11,891,790	26,466,025
Other expenses		(299,421)	(139,329)	(1,113,259)	(1,037,515)
TOTAL OPERATING PROFIT		114,715,962	95,979,706	260,205,413	229,533,863
Finance income		5,024,670	5,009,850	19,122,524	11,598,459
Finance cost		(5,731,866)	(4,994,846)	(15,383,529)	(15,086,995)
Share of results from investment in associate	9	(102,177)	4,384,299	9,415,500	13,924,733
PROFIT BEFORE ZAKAT		113,906,589	100,379,009	273,359,908	239,970,060
Zakat expense	14	(4,284,958)	(8,030,947)	(19,328,209)	(26,762,636)
NET PROFIT FOR THE PERIOD		109,621,631	92,348,062	254,031,699	213,207,424
Other comprehensive (loss) / income		-	-	(164,757)	1,660,983
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		109,621,631	92,348,062	253,866,942	214,868,407
Basic and diluted earnings per share (SR per share)	6	1.34	1.13	3.10	2.60



Chief Financial Officer



Chief Executive Officer



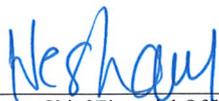
Board Member

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 September 2024

		30 September 2024 SR (Unaudited)	31 December 2023 SR (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	656,467,357	414,893,911
Right-of-use assets	8	224,005,045	234,981,152
Leases receivables – non-current portion	8	-	990,148
Intangible assets		-	10,890
Investment property		27,265,445	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	41,370,374	36,954,874
TOTAL NON-CURRENT ASSETS		955,213,221	722,670,550
CURRENT ASSETS			
Inventories		99,695,221	77,190,313
Leases receivables - current portion	8	5,214,603	4,777,598
Trade and other receivables	10	922,991,563	601,498,527
Prepayments and other receivables		103,071,964	86,298,862
Cash and cash equivalents		347,302,679	702,456,181
TOTAL CURRENT ASSETS		1,478,276,030	1,472,221,481
TOTAL ASSETS		2,433,489,251	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		289,435,406	220,068,464
TOTAL SHAREHOLDERS' EQUITY		1,355,435,406	1,286,068,464
NON-CURRENT LIABILITIES			
Lease liabilities – non-current portion	8	176,691,433	150,255,896
Employees' defined benefits obligation		166,281,372	164,848,553
Long-term bonus		17,700,000	11,700,000
TOTAL NON-CURRENT LIABILITIES		360,672,805	326,804,449
CURRENT LIABILITIES			
Lease liabilities – current portion	8	76,658,397	94,447,407
Zakat liabilities	14	16,367,212	25,528,529
Trade and other payables	15	624,355,431	462,043,182
TOTAL CURRENT LIABILITIES		717,381,040	582,019,118
TOTAL LIABILITIES		1,078,053,845	908,823,567
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,433,489,251	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 nine-month period ended 30 September 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	-	-	213,207,424	213,207,424
Other comprehensive income	-	-	1,660,983	1,660,983
Total comprehensive income	-	-	214,868,407	214,868,407
Dividends declared (note 13)	-	-	(123,000,000)	(123,000,000)
Balance as at 30 September 2023 (Unaudited)	<u>820,000,000</u>	<u>246,000,000</u>	<u>145,794,586</u>	<u>1,211,794,586</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	-	-	254,031,699	254,031,699
Other comprehensive loss	-	-	(164,757)	(164,757)
Total comprehensive income	-	-	253,866,942	253,866,942
Dividends declared (note 13)	-	-	(184,500,000)	(184,500,000)
Balance as at 30 September 2024 (Unaudited)	<u>820,000,000</u>	<u>246,000,000</u>	<u>289,435,406</u>	<u>1,355,435,406</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 nine-month period ended 30 September 2024

		<i>For the nine-month period ended 30 September</i>	
		2024	2023
		SR	SR
	Notes	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Profit before zakat		273,359,908	239,970,060
<i>Adjustments to reconcile profit before zakat and income tax to net cash flows:</i>			
Depreciation on property, plant and equipment	7	41,692,629	46,767,814
Depreciation on investment in property		1,469,130	1,469,130
Depreciation on right-of-use assets	8	38,493,390	44,591,046
Amortization of intangible assets		10,890	19,601
Work in progress expensed during the period		-	333,920
Provision for expected credit losses	10	(98,697)	8,274,113
Provision / (reversal of provision) for slow-moving inventory, net		(4,001,310)	(2,901,558)
Finance income		(19,122,524)	(11,598,459)
Finance cost		15,383,529	15,086,995
Loss / (gain) on disposal of property, plant and equipment		86,827	(1,334,885)
Share of results from associate	9	(9,415,500)	(13,924,733)
Provision for employees' defined benefits obligation		14,056,390	16,744,389
Gain on termination and modification of leases		-	(16,066,644)
Modification on lease receivables		-	2,250,729
Long-term bonus		6,000,000	6,075,000
		<u>357,914,662</u>	<u>335,756,518</u>
<i>Changes in operating assets and liabilities:</i>			
Inventories		(18,503,598)	(14,154,671)
Trade receivables		(321,394,339)	(48,611,562)
Prepayments and other receivables		(16,773,102)	(61,169,658)
Trade and other payables		181,316,599	43,059,834
Cash generated from operations		<u>182,560,222</u>	<u>254,880,461</u>
Employees' defined benefits obligation paid		(18,488,133)	(21,101,423)
Net zakat paid	14	(28,489,526)	(30,002,081)
Net cash generated from operating activities		<u>135,582,563</u>	<u>203,776,957</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(283,968,404)	(55,457,395)
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		615,502	1,739,169
Net cash used in investing activities		<u>(277,619,654)</u>	<u>(43,243,763)</u>
FINANCING ACTIVITIES			
Payments of lease liabilities	8	(28,554,480)	(39,787,624)
Dividends paid		(184,561,931)	(122,529,837)
Net cash used in financing activities		<u>(213,116,411)</u>	<u>(162,317,461)</u>
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(355,153,502)</u>	<u>(1,784,267)</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>347,302,679</u>	<u>415,457,761</u>
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION:			
Addition to right-of-use assets	8	27,517,283	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 September 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>	
					2024	2023	2024	2023
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	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 “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 September 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 September 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 September 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 September 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
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	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 September 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
Integrated Hospitality	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 September 2024

3. OPERATING SEGMENTS (Continued)

b. Information about reportable segments

30 September 2024 (Unaudited)

	Inflight SR	Integrated Hospitality SR	Total reportable segments SR	Overheads SR	Head office SR	Elimination SR	Total SR
External revenue	1,347,435,662	357,392,343	1,704,828,005	-	-	-	1,704,828,005
Inter-segment revenue	181,864,929	107,131,042	288,995,971	-	-	(288,995,971)	-
Segment revenue	1,529,300,591	464,523,385	1,993,823,976	-	-	(288,995,971)	1,704,828,005
Segment profit / (loss) before Zakat	411,223,503	21,707,003	432,930,506	(159,570,598)	-	-	273,359,908
Depreciation and amortization	48,303,553	7,163,694	55,467,247	26,198,792	-	-	81,666,039
<i>30 September 2024 (Unaudited)</i>							
Assets:							
Segment assets	1,549,789,564	221,415,426	1,771,204,990	-	-	-	1,771,204,990
Head office	-	-	-	-	662,284,261	-	662,284,261
Total Assets	1,549,789,564	221,415,426	1,771,204,990	-	662,284,261	-	2,433,489,251
Liabilities:							
Segment liabilities	553,247,933	65,104,643	618,352,576	-	-	-	618,352,576
Head office	-	-	-	-	459,701,269	-	459,701,269
Total Liabilities	553,247,933	65,104,643	618,352,576	-	459,701,269	-	1,078,053,845

**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 September 2024

3. OPERATING SEGMENTS (Continued)

b. Information about reportable segments (Continued)

30 September 2023 (Unaudited)

	<i>Inflight</i>	<i>Integrated</i>	<i>Total reportable</i>	<i>Overheads</i>	<i>Head office</i>	<i>Elimination</i>	<i>Total</i>
	<i>SR</i>	<i>Hospitality</i>	<i>segments</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
External revenue	1,176,461,684	408,171,143	1,584,632,827	-	-	-	1,584,632,827
Inter-segment revenue	187,169,327	80,086,838	267,256,165	-	-	(267,256,165)	-
Segment revenue	1,363,631,011	488,257,981	1,851,888,992	-	-	(267,256,165)	1,584,632,827
Segment profit / (loss) before zakat and tax	320,742,628	80,417,582	401,160,210	(161,190,150)	-	-	239,970,060
Depreciation and amortization	54,424,283	10,066,810	64,491,093	28,356,498	-	-	92,847,591

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

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 September 2024

3. OPERATING SEGMENTS (Continued)

c. Reconciliations of information on reportable segments to primary statements

I. Revenue

	<i>30 September 2024 SR (Unaudited)</i>	<i>30 September 2023 SR (Unaudited)</i>
Total revenue for reportable segments	1,993,823,976	1,851,888,992
Elimination of intersegment revenue	(288,995,971)	(267,256,165)
<i>Total revenue</i>	<u>1,704,828,005</u>	<u>1,584,632,827</u>

II. Profit

	<i>30 September 2024 SR (Unaudited)</i>	<i>30 September 2023 SR (Unaudited)</i>
Total profit for reportable segments	432,930,506	401,160,210
Overheads	(159,570,598)	(161,190,150)
<i>Total profit</i>	<u>273,359,908</u>	<u>239,970,060</u>

III. Assets

	<i>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Total assets for reportable segments	1,771,204,990	1,597,543,000
Head office	662,284,261	597,349,031
<i>Total assets</i>	<u>2,433,489,251</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>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Total liabilities for reportable segments	618,352,576	523,365,317
Head office	459,701,269	385,458,250
<i>Total liabilities</i>	<u>1,078,053,845</u>	<u>908,823,567</u>

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.

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 September 2024

3. OPERATING SEGMENTS (Continued)

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

V. Geographical information

Revenue	30 September 2024 SR (Unaudited)	30 September 2023 SR (Unaudited)
Kingdom of Saudi Arabia	1,654,583,609	1,546,855,998
<i>All foreign countries</i>		
Egypt – Cairo	50,244,396	37,776,829
Total revenue	1,704,828,005	1,584,632,827

d. Major customer

Revenue from one customer of the Group represented approximately 67% (30 September 2023: 55%) of the total revenues.

4. REVENUE

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September		30 September	
	2024	2023	2024	2023
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
In-flight catering revenue	393,307,367	364,115,463	1,122,956,631	974,974,372
Non-airlines revenue	113,632,169	135,679,987	347,771,698	406,953,004
Business lounge revenue	69,855,171	55,356,624	196,443,559	160,657,680
Retail revenue	8,212,990	10,627,924	27,969,007	36,695,368
Other operating revenue	2,201,760	190,912	9,687,110	5,352,403
	587,209,457	565,970,910	1,704,828,005	1,584,632,827

5. COST OF REVENUE

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September		30 September	
	2024	2023	2024	2023
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of materials and goods	221,753,353	206,888,797	647,976,632	560,107,689
Personnel costs	95,858,435	102,436,301	284,834,162	289,063,881
Depreciation	24,374,174	25,024,357	69,806,437	81,875,302
Rent and maintenance of production units	18,083,761	16,248,452	55,314,307	48,089,763
Other costs				
Manpower and transportation cost	17,539,198	17,377,432	51,662,920	51,852,153
Supplies and expandable items	14,798,094	14,015,682	42,777,631	42,342,690
Communication and utilities	6,984,391	4,979,641	20,406,788	19,561,564
Other operational costs	22,642,647	22,732,810	64,982,160	67,939,746
	422,034,053	409,703,472	1,237,761,037	1,160,832,788

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 September 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:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>		<i>30 September</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)	109,621,631	92,348,062	254,031,699	213,207,424
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)	1.34	1.13	3.10	2.60

7. PROPERTY, PLANT AND EQUIPMENT

	<i>30 September</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	283,968,404	135,946,943
Disposals during the period / year	(8,168,381)	(18,829,787)
Balance at the end of the period / year	1,176,517,453	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	41,692,629	61,258,738
Disposals during the period / year	(7,466,052)	(18,083,813)
Balance at the end of the period / year	520,050,096	485,823,519
<u>Carrying amounts:</u>		
At the end of period / year	656,467,357	414,893,911

a) At 30 September 2024, the Group had capital work in progress of SR 375 million (31 December 2023: SR 118 million) which represents construction works at Red Sea Project and other civil works and renovations.

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 September 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>
<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)	25,940,759	-	1,576,524	-	27,517,283
	<u>473,429,546</u>	<u>57,898,037</u>	<u>25,414,889</u>	<u>14,763,450</u>	<u>571,505,922</u>
	<u>473,429,546</u>	<u>57,898,037</u>	<u>25,414,889</u>	<u>14,763,450</u>	<u>571,505,922</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	36,092,509	1,813,100	587,781	-	38,493,390
	<u>299,475,645</u>	<u>13,900,428</u>	<u>19,361,354</u>	<u>14,763,450</u>	<u>347,500,877</u>
	<u>299,475,645</u>	<u>13,900,428</u>	<u>19,361,354</u>	<u>14,763,450</u>	<u>347,500,877</u>
<i>Carrying amounts:</i>					
At 30 September 2024					
(Unaudited)	<u>173,953,901</u>	<u>43,997,609</u>	<u>6,053,535</u>	<u>-</u>	<u>224,005,045</u>
	<u>173,953,901</u>	<u>43,997,609</u>	<u>6,053,535</u>	<u>-</u>	<u>224,005,045</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)
	<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>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)
	<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>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>
	<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 on September 30, 2024, the company entered into new contracts for a New Office in Riyadh, an accommodation lease in Dammam and a new lounge in Dammam Airport.

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 September 2024

8. LEASES (Continued)

b. Lease Liabilities

	<i>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
At beginning of the period / year	244,703,303	307,370,093
Additions to lease liabilities during the period / year	27,517,283	45,355,425
Interest expense during the period / year	9,683,724	13,606,546
Lease modifications	-	(14,640,248)
Related to terminated contract	-	(29,466,525)
Lease payment during the period / year	(28,554,480)	(77,521,988)
	<hr/>	<hr/>
At the end of the period / year	253,349,830	244,703,303
Less: Current portion of lease liabilities	(76,658,397)	(94,447,407)
	<hr/>	<hr/>
Non-Current portion of lease liabilities	176,691,433	150,255,896
	<hr/> <hr/>	<hr/> <hr/>

c. Leases receivables

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

	<i>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Net lease receivables at beginning of the period / year	5,767,746	19,248,835
Finance income	180,105	412,884
Modification	-	(2,250,729)
Payments received during the period / year	(733,248)	(11,643,244)
	<hr/>	<hr/>
Net lease receivables at end of the period / year	5,214,603	5,767,746
	<hr/>	<hr/>
Less: Current portion of net lease receivables	(5,214,603)	(4,777,598)
	<hr/>	<hr/>
Non-Current portion of net lease receivables	-	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 30 September 2024 and 31 December 2023 are as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>Effective ownership interest (%)</i>		<i>Carrying value</i>	
		<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>	<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Saudi French Company for Duty Free Operations and Management	Kingdom of Saudi Arabia	40%	40%	41,370,374	36,954,874
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 September 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 six-month period ended 30 September 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 September 2024 and 31 December 2023:

<i>i) <u>Share in net assets</u></i>	<i>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Non-current assets	214,236,740	40,659,145
Current assets	219,046,000	159,866,930
Total assets	433,282,740	200,526,075
Non-current liabilities	121,555,687	10,565,810
Current liabilities	211,220,294	100,492,258
Total liabilities	332,775,981	111,058,068
Net assets	100,506,759	89,468,007
Group's share in net assets	40,202,703	35,787,203
 <i>ii) <u>Share in profit</u></i>	 <i>30 September 2024 SR (Unaudited)</i>	 <i>30 September 2023 SR (Unaudited)</i>
Revenue	496,431,732	393,006,411
Net income for the period	23,538,751	34,811,833
Group's share of profit for the period (at 40%)	9,415,500	13,924,733

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

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

	<i>30 September 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	9,415,500	15,411,751
Dividend received from associate	(5,000,000)	-
At the end of the period / year	41,370,374	36,954,874

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 September 2024

10. TRADE AND OTHER RECEIVABLES

	<i>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Trade receivables - Due from related parties (note 16)	641,131,620	299,683,331
Trade receivables – Others	348,106,669	401,794,012
Unbilled receivables (<i>note c below</i>)	65,730,318	49,397,454
	1,054,968,607	750,874,797
Less: allowance for expected credit losses	(131,977,044)	(149,376,270)
	922,991,563	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 September 2024, approximately 76% 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 September 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>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
At the beginning of the period / year	149,376,270	148,413,824
(Reversal) / charge during the period / year	(98,697)	1,274,113
Written-off during the period / year	(17,300,529)	(311,667)
At the end of the period / year	131,977,044	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 September 2024:

<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	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%

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 September 2024

11. SHARE CAPITAL (Continued)

31 December 2023:

<u>Name of Shareholders</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%

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 for the period ended 31 March 2024. The distribution date was 24 April 2024 (22 March 2023: SR 41 million at SR 0.5 per share).

On 4 August 2024, the Company announces its Board of Directors resolution issued for approval of distribution of cash dividends to the shareholders for the first half of the fiscal year for the period ended 30 June 2024 amounting to SR 94.3 million at SR 1.15 per share.

14. ZAKAT

	<i>30 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Zakat payable	21,181,688	32,655,727
Advance income tax relating to foreign shareholding	(4,814,476)	(7,127,198)
Net zakat and income tax payable	16,367,212	25,528,529

i) Movements in Zakat provision were as follows:

	<i>30 September 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	19,328,209	33,880,036
Payments during the period / year	(30,802,248)	(30,002,081)
Balance at end of the period / year	21,181,688	32,655,727

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 September 2024

14. ZAKAT (Continued)

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

	<i>30 September 2024 SR (Unaudited)</i>	<i>31 December 2024 SR (Audited)</i>
Zakat charge for the period / year	19,328,209	32,655,727
Prior year adjustment	-	1,224,309
Total Zakat and income tax of the period / year	19,328,209	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 September 2024 SR (Unaudited)</i>	<i>31 December 2023 SR (Audited)</i>
Accrued expenses	269,665,103	258,528,771
Trade payables – third parties	298,061,664	155,237,106
Payroll accruals	53,101,954	45,433,737
Trade payables – related parties (note 16)	859,063	113,990
Dividend payable (note 13)	2,667,647	2,729,578
	624,355,431	462,043,182

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 September 2024

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>Nine-month period ended</i>	
		<i>30 September</i>		<i>30 September</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>
<i>Shareholders</i>					
Saudi Arabian Airlines Corporation	Sale of goods and services	485,620,098	401,737,664	1,340,877,419	1,127,987,798
	Services received	-	43,819	745,814	1,816,163
<i>Affiliates</i>					
Saudi Ground Services Company	Sale of goods and services	10,475,967	16,331,080	37,808,979	45,067,918
	Services received	1,497,722	1,910,103	3,380,886	3,364,559
Saudi Airlines Cargo Company	Sale of goods and services	1,484,163	1,415,495	4,608,958	4,462,903
	Services received	-	501,286	152,424	1,372,301
Saudi French Company for Duty Free Operations and Management	Sale of goods and services	1,548,352	1,362,946	5,718,652	5,278,359
Saudi Airlines Real Estate Development Company	Sale of goods and services	16,560	1,724,230	16,560	1,724,230
	Services received	-	-	1,794,330	3,183,977
Saudi Private Aviation	Sale of goods and services	5,946,433	-	17,812,589	12,133
Saudia Royal Fleet	Sale of goods and services	7,833,983	9,289,020	26,028,791	25,747,413
Saudia Aerospace Engineering Industries	Sale of goods and services	480,010	474,940	6,847,495	2,016,466
Flyadeal Airlines Company	Sale of goods and services	5,678,938	4,913,145	14,803,677	12,677,140
Al Salam Aircraft Company	Sale of goods and services	-	10,068	-	135,265
Prince Sultan Aviation Academy	Sale of goods and services	15,272	5,686,005	42,182	18,289,666

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 September 2024

16. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

	30 September 2024 SR (Unaudited)	31 December 2023 SR (Audited)
Saudi Arabian Airlines Corporation	582,204,372	231,652,733
Saudi Ground Services Company	21,665,560	21,911,720
Saudia Aerospace Engineering Industries	16,821,065	9,973,570
Saudia Royal Fleet	11,627,576	21,875,274
Saudi Private Aviation	3,562,178	8,180,216
Flyadeal Airlines Company	3,228,616	2,835,303
Saudi Airlines Cargo Company	1,292,530	1,822,441
Saudi French Company for Duty Free Operations and Management	488,213	699,030
Al Salam Aircraft Company	164,665	682,971
Prince Sultan Aviation Academy	60,285	50,073
Saudi Airlines Real Estate Development Company	16,560	-
	<u>641,131,620</u>	<u>299,683,331</u>

iii) Due to related parties (note 15) comprised the following:

	30 September 2024 SR (Unaudited)	31 December 2023 SR (Audited)
Saudi Ground Services Company	859,063	-
Saudi Arabian Airlines Company	-	113,990
	<u>859,063</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 September 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:

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2024	2023	2024	2023
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short term employee benefits	1,771,412	1,544,119	5,482,535	4,963,862
Post-employment benefits	24,300	24,300	72,900	64,800
Termination benefits	76,173	74,216	285,235	453,039
Key management bonus	1,000,000	1,000,000	3,000,000	3,000,000
	<u>2,871,885</u>	<u>2,642,635</u>	<u>8,840,670</u>	<u>8,481,701</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 (FORMERLY KNOWN AS SAUDI AIRLINES CATERING COMPANY)
(A SAUDI JOINT STOCK COMPANY)

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

17. CONTINGENCIES AND COMMITMENTS

As at 30 September 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	150,373,863	67,385,867
Letter of guarantees (refer to note below)	64,419,917	56,731,881

On 30 September 2024, the Group had outstanding letters of guarantee amounting to SR 64.4 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 0.9 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 5 November 2024 (corresponding to 3 Jumada Al-Ula 1446H).