

**CATRION FOR CATERING HOLDING 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 2025

CATRION FOR CATERING HOLDING 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 2025

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**INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF
CATRION FOR CATERING HOLDING 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 (A Saudi Joint Stock Company) (the "Company" or the "Parent Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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: 16 Thul-Qi'dah 1446 H
(14 May 2025 G)

CATRION FOR CATERING HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
For the three-month period ended 31 March 2025

		<i>Three-month period ended</i>	
		<i>31 March</i>	
		<i>2025</i>	<i>2024</i>
		<i>ﷲ</i>	<i>ﷲ</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenues	4	589,387,152	552,813,078
Cost of revenue	5	(419,497,632)	(400,356,534)
GROSS PROFIT		169,889,520	152,456,544
Other income		11,841,346	4,111,993
General and administrative expenses		(88,257,624)	(78,587,040)
Allowance for expected credit losses	12	(6,025,378)	(5,500,000)
Other expenses		(505,306)	(566,997)
TOTAL OPERATING PROFIT		86,942,558	71,914,500
Finance income		5,798,990	7,866,713
Finance cost		(9,624,512)	(4,770,545)
Share of results from investment in associate	11	(1,711,385)	5,744,555
PROFIT BEFORE ZAKAT		81,405,651	80,755,223
Zakat and income tax expense	16	(6,627,970)	(9,526,917)
NET PROFIT FOR THE PERIOD		74,777,681	71,228,306
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		74,777,681	71,228,306
Basic and diluted earnings per share (ﷲ per share)	6	0.91	0.87



Chief Financial Officer



Chief Executive Officer



Member of the Board of Directors

The attached notes 1 to 21 form part of these unaudited interim condensed consolidated financial statements.

CATRION FOR CATERING HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Note	31 March 2025 (Unaudited) S	31 December 2024 (Audited) S
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	955,840,122	805,396,744
Right-of-use assets	9	419,643,447	211,222,337
Investment property		26,286,025	26,775,735
Advance against investment in shares		3,790,764	3,790,764
Margin deposit		4,230,000	4,230,000
Derivative financial instruments	10	2,550,927	-
Investment in an associate	11	41,626,981	43,338,366
TOTAL NON-CURRENT ASSETS		1,453,968,266	1,094,753,946
CURRENT ASSETS			
Inventories	8	90,324,108	84,577,494
Leases receivables – current portion	9	5,266,584	5,241,092
Trade and unbilled receivables	12	928,732,112	716,109,290
Prepayments and other receivables		141,210,164	155,857,890
Cash and cash equivalents		443,417,656	631,298,642
TOTAL CURRENT ASSETS		1,608,950,624	1,593,084,408
TOTAL ASSETS		3,062,918,890	2,687,838,354
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	820,000,000	820,000,000
Statutory reserve	14	246,000,000	246,000,000
Retained earnings		366,293,344	385,815,663
TOTAL EQUITY		1,432,293,344	1,451,815,663
LIABILITIES			
NON-CURRENT LIABILITIES			
Loan and borrowings – non-current portion	18	240,468,847	157,290,378
Lease liabilities – non-current portion	9	358,298,338	165,477,645
Long-term bonus		5,841,788	3,716,789
Employees' defined benefits obligation		172,280,458	170,168,092
TOTAL NON-CURRENT LIABILITIES		776,889,431	496,652,904
CURRENT LIABILITIES			
Trade and other payables	17	743,848,308	663,151,680
Loan and borrowings – current portion	18	6,701,040	4,154,218
Lease liabilities – current portion	9	76,576,741	52,081,833
Zakat liabilities	16	26,610,026	19,982,056
TOTAL CURRENT LIABILITIES		853,736,115	739,369,787
TOTAL LIABILITIES		1,630,625,546	1,236,022,691
TOTAL EQUITY AND LIABILITIES		3,062,918,890	2,687,838,354



Chief Financial Officer



Chief Executive Officer



Member of the Board of Directors


The attached notes 1 to 21 form part of these unaudited interim condensed consolidated financial statements.

CATRION FOR CATERING HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2025

	<i>Share capital ﷲ</i>	<i>Statutory reserve ﷲ</i>	<i>Retained earnings ﷲ</i>	<i>Total ﷲ</i>
Balance as at 31 December 2024 (audited)	820,000,000	246,000,000	385,815,663	1,451,815,663
Net profit for the period	-	-	74,777,681	74,777,681
Total comprehensive income	-	-	74,777,681	74,777,681
Dividends declared (note 15)	-	-	(94,300,000)	(94,300,000)
Balance as at 31 March 2025 (Unaudited)	820,000,000	246,000,000	366,293,344	1,432,293,344
Balance as at 31 December 2023 (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
Total comprehensive income	-	-	71,228,306	71,228,306
Dividends declared (note 15)	-	-	(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


Chief Financial Officer


Chief Executive Officer


Member of the Board of Directors


The attached notes 1 to 21 form part of these unaudited interim condensed consolidated financial statements.

CATRION for CATERING HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2025

		<i>For the three-month period ended 31 March</i>	
		2025	2024
		S	S
	Notes	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Profit before zakat		81,405,651	80,755,223
<i>Adjustments to reconcile profit before zakat and income tax to net cash flows:</i>			
Depreciation on property, plant and equipment	7	13,905,482	14,329,142
Depreciation on right-of-use assets	9	17,517,383	11,835,789
Depreciation on investment property		489,710	489,710
Work in progress expensed-out	7	-	326,173
Amortization of intangible assets		-	10,890
Provision for expected credit losses	12	6,025,378	5,500,000
Provision / (reversal) for slow-moving inventory, net		722,651	(621,063)
Finance income		(5,798,990)	(7,866,713)
Finance cost		9,624,512	4,770,545
Gain on derivative financial instruments	10	(2,550,927)	-
Loss on disposal / sale of property, plant and equipment		39,873	9,841
Share of results from associate	11	1,711,385	(5,744,555)
Gain from termination of lease/modification		(6,608,750)	-
Allowance for employees' defined benefits obligation		4,514,423	4,321,764
Provision for accrued bonus - long term		2,125,000	2,000,000
		<u>123,122,781</u>	<u>110,116,746</u>
<i>Changes in operating assets and liabilities:</i>			
Inventories		(6,469,265)	(8,175,894)
Trade and other receivables		(218,648,200)	(274,612,500)
Prepayments and other receivables		14,647,726	14,806,561
Trade and other payables		(7,815,519)	64,042,001
Cash used in operations		<u>(95,162,477)</u>	<u>(93,823,086)</u>
Employees' defined benefits obligation paid		(4,532,561)	(7,646,861)
Net cash used in operating activities		<u>(99,695,038)</u>	<u>(101,469,947)</u>
INVESTING ACTIVITIES			
Payments received for lease receivables		-	366,624
Proceeds from disposal of property, plant and equipment		616,446	-
Additions of property, plant and equipment	7	(165,005,179)	(30,785,489)
Net cash used in investing activities		<u>(164,388,733)</u>	<u>(30,418,865)</u>
FINANCING ACTIVITIES			
Payments lease liabilities	9	(9,508,150)	(15,884,119)
Loans proceeds		85,725,291	-
Dividend paid		(14,356)	(63,927)
Net cash generated from/ (used in) financing activities		<u>76,202,785</u>	<u>(15,948,046)</u>
DECREASED IN CASH AND CASH EQUIVALENTS		<u>(187,880,986)</u>	<u>(147,836,858)</u>
Cash and cash equivalents at the beginning of the period		631,298,642	702,456,181
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u><u>443,417,656</u></u>	<u><u>554,619,323</u></u>
SUPPLEMENTARY NON-CASH INFORMATION:			
Transfer from capital work in progress	7	12,562,323	3,807,046
Dividends declared for distribution		94,300,000	90,200,000


Chief Financial Officer


Chief Executive Officer


Member of the Board of Directors

The attached notes 1 to 21 form part of these unaudited interim condensed consolidated financial statements.

CATRION FOR CATERING HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2025

1. ORGANIZATION AND ACTIVITIES

CATRION for Catering Holding 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>	
					2025	2024	2025	2024
CATRION Catering Services LLC	4030371373	3 December 2019	Kingdom of Saudi Arabia	Catering services	100%	100%	500,000	500,000
CATRION Commercial Laundry LLC	4030515446	22 June 2024	Kingdom of Saudi Arabia	Laundry, Washing and Drycleaning	100%	100%	500,000	500,000
CATRION Operations and Maintenance LLC	400536143	18 December 2024	Kingdom of Saudi Arabia	Catering Services Facility Management	100%	100%	500,000	500,000
CATRION Laundry Operation and Maintenance LLC	4030536144	18 December 2024	Kingdom of Saudi Arabia	Laundry, Washing and Drycleaning	100%	100%	500,000	500,000

The Company has investment in the following associate (the “associate”):

<u>Name</u>	<u>Country of incorporation</u>	<u>The principal activity</u>	<u>Effective holding</u>		<u>Share Capital</u>	
			2025	2024	2025	2024
Saudi French Company for Duty Free Operations and Management	Kingdom of Saudi Arabia	Operating and Managing Duty Free Shops	40%	40%	76,894,000	76,894,000

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)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2025

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 for 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 2025 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 2024. In addition, results for the interim period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025 (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 (except for the derivative financial assets measured at fair value through profit or loss), and the going concern assumption.

2.3 Functional and presentational currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (ﷲ), 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 2024.

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 2024.

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 2024. 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)
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 At 31 March 2025

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 2024, except for the adoption of new standards effective as of 1 January 2025. 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 2025, 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 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.

2.6 New standards not yet effective

Standard, interpretation, amendments	Description	Effective date
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.
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	01 January 2026.
IFRS 18 - presentation and disclosure in financial statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	01 January 2027.
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	01 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 31 March 2025. The subsidiaries are entities controlled by the Group.

3. OPERATING SEGMENTS

2.7 Basis of consolidation

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.

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:

<i>Reportable segments</i>	<i>Operations</i>
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 (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

3. OPERATING SEGMENTS (continued)

b. Information about reportable segments

31 March 2025 (Unaudited)

	<i>Inflight</i> ﷲ	<i>Integrated Hospitality</i> ﷲ	<i>Total reportable segments</i> ﷲ	<i>Overheads</i> ﷲ	<i>Head office</i> ﷲ	<i>Elimination</i> ﷲ	<i>Total</i> ﷲ
Three-month ended 31 March 2025							
Segment revenue	467,446,192	121,940,960	589,387,152	-	-	-	589,387,152
Segment profit / (loss) before Zakat	137,795,239	12,328,188	150,123,427	(68,717,776)	-	-	81,405,651
Depreciation and amortization	20,040,699	1,784,754	22,405,101	9,507,474	-	-	31,912,575
Assets:							
Segment assets	1,289,448,391	833,646,573	2,123,094,964	-	-	-	2,123,094,964
Head office	-	-	-	-	939,823,926	-	939,823,926
Total Assets as at 31 March 2025	1,289,448,391	833,646,573	2,123,094,964	-	939,823,926	-	3,062,918,890
Liabilities:							
Segment liabilities	684,251,399	442,378,181	1,126,629,580	-	-	-	1,126,629,580
Head office	-	-	-	-	503,995,966	-	503,995,966
Total Liabilities as at 31 March 2025	684,251,399	442,378,181	1,126,629,580	-	503,995,966	-	1,630,625,546

CATRION FOR CATERING HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

3. OPERATING SEGMENTS (continued)

b. Information about reportable segments (continued)

	<i>Inflight ﷲ</i>	<i>Integrated Hospitality ﷲ</i>	<i>Total reportable segments ﷲ</i>	<i>Overheads ﷲ</i>	<i>Head office ﷲ</i>	<i>Elimination ﷲ</i>	<i>Total ﷲ</i>
Three-month ended 31 March 2024							
Segment revenue	435,293,674	117,519,404	552,813,078	-	-	-	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
Assets:							
Segment assets	1,132,487,623	732,169,223	1,864,656,846	-	-	-	1,864,656,846
Head office	-	-	-	-	823,181,508	-	823,181,508
<i>Total Assets as at 31 December 2024</i>	<u>1,132,487,623</u>	<u>732,169,223</u>	<u>1,864,656,846</u>	<u>-</u>	<u>823,181,508</u>	<u>-</u>	<u>2,687,838,354</u>
Liabilities:							
Segment liabilities	519,259,885	335,708,840	854,968,725	-	381,053,966	-	854,968,725
Head office	-	-	-	-	381,053,966	-	381,053,966
<i>Total Liabilities as at 31 December 2024</i>	<u>519,259,885</u>	<u>335,708,840</u>	<u>854,968,725</u>	<u>-</u>	<u>381,053,966</u>	<u>-</u>	<u>1,236,022,691</u>

CATRION FOR CATERING HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 31 March 2025

3. OPERATING SEGMENTS (continued)

c. Geographical information

	31 March 2025 S (Unaudited)	31 March 2024 S (Unaudited)
Revenue		
Kingdom of Saudi Arabia	573,194,197	535,092,214
<i>All foreign countries</i>		
Egypt – Cairo	16,192,955	17,720,864
Total revenue	589,387,152	552,813,078

d. Major customer

Revenue from one customer of the Group represented approximately 54% (31 March 2024: 61%) of the total revenues.

4. REVENUES

	31 March 2025 S (Unaudited)	31 March 2024 S (Unaudited)
In-flight catering revenue	383,212,107	357,280,972
Non-airlines revenue	119,943,462	117,711,750
Business lounge revenue	75,704,329	64,086,798
Retail revenue	8,529,756	9,628,036
Other operating revenues	1,997,498	4,105,522
	589,387,152	552,813,078

5. COST OF REVENUE

	31 March 2025 S (Unaudited)	31 March 2024 S (Unaudited)
Cost of materials and goods	205,307,713	212,025,977
Personnel costs	101,734,719	91,843,099
Depreciation	27,167,426	22,824,493
Rent and maintenance of production units	19,129,161	18,139,022
Other costs		
Manpower and transportation cost	23,159,749	17,088,524
Supplies and expandable items	16,656,303	13,862,454
Communication and utilities	7,202,173	6,396,674
Other operational costs	19,140,388	18,176,291
	419,497,632	400,356,534

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6. EARNINGS PER SHARE

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

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

	31 March 2025 ﷲ (Unaudited)	31 March 2024 ﷲ (Unaudited)
Net Profit for the period	74,777,681	71,228,306
Weighted average number of ordinary shares	82,000,000	82,000,000
Basic and diluted earnings per share (ﷲ per share)	0.91	0.87

7. PROPERTY, PLANT AND EQUIPMENT

	31 March 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
<u>Cost:</u>		
Balance at the beginning of the period / year	1,337,315,018	900,717,430
Additions during the period / year	165,005,179	446,728,821
Disposals during the period / year	(971,657)	(10,131,233)
Balance at the end of the period / year	1,501,348,540	1,337,315,018
<u>Accumulated depreciation:</u>		
Balance at the beginning of the period / year	531,918,274	485,823,519
Charge for the period / year	13,905,482	55,182,653
Disposals during the period / year	(315,338)	(9,087,898)
Balance at the end of the period / year	545,508,418	531,918,274
<u>Carrying amounts:</u>		
At the end of period / year	955,840,122	805,396,744

- a) As of 31 March 2025, the total balance of construction work amounted to ﷲ 666 million (31 December 2024: ﷲ 515 million) which represents the construction of Red Sea Project, other civil works and renovations. During the year ended 31 December 2023, the Group signed a memorandum of understanding with Red Sea Group, to provide catering and laundry services for a period of 20 years against which the Group commenced the construction of the Laundry and Catering service units located at the Red Sea waterfront.
- b) The amount of borrowing costs capitalised during the period ended 31 March 2025 was ﷲ 3.3 million (31 December 2024: 1.1 million).

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8. INVENTORIES

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Catering items	53,135,854	54,266,464
Retail items	40,805,860	37,050,550
Spare parts	13,321,753	12,306,587
Packing and other materials	14,768,230	11,938,831
	<u>122,031,697</u>	<u>115,562,432</u>
Less: allowance for slow moving and obsolete inventories	<u>(31,707,589)</u>	<u>(30,984,938)</u>
	<u><u>90,324,108</u></u>	<u><u>84,577,494</u></u>

The movements in allowance for slow moving and obsolete inventories for the year were given below:

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Opening	30,984,938	33,886,524
Charged / reversed during the period / year	<u>722,651</u>	<u>(2,901,586)</u>
Closing	<u><u>31,707,589</u></u>	<u><u>30,984,938</u></u>

Cost of inventories recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024 amounted to ﷲ205,307,713 (31 March 2024: ﷲ212,025,977) (note 5).

9. LEASES

a. Right -of-use assets

	<i>Commercial Building ﷲ</i>	<i>Land ﷲ</i>	<i>Residential Building ﷲ</i>	<i>Vehicles ﷲ</i>	<i>Total 2025 ﷲ</i>
<u>Cost:</u>					
Balance at 1 January 2025	473,429,546	57,898,037	25,414,889	14,763,450	571,505,922
Addition during the period (note i)	222,242,923	-	-	-	222,242,923
Lease modifications	3,695,570	-	-	-	3,695,570
Retirement (note ii)	(86,431,157)	-	-	-	(86,431,157)
Balance at 31 March 2025	<u><u>612,936,882</u></u>	<u><u>57,898,037</u></u>	<u><u>25,414,889</u></u>	<u><u>14,763,450</u></u>	<u><u>711,013,258</u></u>
<u>Accumulated depreciation:</u>					
Balance at 1 January 2025	311,428,865	14,504,794	19,586,476	14,763,450	360,283,585
Charge for the period	16,819,271	604,366	93,746	-	17,517,383
Retirement (note ii)	(86,431,157)	-	-	-	(86,431,157)
Balance at 31 March 2025	<u><u>241,816,979</u></u>	<u><u>15,109,160</u></u>	<u><u>19,680,222</u></u>	<u><u>14,763,450</u></u>	<u><u>291,369,811</u></u>
<u>Carrying amounts:</u>					
At 31 March 2025 (Unaudited)	<u><u>371,119,903</u></u>	<u><u>42,788,877</u></u>	<u><u>5,734,667</u></u>	<u><u>-</u></u>	<u><u>419,643,447</u></u>

- i) During the period ended 31 March 2025, the Group signed a lease contract with Jeddah Airport Company (JEDCO) for a period of (15) fifteen Gregorian years.
- ii) The retirement during the period ended 31 March 2025 related to the contract mentioned above with JEDCO, that is concluded at the end of its contractual term and the new one begins with substantially different terms.

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9. LEASES (continued)

	<i>Commercial Building ﷲ</i>	<i>Land ﷲ</i>	<i>Residential Building ﷲ</i>	<i>Vehicles ﷲ</i>	<i>Total 2024 ﷲ</i>
<i>Cost:</i>					
At 1 January 2024	447,488,787	57,898,037	23,838,365	14,763,450	543,988,639
Additions (<i>see note (i) below</i>)	25,940,759	-	1,576,524	-	27,517,283
At 31 December 2024	<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>					
At 1 January 2024	263,383,136	12,087,328	18,773,573	14,763,450	309,007,487
Charge for the year	48,045,729	2,417,466	812,903	-	51,276,098
At 31 December 2024	<u>311,428,865</u>	<u>14,504,794</u>	<u>19,586,476</u>	<u>14,763,450</u>	<u>360,283,585</u>
<i>Net book value:</i>					
At 31 December 2024	<u>162,000,681</u>	<u>43,393,243</u>	<u>5,828,413</u>	<u>-</u>	<u>211,222,337</u>

b. Lease Liabilities

	<i>31 March 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
At beginning of the period / year	217,559,478	244,703,303
Additions to lease liabilities during the period / year	222,242,923	27,517,283
Interest expense during the period / year	7,494,008	12,903,006
Lease modification	(1,104,254)	-
Termination of lease liabilities	(1,808,926)	-
Lease payment during the period / year	(9,508,150)	(67,564,114)
At the end of the period / year	<u>434,875,079</u>	217,559,478
Less: Current portion of lease liabilities	<u>(76,576,741)</u>	(52,081,833)
Non-Current portion of lease liabilities	<u>358,298,338</u>	<u>165,477,645</u>

c. Leases receivables

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

	<i>31 March 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Net lease receivables at beginning of the period / year	5,241,092	5,767,746
Finance income	25,492	206,594
Payments received during the period / year	-	(733,248)
Net lease receivables at end of the period / year	<u>5,266,584</u>	<u>5,241,092</u>

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into derivative instruments with a local bank to manage some of its transaction exposures. The derivative instruments are designated as derivative financial instruments.

The tables below show the positive fair values of derivatives, together with the notional amounts and fair value as of reporting date. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the period end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

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10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair value and notional amount of the derivative is as follows:

	31 March 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Notional amount	852,604,383	-
Positive Fair value of derivative financial instrument	2,550,927	-

The term to maturity for all IRS entered by the group falls withing years 2025 and 2029.

The derivative financial instruments gain recognized under other income on the statement of profit or loss is equal to the change in fair.

11. 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 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Investment in associate at the end of the period / year	41,626,981	43,338,366

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 2025 and year ended 31 December 2024 are based on internal management reporting.

b) Below is the summary of the financial information of the associate as at 31 March 2025 and 31 December 2024:

i) <u>Share in net assets</u>	31 March 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Non-current assets	48,977,715	281,392,626
Current assets	216,509,012	200,227,429
Total assets	265,486,727	481,620,055
Non-current liabilities	6,755,411	145,369,745
Current liabilities	157,583,043	230,823,574
Total liabilities	164,338,454	376,193,319
Net assets	101,148,274	105,426,736
Group's share in net assets	40,459,308	42,170,695
Adjustment to acquisition price	1,167,671	1,167,671
	41,626,981	43,338,366

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11. INVESTMENT IN ASSOCIATE (continued)

ii) *Share in profit*

	31 March 2025 ﷲ (Unaudited)	31 March 2024 ﷲ (Unaudited)
Revenue	147,619,621	170,034,163
Net (loss) / income for the period	(4,278,462)	14,361,387
Other comprehensive income	-	-
Group's share of net (loss)/ income for the year (at 40%)	(1,711,385)	5,744,555
Group's share of other comprehensive loss of an associate (at 40%)	-	-
Group's share of results for the period	(1,711,385)	5,744,555

The associate had no contingent liabilities or capital commitments as at 31 March 2025 and 2024.

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

	31 March 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
At the beginning of the period / year	43,338,366	36,954,874
Group's share of results in an associate	(1,711,385)	11,383,492
Dividend received from associate	-	(5,000,000)
At the end of the period / year	41,626,981	43,338,366

12. TRADE AND UNBILLED RECEIVABLES

	31 March 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
Trade receivables - Due from related parties (note 19)	624,736,795	449,552,045
Trade receivables – Others	382,686,490	326,063,045
Unbilled receivables (note c below)	59,311,249	72,471,244
	1,066,734,534	848,086,334
Less: allowance for expected credit losses	(138,002,422)	(131,977,044)
	928,732,112	716,109,290

- 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 18.
- b) As at 31 March 2025, approximately 72% of the Group's trade receivable's balance was due from various governmental and semi-Government entities (31 December 2024: ﷲ 68%).
- c) Unbilled receivables represent billing not yet approved by customers. As at 31 March 2025 and 31 December 2024 the unbilled receivables balances was having aging of less than one year.

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12. TRADE AND UNBILLED RECEIVABLES (continued)

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

	31 March 2025 ؔ (Unaudited)	31 December 2024 ؔ (Audited)
At the beginning of the period / year	131,977,044	149,376,270
Charge during the period / year	6,025,378	(98,697)
Written off during the period / year	-	(17,300,529)
At the end of the period / year	138,002,422	131,977,044

13. SHARE CAPITAL

As at the statement of financial position date, the authorized, issued and fully paid share capital is ؔ 820 million (2024: ؔ 820 million) which is divided into 82 million (2024: 82 million) shares of ؔ 10 par value each (2024: ؔ 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 2025 and 31 December 2024 are as follows:

<u>Name of Shareholders</u>	<u>Number of shares</u>	<u>Value in ؔ</u>	<u>Percentage Holding %</u>
Saudi Arabian Airlines Corporation	29,274,000	292,740,000	35.7%
Abdulmohsen Alhokair Group for Tourism and Development	4,711,256	47,112,560	5.7%
General public	48,014,744	480,147,440	58.6%
	82,000,000	820,000,000	100%

14. 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 2024) the amendment of the Company's Bylaws in accordance with the new Companies Law which became effective as at 19 January 2024.

15. DIVIDENDS

On 21 March 2025, 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 2024 amounted to ؔ 94.3 million at ؔ 1.15 per share. The distribution date will be on 24 April 2025 (21 March 2024: ؔ 90.2 million at ؔ 1.1 per share).

16. ZAKAT

	31 March 2025 ؔ (Unaudited)	31 December 2024 ؔ (Audited)
Zakat payable	31,424,502	24,796,532
Advance income tax relating to foreign shareholding	(4,814,476)	(4,814,476)
Net zakat and income tax payable	26,610,026	19,982,056

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16. ZAKAT (continued)

i) Movements in Zakat provision were as follows:

	31 March 2025 S/ (Unaudited)	31 December 2024 S/ (Audited)
Balance at beginning of the period / year	24,796,532	32,655,727
Charge for the period / year	6,627,970	22,943,053
Payments during the period / year	-	(30,802,248)
Balance at end of the period / year	31,424,502	24,796,532

ii) Charge of the period ended 31 March 2025 and year ended 31 December 2024 is as follows:

	31 March 2025 S/ (Unaudited)	31 December 2024 S/ (Audited)
Zakat charge for the period / year	6,627,970	22,943,053
Prior year adjustment	-	-
Total Zakat and income tax of the period / year	6,627,970	22,943,053

Zakat assessments status

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

The Parent Company:

The Zakat, Tax, and Customs Authority ("ZATCA") has finalized its Zakat inspection on the Company's accounts up to the fiscal year ended 31 December 2023. The company has fully complied with its obligations by successfully settling the corresponding invoices and clearing its Zakat position for the mentioned period.

For the year ended 31 December 2024, the Company is in the process of submitting the Zakat declaration.

The Subsidiaries:

CATRION 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. For the year ended 31 December 2024, the Company is in the process of submitting the Zakat declaration.

CATRION Commercial Laundry 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. For the year ended 31 December 2024, the Company is in the process of submitting the Zakat declaration.

CATRION Operations and Maintenance Company

For the year ended 31 December 2024, the Company is in the process of submitting the Zakat declaration.

CATRION Laundry Operation and Maintenance Company

For the year ended 31 December 2024, the Company is in the process of submitting the Zakat declaration.

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17. TRADE AND OTHER PAYABLES

	<i>31 March 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Trade payables – third parties	318,539,202	282,668,499
Accrued expenses	270,853,403	324,492,905
Dividend payable (note 15)	96,899,182	2,613,538
Employee related accruals	56,898,215	53,181,238
Trade payables – related parties (note 19)	658,306	195,500
	<u>743,848,308</u>	<u>663,151,680</u>

18. LOANS AND BORROWINGS

During the year ended 31 December 2024, the Group has entered into a revolving facility agreement with Commercial Bank under the names of its subsidiaries. CATRION Commercial Laundry LLC has a total facility of ﷲ 403 million, out of which ﷲ 160 million is utilized, and CATRION Catering Services LLC has a total facility of ﷲ 204 million, out of which ﷲ 88 million is utilized respectively as at 31 March 2025. The facilities were secured by a promissory note to meet the Group's working capital requirements as well as the expenditures over the Red Sea Projects. The first repayment is scheduled for October 2025 and will be paid over a period of 15 years.

Further, the loan carries an interest rate of SIBOR + fixed interest rate, with interest accrued and paid based on monthly invoicing from the bank.

	<i>31 March 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Opening balance	161,444,596	-
Drawn during the period / year	85,725,291	161,444,596
	247,169,887	161,444,596
Current portion	(6,701,040)	(4,154,218)
Non-current portion	<u>240,468,847</u>	<u>157,290,378</u>

19. 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>31 March 2025 ﷲ (Unaudited)</i>	<i>2024 ﷲ (Unaudited)</i>
Major shareholders	Sale of goods and services	476,196,661	419,603,640
	Services received	820,603	745,814
Affiliates	Sale of goods and services	50,034,963	32,723,916
	Services received	658,306	686,276
Associate	Sale of goods and services	1,693,765	1,967,262

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19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

ii) Due from related parties are as follows (note 11):

	31 March 2025 ؔ (Unaudited)	31 December 2024 ؔ (Audited)
Saudi Arabian Airlines Corporation	559,051,884	397,202,113
Saudia Royal Fleet	20,198,653	8,175,350
Saudia Aerospace Engineering Industries	17,326,243	17,384,088
Saudi Ground Services Company	12,412,999	16,458,008
Flyadeal Airlines Company	6,940,137	4,548,140
Saudi Private Aviation	5,045,527	3,711,951
Saudi French Company for Duty Free Operations and Management	2,340,800	647,035
Saudi Airlines Cargo Company	1,274,128	1,307,660
Prince Sultan Aviation Academy	58,253	72,789
SAL Saudi Logistics Services Company	49,910	7,651
Saudi Airlines Real Estate Development Company	38,261	37,260
	624,736,795	449,552,045

iii) Due to related parties are as follows (note 16):

	31 March 2025 ؔ (Unaudited)	31 December 2024 ؔ (Audited)
Saudi Ground Services Company	658,306	-
Saudi Airlines Real Estate Development Company	-	195,500
	658,306	195,500

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 2025 and year ended 31 December 2024, 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 31 March 2025 ؔ (Unaudited)	2024 ؔ (Unaudited)
Short term employee benefits	2,588,657	1,821,982
Post-employment benefits	1,907,653	24,300
Termination benefits	40,500	89,529
Key management bonus	1,000,000	1,000,000
	5,536,810	2,935,811

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

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20. COMMITMENTS AND CONTINGENCIES

As at 31 March 2025 and 31 December 2024, the Group had the following commitments, letter of guarantees and contingencies:

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Capital commitments	180,800,732	105,821,964
Letter of guarantees (refer to note below)	142,506,198	135,034,136

On 31 March 2025, the Group had outstanding letters of guarantee amounting to ﷲ 142.5 million issued by banks on behalf of the Group to suppliers and promises to meet any financial obligations (31 December 2024: ﷲ 135 million) with cash margin deposit amounting to ﷲ 7 million (31 December 2024: ﷲ 7 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 ﷲ 4.9 million should the action be successful.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 11 May 2025 (corresponding to 13 Thul-Qi'dah 1446H).