

**SAUDI GROUND SERVICES 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 2025**

**SAUDI GROUND SERVICES 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 2025**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE SHAREHOLDERS OF SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Ground Services Company (A Saudi Joint Stock Company) ("the Company") and its subsidiary (collectively referred to as the "Group") as at 30 September 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2025, 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*" endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements 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)



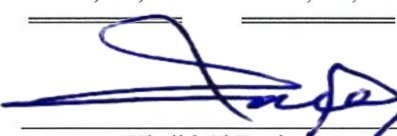


Jeddah: 22 Jumada Al-Ula 1447H  
13 November 2025G

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	30 September 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	558,663	559,306
Right-of-use assets	7	183,480	141,066
Intangible assets and goodwill	8	705,838	723,356
Equity-accounted investments	9	123,682	102,065
Prepayments and other assets		158,048	134,868
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,729,711</b>	<b>1,660,661</b>
<b>CURRENT ASSETS</b>			
Inventories		10,295	8,951
Trade receivables	10	1,122,879	1,190,977
Prepayments and other assets		698,619	696,932
Financial assets at fair value through profit or loss (FVTPL)	11	-	214,000
Short term deposits		650,000	409,000
Cash and cash equivalents		227,409	87,232
<b>TOTAL CURRENT ASSETS</b>		<b>2,709,202</b>	<b>2,607,092</b>
<b>TOTAL ASSETS</b>		<b>4,438,913</b>	<b>4,267,753</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	1	1,880,000	1,880,000
Retained earnings		571,044	633,694
<b>TOTAL EQUITY</b>		<b>2,451,044</b>	<b>2,513,694</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	7	110,409	84,849
Employee defined benefit liabilities		587,093	561,792
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>697,502</b>	<b>646,641</b>
<b>CURRENT LIABILITIES</b>			
Lease liabilities	7	66,500	81,423
Trade payables		97,362	115,684
Accruals and other current liabilities		700,140	512,034
Zakat provision	12	426,365	398,277
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,290,367</b>	<b>1,107,418</b>
<b>TOTAL LIABILITIES</b>		<b>1,987,869</b>	<b>1,754,059</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,438,913</b>	<b>4,267,753</b>
 Mohammad A. Alamoudi Chief Financial Officer		 Mohammed A. Mazi Chief Executive Officer	
		 Khalid Al Buainain Chairman of the Board of Directors	

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

# SAUDI GROUND SERVICES 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 2025


	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2025	2024	2025	2024
		(Unaudited) S'000	(Unaudited) S'000	(Unaudited) S'000	(Unaudited) S'000
Revenue	13	683,375	668,650	2,043,818	2,008,361
Costs of revenue		(527,739)	(527,707)	(1,586,909)	(1,602,112)
<b>GROSS PROFIT</b>		<b>155,636</b>	<b>140,943</b>	<b>456,909</b>	<b>406,249</b>
Other income		10,762	20,746	32,522	53,042
General and administrative expenses		(66,862)	(68,948)	(200,120)	(186,874)
(Impairment) / reversal losses on trade and other receivables		(1,121)	(17,929)	3,279	(49,568)
<b>OPERATING PROFIT</b>		<b>98,415</b>	<b>74,812</b>	<b>292,590</b>	<b>222,849</b>
Finance costs		(2,905)	(2,388)	(9,370)	(8,415)
Interest income on term deposits		8,818	6,995	21,141	20,969
Realized and unrealized gain on financial assets at FVTPL	11	3,160	5,435	10,789	13,977
Share of results from equity-accounted investments	9	6,825	6,075	21,463	19,434
<b>PROFIT FOR THE PERIOD BEFORE ZAKAT</b>		<b>114,313</b>	<b>90,929</b>	<b>336,613</b>	<b>268,814</b>
Zakat charge	12	(12,810)	(9,250)	(38,110)	(37,540)
<b>PROFIT FOR THE PERIOD</b>		<b>101,503</b>	<b>81,679</b>	<b>298,503</b>	<b>231,274</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods:</i>					
Re-measurement gain on employee defined benefit liability		-	3,763	14,693	3,763
Share of other comprehensive income from equity-accounted investments	9	-	-	154	-
Total other comprehensive income for the period		-	3,763	14,847	3,763
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>101,503</b>	<b>85,442</b>	<b>313,350</b>	<b>235,037</b>


### Earnings per share

Earnings per share attributable to ordinary equity holders of the Parent Company (basic and diluted) (in S)

	14	0.54	0.43	1.59	1.23
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Mohammad A. Alamoudi  
Chief Financial Officer

  
Mohammed A. Mazi  
Chief Executive Officer

  
Khalid Al Buainain  
Chairman of the Board of Directors


The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.


SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2025

	<i>Share capital</i> S'000	<i>Statutory reserve</i> S'000	<i>Retained earnings</i> S'000	<i>Total</i> S'000
Balance as at 1 January 2024	1,880,000	520,173	(68,681)	2,331,492
Profit for the period	-	-	231,274	231,274
Other comprehensive income for the period	-	-	3,763	3,763
Total comprehensive income for the period	-	-	235,037	235,037
Dividends declared (note 1)	-	-	(188,000)	(188,000)
Transfer (note 1)	-	(520,173)	520,173	-
Balance as at 30 September 2024 (Unaudited)	1,880,000	-	498,529	2,378,529
<b>Balance as at 1 January 2025</b>	<b>1,880,000</b>	<b>-</b>	<b>633,694</b>	<b>2,513,694</b>
Profit for the period	-	-	298,503	298,503
Other comprehensive income for the period	-	-	14,847	14,847
Total comprehensive income for the period	-	-	313,350	313,350
Dividends declared (note 1)	-	-	(376,000)	(376,000)
Balance as at 30 September 2025 (Unaudited)	1,880,000	-	571,044	2,451,044

  
Mohammad A. Alamoudi  
Chief Financial Officer

  
Mohammed A. Mazi  
Chief Executive Officer

  
Khalid Al Buainain  
Chairman of the Board of Directors



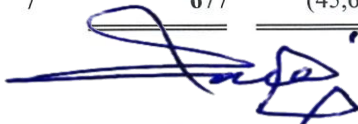
The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.



# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-months period ended 30 September 2025

	Notes	30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000
<b>OPERATING ACTIVITIES</b>			
Profit before zakat		336,613	268,814
<i>Adjustments to reconcile profit before zakat to net cash flows:</i>			
Depreciation on property and equipment	6	83,340	76,470
Depreciation on right-of-use assets	7	39,649	42,645
Amortization of intangible assets	8	17,518	17,535
Share of results from equity-accounted investments	9	(21,463)	(19,434)
(Reversal) / impairment loss on trade receivables	10	(3,279)	49,568
Provision for employee defined benefit liabilities		63,425	61,621
Unrealized gain on financial assets at FVTPL	11	-	(5,576)
Gain on disposal of financial assets at FVTPL	11	(10,789)	(8,401)
Finance costs		9,370	8,415
		514,384	491,657
<i>Working capital adjustments:</i>			
Inventories		(1,344)	(2,857)
Trade receivables		71,377	(80,909)
Prepayments and other assets		(27,467)	(59,918)
Trade payables		(18,322)	(10,179)
Accruals and other liabilities		106	109,665
<b>Cash from operations</b>		<b>538,734</b>	<b>447,459</b>
Finance costs paid		(1,815)	(1,236)
Employee defined benefit paid		(23,432)	(29,342)
Zakat paid	12	(10,022)	(16,435)
<b>Net cash from operating activities</b>		<b>503,465</b>	<b>400,446</b>
<b>INVESTING ACTIVITIES</b>			
Additions to property and equipment	6	(82,697)	(128,507)
Proceeds from disposal of financial assets at FVTPL	11	319,789	315,000
Purchase of financial assets at FVTPL	11	(95,000)	(377,545)
Dividends received from equity-accounted investments		2,600	-
Investments in short term deposits		(1,155,000)	(409,000)
Proceeds on maturity of short term deposits		914,000	500,000
Net changes in restricted cash		-	453
<b>Net cash used in investing activities</b>		<b>(96,308)</b>	<b>(99,599)</b>
<b>FINANCING ACTIVITIES</b>			
Repayments of loans and borrowings		-	(100,000)
Dividends paid		(188,000)	(188,000)
Payments of lease liabilities	7	(78,980)	(49,271)
<b>Net cash used in financing activities</b>		<b>(266,980)</b>	<b>(337,271)</b>
Net increase / (decrease) in cash and cash equivalents		140,177	(36,424)
Cash and cash equivalents at the beginning of the period		87,232	78,637
<b>Cash and cash equivalents at end of the period</b>		<b>227,409</b>	<b>42,213</b>
<b>SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION</b>			
Addition to right-of-use assets and lease liabilities	7	81,386	8,643
Modification to right-of-use assets and lease liabilities	7	677	(45,615)
 Mohammad A. Alamoudi Chief Financial Officer		 Mohammed A. Mazi Chief Executive Officer	
		 Khalid Al Buainain Chairman of the Board	

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2025

### 1 CORPORATE INFORMATION

Saudi Ground Services Company (the “Company” or the “Parent Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia. The Company was registered as a limited liability company in the Kingdom of Saudi Arabia under Commercial Registration number 4030181005 and unified number 7001579387 dated 11 Rajab 1429H, (corresponding to 14 July 2008).

The Group is engaged in providing ground handling services, aircraft cleaning, passenger handling, baggage, and fuel to Saudi Airlines Air Transport Company, other local and foreign airlines, and other customers in the Kingdom of Saudi Arabia. The registered address of the Company is Al Yasmin Commercial Center King Abdul Aziz Road, Al Basatin District P.O. Box 48154, Jeddah 21572, Kingdom of Saudi Arabia.

#### Share capital

The Company’s parent is Saudi Arabian Airlines Corporation (the “Ultimate Parent Company”), having 52.5% of shares in the Company. The Company’s Ultimate Controlling Party is Government of Saudi Arabia. At 30 September 2025 and 31 December 2024, the authorized, issued, and paid-up share capital of ₪1,880 million consists of 188 million fully paid shares of ₪10 each. The shareholding of the Ultimate Parent Company and General Public is as follows:

	<i>Percentage %</i>	<i>Number of shares</i>	<i>Amount ₪’000</i>
Saudi Arabian Airlines Corporation	52.5	98,700,000	987,000
General public	47.5	89,300,000	893,000
	<u>100</u>	<u>188,000,000</u>	<u>1,880,000</u>

During the nine-month period ended 30 September 2025, the Board of Directors declared interim cash dividends at ₪1 per share amounting to ₪188 million related to the second half of 2024 for registered shareholders at 25 March 2025 and interim cash dividends at ₪1 per share amounting to ₪188 million related to the first half of 2025, for registered shareholders at 7 October 2025 (30 September 2024: ₪188 million related to the first half of 2024).

During the Company’s extraordinary General Assembly meeting held on 15 Duh Al-Qi’dah 1445H (corresponding to 23 May 2024), the shareholders approved transferring the statutory reserve balance amounting to ₪520 million to the retained earnings, which was completed and reflected in the condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024.

#### Subsidiary

During the year ended 31 December 2024, the Board of Directors approved the establishing of a 100% owned new subsidiary in the Kingdom of Saudi Arabia under the name of Ground Service Company for Travel and Tourism Services (“the Subsidiary”). The Subsidiary was registered as a limited liability company in the Kingdom of Saudi Arabia under Commercial Registration number 4030558452 dated 18 Duh Al-Qi’dah 1445H, (corresponding to 26 May 2024). The legal formalities in relation to meeting the initial capital contribution were completed on 12 September 2024.

These interim condensed consolidated financial statements comprise the results of the Company and its subsidiary (together referred as the “Group”).

#### Joint venture

The Group holds ownership interest in equity-accounted investments as at 30 September 2025 and 31 December 2024 as follows:

Name	Country of incorporation / principal place of business	Effective ownership interest (%)	
		30 September 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Amad for Airport Services and Transport Support Company (“SAAS”) (note 9)	Kingdom of Saudi Arabia	50%	50%
Alvest Arabia Equipment Services (“AAES”) (formerly known as “TLD Arabia Equipment Services”) (note 9)	Kingdom of Saudi Arabia	50%	50%
Jusoor Airports for Operations and Maintenance Company (“Jusoor”) (note 9)	Kingdom of Saudi Arabia	51%	51%



# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 30 September 2025

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

The interim condensed consolidated financial statements for the nine-month periods ended 30 September 2025 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The management consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. In addition, results of the interim period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

#### 2.2 Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention using the accrual basis of accounting and going concern concept, except for the following items which are measured as follows:

Items	Measurement basis
Employee defined benefit liabilities	Present value of the defined benefit obligation using projected credit unit method
Financial asset held at fair value through profit or loss	Fair value

#### 2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals ("ﷲ"), which is also the Group's functional and presentation currency. All figures are rounded off to the nearest thousands (ﷲ'000) unless stated otherwise.

#### 2.4 Material accounting judgements, 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 consolidated financial statements for the year ended 31 December 2024.

### 3 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. One amendment applies for the first time in 2025 but does not have an impact on the interim condensed consolidated financial statements of the Group.

#### Lack of exchangeability – Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

**SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

At 30 September 2025

**4 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Standards issued but not yet effective up to the date of issuance of the Group's interim condensed consolidated financial statements are listed below. The Group intends to adopt these standards when they become effective.

<b>Standard/ interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
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.	1 January 2026
Annual Improvements to IFRS Accounting Standards— Volume 11	This introduces clarifications and minor amendments effective from 1 January 2026 (with earlier application permitted). Key changes include aligning hedge accounting criteria in IFRS 1 with IFRS 9, clarifying derecognition and fair value disclosure requirements in IFRS 7 and its implementation guidance, and refining wording for consistency across IFRS 9 regarding lessee derecognition and transaction pricing. IFRS 10 now clarifies the concept of a 'de facto agent', emphasizing the use of judgment, while IAS 7 replaces the outdated term 'cost method' with 'at cost'. These updates aim to improve clarity and consistency without imposing new substantive requirements.	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	This amendment address accounting for contracts linked to electricity from variable natural sources like wind and solar. The amendments revise the 'own-use' requirements, allowing sales of unused electricity to qualify under expected usage if certain criteria are met, and they permit designating a variable nominal volume of forecast electricity as a hedged item in cash flow hedging. Additionally, IFRS 7 now includes disclosure requirements to help investors understand the financial impact of such contracts, especially those excluded from IFRS 9 scope due to the amendments	1 January 2026
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.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.	1 January 2027, with early application permitted

# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 30 September 2025

### 5 OPERATING SEGMENTS

The Group's primary format for segmental reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure. The Group is principally involved in providing ground handling services to local and foreign airlines at all airports in the Kingdom of Saudi Arabia. Other operations are related to the fueling to the local and foreign airlines and other customers. The operations related to fueling and other services has not met the quantitative thresholds for reportable segments for the nine-month period ended 30 September 2025 and 30 September 2024. Accordingly, the management believes that the Group's business falls within a single reportable business segment and is subject to similar risks and returns.

### 6 PROPERTY AND EQUIPMENT

#### a) Reconciliation of carrying amounts:

	<i>30 September 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Carrying amount at beginning of the period / year	559,306	486,568
Additions during the period / year (*)	82,697	176,485
Disposal during the period / year	-	(335)
Depreciation during the period / year	(83,340)	(103,412)
<b>At the end of the period/year</b>	<b>558,663</b>	<b>559,306</b>

\* Additions to property and equipment mainly include procurement of airport equipment.

#### b) Category-wise carrying amounts are as follows:

	<i>30 September 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Land	27,464	27,464
Leasehold improvements	22,360	17,868
Airport equipment	498,008	500,304
Motor vehicles	880	1,083
Furniture, fixture and equipment	4,295	6,153
Computer equipment	5,656	6,434
<b>At the end of the period/year</b>	<b>558,663</b>	<b>559,306</b>

### 7 LEASES

The Group has various leases for land, office buildings, workshops, and motor vehicles from various lessors in the KSA, that includes extension options. The leases of airport premises, workshops and office buildings have renewable lease term, as per management expectation they have been assessed for a lease term of 2 to 7 years. Land has a lease term of 22 years and motor vehicles have lease term of 2.8 years.

The Group also has certain leases of buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(continued)

At 30 September 2025

**7 LEASES (continued)**

**a) Right of use assets**

	<b>30 September 2025 (Unaudited) S'000</b>	<b>31 December 2024 (Audited) S'000</b>
At the beginning of the period / year	<b>141,066</b>	224,553
Additions during the period / year	<b>81,386</b>	14,248
Modification during the period / year	<b>677</b>	(41,024)
Depreciation during the period / year	<b>(39,649)</b>	(56,711)
<b>At the end of the period / year</b>	<b>183,480</b>	141,066

**b) Lease liabilities**

	<b>30 September 2025 (Unaudited) S'000</b>	<b>31 December 2024 (Audited) S'000</b>
At the beginning of the period / year	<b>166,272</b>	236,794
Additions during the period / year	<b>81,386</b>	14,248
Modification during the period / year	<b>677</b>	(41,024)
Accretion of interest during the period / year	<b>7,554</b>	9,475
Payments during the period / year	<b>(78,980)</b>	(53,221)
<b>At the end of the period / year</b>	<b>176,909</b>	166,272
Less: Current portion	<b>(66,500)</b>	(81,423)
<b>Non-current portion</b>	<b>110,409</b>	84,849

**8 INTANGIBLE ASSETS AND GOODWILL**

	<b>Goodwill S'000</b>	<b>Customer contracts S'000</b>	<b>Customer relationships S'000</b>	<b>Software S'000</b>	<b>Total S'000</b>
<b>Cost:</b>					
Balance at 31 December 2024 and 30 September 2025	582,816	153,179	468,475	64,117	1,268,587
<b>Accumulated amortisation:</b>					
Balance at 1 January 2024	-	153,179	304,511	64,117	521,807
Amortisation for the year	-	-	23,424	-	23,424
Balance at 31 December 2024 (Audited)	-	153,179	327,935	64,117	545,231
Amortisation for the period	-	-	17,518	-	17,518
Balance at 30 September 2025 (Unaudited)	-	153,179	345,453	64,117	562,749
<b>Net book value:</b>					
<b>At 30 September 2025 (Unaudited)</b>	<b>582,816</b>	-	<b>123,022</b>	-	<b>705,838</b>
At 31 December 2024 (Audited)	582,816	-	140,540	-	723,356

# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 30 September 2025

### 8 INTANGIBLE ASSETS AND GOODWILL (continued)

On 7 February 2010, the Company acquired the capital of National Handling Services and the ground handling business of Attar Ground Handling and Attar Travel in consideration of the Company's shares. The transfers were completed by 1 January 2011, with recognized customer relationship of ₪468 million, customer contracts of ₪153 million and goodwill of ₪583 million, reflecting expected synergies.

As at 31 December 2024, an independent valuation expert was engaged by management to conduct impairment assessment to review the carrying amounts of goodwill and customer relationships to determine whether their carrying values exceed the recoverable amounts. The changes in key assumptions and sensitivity analysis would not result in impairment as disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2024. The Group has assessed and concluded that there are no significant indicators of impairment during the period, which may impact the goodwill as of 30 September 2025. However, an independent impairment assessment will be conducted as at 31 December 2025, as part of annual impairment testing exercise.

### 9 EQUITY-ACCOUNTED INVESTMENTS

The equity-accounted investments in joint ventures as at 30 September 2025 are as follows:

	Country of incorporation / principal place of business	Effective ownership interest (%)		30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)
						₪ '000	₪ '000
Saudi Amad for Airport Services and Transport Support Company ("SAAS")	Kingdom of Saudi Arabia	50%	50%	51,598	42,428		
Alvest Arabia Equipment Services ("AAES") (formerly known as "TLD Arabia Equipment Services")	Kingdom of Saudi Arabia	50%	50%	16,867	14,560		
Jusoor Airports for Operations and Maintenance Company ("Jusoor")	Kingdom of Saudi Arabia	51%	51%	55,217	45,077		
				<b>123,682</b>	<b>102,065</b>		

The movement summary of equity-accounted investments is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	₪ '000	₪ '000
Balance at the beginning of the period / year	102,065	95,705
Share of results for the period / year	21,463	28,474
Share of other comprehensive income / (loss) for the period / year	154	(514)
Dividends for the period / year	-	(21,600)
<b>Balance at the end of the period / year</b>	<b>123,682</b>	<b>102,065</b>

The equity-accounted investments applied the same accounting policies as applied by the Group in these condensed interim consolidated financial statements and have no contingent liabilities or capital commitments at 30 September 2025 and 31 December 2024. Further, there has been no change in circumstances that would require change in the classification of equity-accounted investments.

#### a) Saudi Amad for Airport Services and Transport Support Company ("SAAS")

This represents Group's 50% ownership interest in Saudi Amad for Airport Services and Transport Support Company ("SAAS"), a joint venture. SAAS is one of the Group's strategic suppliers and is principally engaged in providing transportation services for passengers and crew in the Kingdom of Saudi Arabia.



# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 30 September 2025

### 9 EQUITY-ACCOUNTED INVESTMENTS (continued)

#### b) Alvest Arabia Equipment Services (“AAES”) (formerly known as “TLD Arabia Equipment Services”)

This represents Group’s 50% ownership interest in Alvest Arabia Equipment Services (“AAES”) (formerly known as “TLD Arabia Equipment Services”), a joint venture. The primary objective of AAES is to provide maintenance services for the ground handling equipment across all the airports in the Kingdom of Saudi Arabia.

During the period ended 30 September 2025, the Group received ₪2.6 million of the dividends declared in year ended 31 December 2024.

#### c) Jusoor Airports for Operations and Maintenance Company (“Jusoor”)

This represents Group’s 51% ownership interest in Jusoor Airports for Operations and Maintenance Company (“Jusoor”), a joint venture. The primary objective of Jusoor is to operate and maintain passenger boarding bridges in the Kingdom of Saudi Arabia.

### 10 TRADE RECEIVABLES

Trade receivables as at 30 September 2025 is as follows:

	<i>30 September 2025 (Unaudited) ₪'000</i>	<i>31 December 2024 (Audited) ₪'000</i>
Due from related parties (note 15 (a))	<b>974,590</b>	1,023,724
Other trade receivables	<b>379,134</b>	401,377
	<b>1,353,724</b>	1,425,101
Less: allowance for impairment loss	<b>(230,845)</b>	(234,124)
	<b>1,122,879</b>	1,190,977

The movement in the allowance for impairment loss is as follows:

	<i>30 September 2025 (Unaudited) ₪'000</i>	<i>31 December 2024 (Audited) ₪'000</i>
Balance at beginning of the period / year	<b>234,124</b>	310,437
(Reversal) / charge for the period / year	<b>(3,279)</b>	46,579
Written-off during the period / year	-	(122,892)
	<b>230,845</b>	234,124

### 11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investments at FVTPL mainly comprises investments in the shariah compliant money market – mutual funds.

Movement in financial assets at FVTPL is as follows:

	<i>30 September 2025 (Unaudited) ₪'000</i>	<i>31 December 2024 (Audited) ₪'000</i>
Balance at beginning of the period / year	<b>214,000</b>	124,439
Investments during the period / year	<b>95,000</b>	427,545
Disposal of investments during the period / year	<b>(319,789)</b>	(355,000)
Fair value gain during the period / year	<b>10,789</b>	17,016
	-	214,000

**SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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At 30 September 2025

**11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) (continued)**

During the period, the income on financial assets at FVTPL is as follows:

	<b>30 September 2025 (Unaudited) S'000</b>	<b>30 September 2024 (Unaudited) S'000</b>
Realized gain	<b>10,789</b>	8,401
Unrealized gain	-	5,576
	<b>10,789</b>	<b>13,977</b>

**12 ZAKAT PROVISION**

The movement in zakat provision during the period / year is as follows:

	<b>30 September 2025 (Unaudited) S'000</b>	<b>31 December 2024 (Audited) S'000</b>
Balance at beginning of the period / year	<b>398,277</b>	364,203
Charge during the period / year	<b>38,110</b>	50,508
Payments during the period / year	<b>(10,022)</b>	(16,434)
	<b>426,365</b>	<b>398,277</b>

***Status of assessments***

The Group has filed Zakat declaration up to the financial year ended 31 December 2024 with Zakat, Tax and Customs Authority ("ZATCA"). The Group has obtained Zakat certificate valid until 30 April 2026. The Group has finalized its assessments with ZATCA up to the year 2014.

ZATCA has issued Zakat assessments for the years from 2015 to 2020 claiming an additional liability of S243.7 million. The Group has escalated its appeal against ZATCA assessments for the years 2015 to 2020 to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"). During 2023, the Tax Committees for Resolution of Tax Violations and Disputes ("TCRTVD") (first level of GSTC's committees) issued its ruling regarding the Group's appeal case for those years from 2015 to 2020 according to which the TCRTVD has partially accepted some disputed items. Knowing that such ruling is not final as both the Group and ZATCA have appealed against such ruling to the appellate committee ("ACTVDR"), the hearing and final ruling from ACTVDR are still awaiting.

During the period ended 30 September 2025, the Group submitted a request to ZATCA to apply for Ministerial Resolution No. 1007, allowing the new Zakat by-law (1445H) to be applied to financial years beginning before 1 January 2024 (Years from 2015 to 2023). ZATCA accepted the request and the Group withdrawn related cases from GSZTCC for the years 2015 to 2020. Accordingly, the original assessments are expected to be revised or canceled upon completion of ZATCA's review. Management believes that the current Zakat provisions are sufficient to cover any potential liabilities, although revised assessments may still be appealed if unfavorable.

**SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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At 30 September 2025

**13 REVENUE**

The Group's revenue is derived from contracts with customers by providing ground handling services, aircraft cleaning, passenger handling, baggage, and fuel to its customers. All revenues are recognized at point in time.

**Revenue by categories:**

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>
Rendering of services	672,456	660,571	2,013,376	1,986,941
Sale of goods	10,919	8,079	30,442	21,420
	<u>683,375</u>	<u>668,650</u>	<u>2,043,818</u>	<u>2,008,361</u>

**Revenue by the type of customers:**

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>
Revenue from related parties (note 15 (a))	405,513	374,349	1,157,117	1,068,245
Revenue from other local and foreign customers	277,862	294,301	886,701	940,116
	<u>683,375</u>	<u>668,650</u>	<u>2,043,818</u>	<u>2,008,361</u>

**14 EARNINGS PER SHARE**

The Parent Company presents basic and diluted earnings per share for its ordinary shares. Basic is calculated by dividing the profit attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period attributable to the shareholders of the Parent Company (ﷲ'000)	101,503	81,679	298,503	231,274
Weighted average number of ordinary shares for the purposes of basic and diluted earnings	188,000,000	188,000,000	188,000,000	188,000,000
Basic and diluted earnings per share based on earnings for the period attributable to shareholders of the Parent Company (in ﷲ)	0.54	0.43	1.59	1.23

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**15 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent the shareholders, 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. The Group operates in an economic regime whereby there are various entities that are directly or indirectly controlled by the Government of Kingdom of Saudi Arabia through its government authorities, affiliations and other organizations, collectively referred to as government-related entities. The Group applies exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government related parties.

Following is the list of related parties and their transactions and the relationship with the Group.

<b>Related Parties:</b>	<b>Relationship</b>
Saudi Arabian Airlines Corporation	Ultimate Parent Company
Ground Service Company for Travel and Tourism Services	Subsidiary
Saudi Airlines Air Transport Company	Fellow subsidiary
Saudia Aerospace Engineering Industries Company	Fellow subsidiary
Saudia Royal Fleet	Fellow subsidiary
Flyadeal Company	Fellow subsidiary
SAL Saudi Logistics Services Company	Fellow subsidiary
Saudi Private Aviation	Fellow subsidiary
Saudi Airlines Cargo Company	Fellow subsidiary
Saudi Airlines Real Estate Development Company	Fellow subsidiary
Prince Sultan Aviation Academy Company	Fellow subsidiary
Catrion Catering Holding Company	Affiliate
Alvest Arabia Equipment Services (formerly known as "TLD Arabia Equipment Services")	Joint venture
Saudi Amad for Airport Services And Transport Support Company	Joint venture
Jusoor Airports for Operations and Maintenance Company	Joint venture
Bupa Arabia for Cooperation Insurance	Common Key Management Personnel

Significant transactions with related parties in the ordinary course of business arise mainly from services provided / received, supply of fuel, and various business arrangements and are undertaken at approved contractual terms. Significant balance and transactions arising from related parties are summarized below.

a) ***Due from related parties - significant transactions and balances under trade receivables:***

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

<b>Relationship</b>	<b>Nature of transactions</b>	<b><u>Three-month period ended</u></b>		<b><u>Nine-month period ended</u></b>	
		<b><u>30 September</u></b>	<b><u>30 September</u></b>	<b><u>30 September</u></b>	<b><u>30 September</u></b>
		<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
		<b><u>(Unaudited)</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Unaudited)</u></b>	<b><u>(Unaudited)</u></b>
		<b><u>ﷲ'000</u></b>	<b><u>ﷲ'000</u></b>	<b><u>ﷲ'000</u></b>	<b><u>ﷲ'000</u></b>
Fellow subsidiaries	Services provided	<b>401,199</b>	371,057	<b>1,145,893</b>	1,058,364
Joint ventures	Services provided	<b>3,019</b>	2,201	<b>7,960</b>	6,856
Affiliate	Services provided	<b>1,297</b>	1,091	<b>3,264</b>	3,025

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**15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

a) *Due from related parties - significant transactions and balances under trade receivables (continued):*

ii) *Due from related parties under trade receivables comprised the following:*

	30 September 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Saudi Airlines Air Transport Company	726,297	636,007
Saudia Aerospace Engineering Industries Company	159,719	122,648
Saudia Royal Fleet	45,255	158,185
SAL Saudi Logistics Services Company	7,510	8,927
Flyadeal Company	22,169	89,403
Saudi Private Aviation	6,132	4,800
Catrion Catering Holding Company	5,911	2,158
Saudi Airlines Cargo Company	913	912
Saudi Arabian Airlines Corporation	683	683
Prince Sultan Aviation Academy Company	1	1
	<u>974,590</u>	<u>1,023,724</u>

b) *Due from related parties - significant transactions and balances under prepayments and other current assets:*

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

Relationship	Nature of transactions	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
		30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000	30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000
Joint ventures	Other expenses	8,511	7,425	22,481	21,232
Joint ventures	Invoices on behalf of the joint venture	16,754	16,914	48,739	48,451

ii) *Due from related parties under prepayments and other current assets comprised the following:*

	30 September 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Saudi Arabian Airlines Corporation	308,738	308,738
Saudi Amad for Airport Services and Transport Support Company	63,011	138,121
Alvest Arabia Equipment Services	-	29,725
	<u>371,749</u>	<u>476,584</u>



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**15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

c) *Due to related parties - significant transactions and balances under trade payables:*

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

Relationship	Nature of transactions	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
		30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000	30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000
Joint ventures	Maintenance received	-	31,013	-	85,313
Affiliate	Services received	54,496	16,403	88,002	46,280
Fellow subsidiaries	Services received	52	-	52	-
Common Key Management Personnel	Services received	-	-	-	56,470
Joint ventures	Services received	26,551	762	83,051	4,817

ii) *Due to related parties under trade payable comprised the following:*

	30 September 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Catrion Catering Holding Company	7,928	8,190
Saudi Airlines Cargo Company	683	684
Saudi Private Aviation	50	-
Saudi Airlines Air Transport Company	22	20
Jusoor Airports For Operation and Maintenance Company	46	-
	<u>8,729</u>	<u>8,894</u>

d) *Due to related parties – significant transactions and balances under other current liabilities:*

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

Relationship	Nature of transactions	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
		30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000	30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000
Joint venture	Invoices on behalf of the Joint Venture	10,828	8,943	34,180	29,361
Joint venture	Other expenses	1,076	3,549	5,380	10,673
Fellow subsidiary	Other expenses	-	-	-	2,555

ii) *Due to related parties under other current liabilities comprised the following:*

	30 September 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Saudi Arabian Airlines Corporation	40,470	40,470
Jusoor Airports for Operations and Maintenance Company	46,661	25,457
Saudia Aerospace Engineering Industries Company	16,536	16,536
Catrion Catering Holding Company	24,399	16,197
Saudi Airlines Air Transport Company	2,954	2,954
Prince Sultan Aviation Academy Company	2,555	2,555
Alvest Arabia Equipment Services	2,073	-
Saudi Airlines Cargo Company	177	177
	<u>135,825</u>	<u>104,346</u>

# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 30 September 2025

### 15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### Key management compensation

Compensation for key management is as follows:

	30 September 2025 (Unaudited) S'000	30 September 2024 (Unaudited) S'000
Short term benefits	8,536	15,452
End of service benefits	1,134	638
Directors' fees	4,500	4,437
	<u>14,170</u>	<u>20,527</u>

Key management personnel comprise of chief executive officer and heads of departments. Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan.

### 16 FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Group's principal financial liabilities comprise trade and other payables, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, financial assets at FVTPL, short term deposits, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework, audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Group is continuously monitoring the evolving scenario and any further change in the risk management policies will be reflected in the future reporting periods. The audit committee oversees compliance by management with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework about the risks faced by the Group.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the loans and borrowing with floating interest rates. The Group manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. Management monitors the changes in interest rates and believes that the fair value and cash flow interest rate risks to the Group are not significant. Interest bearing financial assets comprises of short term deposits which are at fixed interest rates; therefore, has no exposure to cash flow interest rate risk and fair value interest rate risk.

#### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and United States Dollars and Euros. The management believes that there is no currency risk arising from the transactions in currencies to which the Saudi Riyals is pegged. The Group's exposure to currency risk arising from currencies to which the Saudi Riyals is not pegged is not material to these interim condensed consolidated financial statements.

The cash and cash equivalents, short term deposits, trade receivables, and trade payables of the Group are denominated in Saudi Arabian Riyals.

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**16 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)**

***Price risk***

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from special commission rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's exposure to price risk arises from investments held by the Group and classified in the interim condensed consolidated statement of financial position at fair value through profit or loss. The Group closely monitors price in order to manage price risk arising from financial assets at FVTPL.

Every 5% increase or decrease in the net asset value with all other variables held constant will decrease or increase profit or loss for the period by ₪nil (31 December 2024: ₪10.7 million).

***Credit risk***

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to risk on its trade and other receivables, financial assets at FVTPL and cash at banks. The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation of the customer profile and payment history.

The receivables are shown net of allowance for impairment of trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped into low risk, fair risk, doubtful, and loss based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and industry outlook) affecting the ability of the customers to settle the receivables.

The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The Group's exposure to credit risk for gross trade receivables by type of counterparty mainly includes local and foreign airlines and other related parties.

At 30 September 2025, trade receivables are mainly due from related parties (note 15(a)) and other trade receivables and are stated at their estimated realizable values. The ten largest customers account for 71% (31 December 2024: 60%) of outstanding gross other trade receivables. The financial position of the related parties is stable.

With respect to credit risk arising from the other financial assets of the Group, including bank balances and cash, the Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount as disclosed in the statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia and internationally.

The changes in the carrying amounts of trade receivables contributed mainly by the changes in the impairment loss allowance for the period ended 30 September 2025.

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**16 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)**

The Group's gross maximum exposure to credit risk at the reporting date is as follows:

	<b>30 September 2025 (Unaudited) S'000</b>	<b>31 December 2024 (Audited) S'000</b>
<b>Financial assets</b>		
Trade receivables	1,353,724	1,425,101
Other assets	422,490	519,110
Financial assets at fair value through profit or loss (FVTPL)	-	214,000
Short term deposits	650,000	409,000
Bank balances	226,979	86,586
	<b>2,653,193</b>	<b>2,653,797</b>

**Liquidity Risk**

Liquidity risk is the risk that a Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. During the nine-month period ended 30 September 2025, the Group obtained a shariah compliant facilities amounting to S850 million secured by a promissory note to meet the Group's working capital requirements, which has not been withdrawn. This includes consideration of future cashflow forecasts, prepared using assumptions about the nature, timing and amount of future transactions, planned course of actions and other committed cash flows that can be considered reasonable and achievable in the circumstances of the Group. The Group's management has developed a plan to enable the Group to meet its obligations as they become due and to continue its operations, without significant curtailment, as a going concern.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting arrangements:

		<b>Contractual cash flows</b>		
		<b>Less than one year S'000</b>	<b>More than one year S'000</b>	<b>Total S'000</b>
<b>Non-derivative financial liabilities</b>	<b>Carrying amount S'000</b>			
<b>30 September 2025 (Unaudited)</b>				
Trade payables	97,362	97,362	-	97,362
Other payables (excluding advances)	687,363	687,363	-	687,363
Lease liabilities	176,909	66,500	133,350	199,850
	<b>961,634</b>	<b>851,225</b>	<b>133,350</b>	<b>984,575</b>
		<b>Contractual cash flows</b>		
		<b>Less than one year S'000</b>	<b>More than one year S'000</b>	<b>Total S'000</b>
<b>Non-derivative financial liabilities</b>	<b>Carrying amount S'000</b>			
<b>31 December 2024 (Audited)</b>				
Trade payables	115,684	115,684	-	115,684
Other payables (excluding advances)	502,380	502,380	-	502,380
Lease liabilities	166,272	81,423	105,604	187,027
	<b>784,336</b>	<b>699,487</b>	<b>105,604</b>	<b>805,091</b>

**Capital risk management**

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

# SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 30 September 2025

### 17 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The management assessed that the fair value of cash and cash equivalents, and trade and other receivables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Liabilities against leases, and other liabilities are the Group's financial liabilities. All financial liabilities as of 30 September 2025 and 31 December 2024 are measured at amortized cost. The carrying values of the financial liabilities under amortized cost approximate their fair values. The carrying value of all the financial assets classified as amortized cost approximates their fair value on each reporting date. During the nine-month periods ended 30 September 2025 and year ended 31 December 2024, there were no movements between the levels.

The Group fair values the derivative financial instruments and investment at fair value through profit or loss. The fair value of derivative financial instruments is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of investment at fair value through profit or loss is based on the net asset value communicated by the fund manager.

The fair values under different levels were as follows:

<i>For the nine-month period ended 30 September 2025</i>						
	<i>FVTPL</i>	<i>Amortized</i>	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>ﷲ'000</i>	<i>cost</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>
		<i>ﷲ'000</i>				
<b>Financial assets</b>						
Bank balances	-	226,979	226,979	-	-	-
Short term deposits	-	650,000	650,000	-	-	-
Trade receivables	-	1,353,724	1,353,724	-	-	-
Other current assets		422,490	422,490			-
	-	2,653,193	2,653,193	-	-	-



**SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

At 30 September 2025

**17 FAIR VALUE MEASUREMENT (continued)**

<i>For the year ended 31 December 2024</i>						
	<i>FVTPL</i>	<i>Amortized</i>	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>ﷲ '000</i>	<i>cost</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>	<i>ﷲ '000</i>
Financial assets						
Bank balances	-	86,586	86,586	-	-	-
Short term deposits	-	409,000	409,000	-	-	-
Trade receivables	-	1,425,101	1,425,101	-	-	-
Other current assets	-	519,110	519,110	-	-	-
Financial assets at fair value through profit or loss	214,000	-	214,000	-	214,000	-
	<u>214,000</u>	<u>2,439,797</u>	<u>2,653,797</u>	<u>-</u>	<u>214,000</u>	<u>-</u>

**18 CONTINGENCIES AND COMMITMENTS**

- (a) In addition to contingencies disclosed in note 12, the Group has provided, in the normal course of business, bank guarantees amounting to ﷲ112 million (31 December 2024: ﷲ93 million) to the Ministry of Finance, Saudi Airlines, International Air Transport Association (“IATA”) and General Authority of Civil Aviation (“GACA”), towards tickets, tenders, airline ticket sales and rentals as at 30 September 2025.
- (b) Commitments amounting to ﷲ146.7 million (31 December 2024: ﷲ135.6 million) are in respect of capital expenditure committed but not paid.
- (c) As at 30 September 2025, there are cases filed by labors and subcontractors where the Group is a defendant. Currently, the legal proceedings are ongoing and based on management expectations, the related probabilities of winning the cases are high for the Group.

**19 SUBSEQUENT EVENTS**

There have been no significant subsequent events since the period-end, that would require disclosures of adjustments in these interim condensed consolidated financial statements.

**20 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements have been approved and authorized to issue by the Group's Board of Directors on 09 November 2025 corresponding to 18 Jumada al-Ula 1447H.