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 SIX-MONTH PERIODS ENDED 30 JUNE 2026

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 six-month periods ended 30 June 2026

Shape the future with confidence

Ernst & Young Professional Services (Professional LLC)
Paid-up capital (⃁5,500,000 - Five million five hundred thousand Saudi Riyal)

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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 June 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (2410), *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* 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: 29 Safar 1448H
12 August 2026G

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سجل تجاري ٤٠٣٠٢٧٦٦٤٤
CR. 4030276644
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 (Unaudited) ⃁'000**	31 December 2025 (Audited) ⃁'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	**733,457**	684,139
Right-of-use assets	7	**212,760**	168,111
Intangible assets and goodwill	8	**688,319**	699,932
Equity-accounted investments	9	**181,391**	168,024
Prepayments and other assets		**97,666**	99,552
TOTAL NON-CURRENT ASSETS		**1,913,593**	1,819,758
CURRENT ASSETS			
Inventories		**9,342**	9,287
Trade receivables	10	**1,072,983**	1,059,075
Prepayments and other assets		**644,060**	676,574
Short term deposits		**555,000**	505,000
Cash and cash equivalents		**105,289**	255,045
TOTAL CURRENT ASSETS		**2,386,674**	2,504,981
TOTAL ASSETS		**4,300,267**	4,324,739
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	**1,880,000**	1,880,000
Retained earnings		**714,457**	685,595
TOTAL EQUITY		**2,594,457**	2,565,595
NON-CURRENT LIABILITIES			
Lease liabilities	7	**132,469**	117,120
Employee defined benefit liabilities		**595,436**	591,624
TOTAL NON-CURRENT LIABILITIES		**727,905**	708,744
CURRENT LIABILITIES			
Lease liabilities	7	**98,434**	53,241
Trade payables		**77,994**	105,781
Accruals and other current liabilities		**575,264**	478,325
Zakat provision	12	**226,213**	413,053
TOTAL CURRENT LIABILITIES		**977,905**	1,050,400
TOTAL LIABILITIES		**1,705,810**	1,759,144
TOTAL EQUITY AND LIABILITIES		**4,300,267**	4,324,739

Mohammad A. Alamoudi	Mohammed A. Mazi	Khalid Al Buainain
Chief Financial Officer	Chief Executive Officer	Chairman of the Board of Directors

The accompanying notes from 1 to 21 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 six-month periods ended 30 June 2026

	Notes	***Three-month period ended 30 June***		***Six-month period ended 30 June***	
		2026 (Unaudited) ⃁'000	*2025 (Unaudited) ⃁'000*	***2026 (Unaudited) ⃁'000***	*2025 (Unaudited) ⃁'000*
Revenue	13	**635,149**	688,948	**1,307,644**	1,360,443
Costs of revenue		**(624,994)**	(550,958)	**(1,189,920)**	(1,059,170)
GROSS PROFIT		**10,155**	137,990	**117,724**	301,273
Other income, net		**4,821**	12,116	**16,804**	20,049
General and administrative expenses		**(78,053)**	(57,843)	**(169,598)**	(133,258)
Impairment losses on trade receivables		**1,173**	4,400	**566**	4,400
OPERATING (LOSS) / PROFIT		**(61,904)**	96,663	**(34,504)**	192,464
Finance costs		**(3,945)**	(2,928)	**(6,703)**	(4,754)
Interest income on term deposits		**9,782**	7,036	**17,697**	12,323
Realized and unrealized gain on financial assets at FVTPL	11	**-**	4,009	**-**	7,629
Share of results from equity-accounted investments	9	**6,943**	6,643	**13,367**	14,638
(LOSS) / PROFIT FOR THE PERIOD BEFORE ZAKAT		**(49,124)**	111,423	**(10,143)**	222,300
Zakat (charge) / reversal	12	**(7,453)**	(12,050)	**14,018**	(25,300)
(LOSS) / PROFIT FOR THE PERIOD		**(56,577)**	99,373	**3,875**	197,000
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to statement of profit or loss in subsequent periods:					
Re-measurement gain on employee defined benefit liability		**24,987**	14,693	**24,987**	14,693
Share of other comprehensive income from equity-accounted investments		**-**	154	**-**	154
Total other comprehensive income for the period		**24,987**	14,847	**24,987**	14,847
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		**(31,590)**	114,220	**28,862**	211,847
(Loss) / earnings per share					
(Loss) / earnings per share attributable to ordinary equity holders of the Parent Company (basic and diluted) (in ⃁)	14	**(0.30)**	0.53	**0.02**	1.05

Mohammad A. Alamoudi	Mohammed A. Mazi	Khalid Al Buainain
Chief Financial Officer	Chief Executive Officer	Chairman of the Board of Directors

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026

	Share capital ***⃁'000***	***Retained earnings*** ***⃁'000***	***Total*** ***⃁'000***
Balance as at 1 January 2025	1,880,000	633,694	2,513,694
Profit for the period	-	197,000	197,000
Other comprehensive income for the period	-	14,847	14,847
Total comprehensive income for the period	-	211,847	211,847
Dividends (note 1)	-	(188,000)	(188,000)
Balance as at 30 June 2025 (Unaudited)	1,880,000	657,541	2,537,541
Balance as at 1 January 2026	**1,880,000**	**685,595**	**2,565,595**
Profit for the period	-	**3,875**	**3,875**
Other comprehensive income for the period	-	**24,987**	**24,987**
Total comprehensive income for the period	-	**28,862**	**28,862**
Balance as at 30 June 2026 (Unaudited)	**1,880,000**	**714,457**	**2,594,457**

Mohammad A. Alamoudi Chief Financial Officer	Mohammed A. Mazi Chief Executive Officer	Khalid Al Buainain Chairman of the Board of Directors

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026

	Notes	***30 June 2026 (Unaudited) ⃁'000***	*30 June 2025 (Unaudited) ⃁'000*
OPERATING ACTIVITIES			
(Loss) / profit before zakat		**(10,143)**	222,300
Adjustments to reconcile profit before zakat to net cash flows:			
Depreciation on property and equipment	6	**65,351**	54,433
Depreciation on right-of-use assets	7	**30,142**	26,100
Amortization of intangible assets	8	**11,613**	11,613
Share of results from equity-accounted investments	9	**(13,367)**	(14,638)
Reversal of impairment loss on trade receivables	10	**(566)**	(4,400)
Provision for employee defined benefit liabilities		**43,473**	42,859
Unrealized gain on financial assets at FVTPL		**-**	(5,211)
Gain on disposal of financial assets at FVTPL		**-**	(2,418)
Finance costs		**6,703**	4,754
		133,206	335,392
Working capital adjustments:			
Inventories		**(55)**	633
Trade receivables		**(13,342)**	67,060
Prepayments and other assets		**34,400**	45,615
Trade payables		**(27,787)**	(58,161)
Accruals and other liabilities		**96,939**	34,988
Cash from operations		**223,361**	425,527
Finance costs paid		**-**	(1,147)
Employee defined benefit liabilities paid		**(14,674)**	(14,847)
Zakat paid	12	**(172,822)**	(10,020)
Net cash from operating activities		**35,865**	399,513
INVESTING ACTIVITIES			
Additions to property and equipment	6	**(114,669)**	(53,980)
Proceeds from disposal of financial assets at FVTPL	11	**-**	55,000
Purchase of financial assets at FVTPL	11	**-**	(95,000)
Dividends received from equity-accounted investments	9	**-**	2,000
Investments in short term deposits		**(1,100,000)**	(505,000)
Proceeds on maturity of short-term deposits		**1,050,000**	409,000
Net cash used in investing activities		**(164,669)**	(187,980)
FINANCING ACTIVITIES			
Dividends paid		**-**	(188,000)
Payments of lease liabilities	7	**(20,952)**	(20,789)
Net cash used in financing activities		**(20,952)**	(208,789)
Net (decrease) / increase in cash and cash equivalents		**(149,756)**	2,744
Cash and cash equivalents at the beginning of the period		**255,045**	87,232
Cash and cash equivalents at end of the period		**105,289**	89,976
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION			
Addition to right-of-use assets and lease liabilities	7	**77,092**	81,386
Modification to right-of-use assets and lease liabilities	7	**(2,301)**	677

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 21 form an integral part of these interim condensed consolidated financial statements.

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 June 2026 and 31 December 2025 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:

	Percentage %	*Number of shares*	*Amount ⃁'000*
Saudi Arabian Airlines Corporation	52.5	98,700,000	987,000
General public	47.5	89,300,000	893,000
	100	188,000,000	1,880,000

During the six-month period ended 30 June 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.

Subsidiary
The Group holds ownership interest in a subsidiary as at 30 June 2026 and 31 December 2025 as follows:

Name	**Country of incorporation / principal place of business**	**Effective ownership interest (%)**	
		30 June 2026	*31 December 2025*
Ground Service Company for Travel and Tourism Services	Kingdom of Saudi Arabia	**100%**	100%

The Subsidiary is licensed to engage in travel agency activities and air transport support services within the transportation and support services sectors in Saudi Arabia. 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 June 2026 and 31 December 2025 as follows:

Name	**Country of incorporation / principal place of business**	**Effective ownership interest (%)**	
		30 June 2026	*31 December 2025*
Saudi Amad for Airport Services and Transport Support Company ("SAAS") (note 9)	Kingdom of Saudi Arabia	**50%**	50%
Alvest Arabia Equipment Services ("AAES") (note 9)	Kingdom of Saudi Arabia	**50%**	50%
Jusoor Airports for Operations and Maintenance Company ("Jusoor") (note 9)	Kingdom of Saudi Arabia	**51%**	51%

2 BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements for the six-month periods ended 30 June 2026 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 2025. In addition, results of the interim period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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

Certain comparative figures have been reclassified to conform with the current year's presentation to these interim condensed consolidated financial statements.

2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals ("⃁"), which is also the Group's functional and presentation currency. All figures are rounded off to the nearest thousands (⃁'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 2025.

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 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The following amendments apply for the first time in 2026.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments. The amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (continued)

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing* IFRS 7, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature-dependent Electricity*. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Group's financial performance and cash flows

The amendments had no impact on the Group's interim condensed consolidated financial statements.

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.

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 financial statements, available for public use, which comply with IFRS accounting standards.

These amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21
In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

These amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

IFRS 20 - Regulatory Assets and Regulatory Liabilities

IFRS 20 introduces requirements that will result in information that supplements the information an entity already provides by applying IFRS accounting standards, such as IFRS 15. Such information enables users of financial statements to understand the total compensation allowed for regulatory goods or services supplied in each reporting period and the related rights and obligations.

Expected impact of the initial application of IFRS 18 ("Presentation and Disclosure in Financial Statements")

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements and updates to the statement of profit or loss, with the main objective of improving comparability in the statement of profit or loss and enhancing transparency over management-defined performance measures.

The key new concepts introduced by IFRS 18 include:

- A revised structure of the statement of profit or loss, requiring classification of income and expenses into five defined categories based on the entity's main business activities and presentation of mandatory subtotals;
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general; and
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (i.e., management-defined performance measures).

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

<u>Structure of the Statement of Profit or Loss</u>

The standard is expected to result in changes to the presentation of certain line items and subtotals in the statement of profit or loss, requiring the classification of all income and expenses into five categories, namely operating, investing, financing, zakat and income tax, and discontinued operations. This classification depends on the main business activities of the entity.

Based on the Group's preliminary assessment and the nature of its main business activities, including ground handling services, aircraft cleaning, passenger handling, baggage, and fuel sale, the Group does not expect to have a specified main business activity of investing in assets or providing financing to customers.

The Group expects IFRS 18 to result primarily in presentation and classification changes, including the introduction of newly defined subtotals such as operating profit and profit before financing and zakat/income tax. As a result, the operating profit subtotal under IFRS 18 may differ from the current operating profit subtotal presented under IAS 1.

Based on the preliminary assessment performed using the Group trial balance and existing statement of profit or loss mapping, the Group expects changes to the current structure of the consolidated statement of profit or loss to result primarily from the following:

- The finance cost component of employees' end-of-service benefit obligations, currently included within employee-related expenses, will be assessed and presented within the financing category.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Expected impact of the initial application of IFRS 18 ("Presentation and Disclosure in Financial Statements") (continued)

- Share of results from equity-accounted investees, will be presented within the investing category and included in the subtotal of profit before financing and zakat/income tax.
- Interest income on term deposits and realized and unrealized gain on financial assets at FVTPL, will be presented within the investing category and included in the subtotal of profit before financing and zakat/income tax since the Group is not investing in these types of assets as a main business activity.

Aggregation and Disaggregation

The new aggregation and disaggregation requirements may lead into changes to present the most useful structured summary. The Group is assessing how items are aggregated and disaggregated in the primary financial statements and the notes on the basis of similar and dissimilar characteristics.

Certain profit or loss line items description, aggregations and subtotals may change to provide useful structured summaries and disclose additional material information in the notes. Based on the preliminary assessment performed to date, the Group expects further consideration of the presentation and aggregation of revenue streams generated from ground handling services, aircraft cleaning, passenger handling, baggage, and fuel sale, as well as certain operating expense categories, to ensure compliance with the aggregation and disaggregation requirements of IFRS 18. The Group is performing a detailed assessment to determine the appropriate classification and presentation of such items.

The preliminary assessment indicates that IFRS 18 may result in changes to the presentation of certain line items within the statement of financial position, including further disaggregation of intangible assets and goodwill. The Group continues to evaluate the detailed presentation and disclosure requirements of the standard.

The Group is also assessing line items currently labeled as “other” and will use more informative labels that describes the aggregated items as precisely as possible.

Management-defined performance measures (MPMs)

Management-defined Performance Measures (MPMs) is a subtotal of income and expenses that entity uses in public communication outside the financial statements that communicates management’s view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures.

The Group is in the process of determining which public communications should be considered when identifying MPMs (including adjusted earnings measures, underlying profit measures and certain operating performance metrics) will meet the definition of an MPM under IFRS 18. Accordingly, assessment remains ongoing and the Group will continue to evaluate public communications, presentations and other public disclosures prior to the effective date of the standard to determine whether any such measures will be subject to the disclosure requirements of IFRS 18.

Consequential amendments

The Group is also evaluating the consequential amendments arising from IFRS 18, including amendments to IAS 7 Statement of Cash Flows and IAS 34 Interim Financial Reporting.

The Group currently uses profit for the year / period as a starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. Cash flows from interest received and dividends paid will continue to be classified as investing and financing activities, respectively.

The Group’s assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance becomes available.

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 have not met the quantitative thresholds for reportable segments for the six-month period ended 30 June 2026 and 30 June 2025. 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:

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Carrying amount at beginning of the period / year	**684,139**	559,306
Additions during the period / year (*)	**114,669**	242,076
Expropriation of property during the period / year	**-**	(2,966)
Depreciation during the period / year	**(65,351)**	(114,277)
At the end of the period / year	**733,457**	684,139

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

b) Category-wise carrying amounts are as follows:

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Land	**24,498**	24,498
Leasehold improvements	**26,933**	27,278
Airport equipment	**671,021**	620,271
Motor vehicles	**679**	813
Furniture, fixture and equipment	**4,266**	3,923
Computer equipment	**6,060**	7,356
At the end of the period / year	**733,457**	684,139

7 LEASES

The Group has various leases for land, office buildings and workshops 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.

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.

7 LEASES (continued)

a) Right of use assets

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
At the beginning of the period / year	**168,111**	141,066
Additions during the period / year	**77,092**	82,020
Modification during the period / year	**(2,301)**	(1,926)
Depreciation during the period / year	**(30,142)**	(53,049)
At the end of the period / year	**212,760**	168,111

b) Lease liabilities

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
At the beginning of the period / year	**170,361**	166,272
Additions during the period / year	**77,092**	82,020
Modification during the period / year	**(2,301)**	(1,926)
Accretion of interest during the period / year	**6,703**	10,273
Payments during the period / year	**(20,952)**	(86,278)
At the end of the period / year	**230,903**	170,361
Less: Current portion	**(98,434)**	(53,241)
Non-current portion	**132,469**	117,120

8 INTANGIBLE ASSETS AND GOODWILL

	Goodwill ⃁'000	*Customer contracts ⃁'000*	*Customer relationships ⃁'000*	*Software ⃁'000*	*Total ⃁'000*
Cost:					
Balance at 31 December 2025 and 30 June 2026	582,816	153,179	468,475	64,117	**1,268,587**
Accumulated amortisation:					
Balance at 1 January 2025	-	153,179	327,935	64,117	545,231
Amortisation for the year	-	-	23,424	-	23,424
Balance at 31 December 2025 (Audited)	-	153,179	351,359	64,117	568,655
Amortisation for the period	-	-	11,613	-	11,613
Balance at 30 June 2026 (Unaudited)	-	**153,179**	**362,972**	**64,117**	**580,268**
Net book value:					
At 30 June 2026 (Unaudited)	**582,816**	**-**	**105,503**	**-**	**688,319**
At 31 December 2025 (Audited)	582,816	-	117,116	-	699,932

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 2025, an independent valuation expert was engaged by management to perform an impairment assessment of goodwill and customer relationships and concluded that no impairment existed. As at 30 June 2026, the Group identified decline in flight activities and operating performance arising from geopolitical developments in the region as indicators requiring an updated assessment of the recoverability of goodwill. Accordingly, management engaged an independent valuation expert to update the impairment assessment using forecasts reflecting the latest expected flight volumes, revenue growth and operating margins. The recoverable amount of the cash-generating unit was determined based on value in use using a discounted cash-flow model. The key assumptions included a discount rate of 12% - 13% (31 December 2025: 12% - 13%) a terminal growth rate of 2% (31 December 2025: 2%), revenue growth rate of 3.5% (31 December 2025: 3.5%), projected EBITDA margin (average of next three years) of 16.97% – 17.27% (31 December 2025: 20% - 20.4%), forecast flight volumes and operating margins. These assumptions reflect management's assessment of current market conditions, expected recovery in flight activity and the impact of geopolitical developments on the Group's operations. Based on the assessment, the recoverable amount exceeded its carrying amount by ⃁238 million and accordingly, no impairment loss was recognised as at 30 June 2026.

9 EQUITY-ACCOUNTED INVESTMENTS

The equity-accounted investments in joint ventures as at 30 June 2026 and 31 December 2025 are as follows:

	Country of incorporation / principal place of business	**Effective ownership interest (%)**			
		30 June 2026	*31 December 2025*	***30 June 2026 (Unaudited)***	*31 December 2025 (Audited)*
				⃁'000	*⃁'000*
Saudi Amad for Airport Services and Transport Support Company ("SAAS")	Kingdom of Saudi Arabia	**50%**	50%	**103,501**	97,502
Alvest Arabia Equipment Services ("AAES")	Kingdom of Saudi Arabia	**50%**	50%	**15,953**	15,447
Jusoor Airports for Operations and Maintenance Company ("Jusoor")	Kingdom of Saudi Arabia	**51%**	51%	**61,937**	55,075
				181,391	168,024

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

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Balance at the beginning of the period / year	**168,024**	102,065
Share of results for the period / year	**13,367**	67,499
Share of other comprehensive income for the period / year	**-**	460
Dividends for the period / year	-	(2,000)
Balance at the end of the period / year	**181,391**	168,024

i) 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 June 2026 and 31 December 2025. Further, there has been no change in circumstances that would require change in the classification of equity-accounted investments.

ii) The financial information and the share of results for the three-month and six-month period ended 30 June 2026, are based on management accounts. Where necessary, adjustments have been made to align the accounting policies with those of the Group, following management's review and due diligence procedures.

9 EQUITY-ACCOUNTED INVESTMENTS (continued)

iii) During the year ended 31 December 2025, SAAS incorporated certain prior period adjustments in its unaudited financial statements as part of review of the residual values of property and equipment. As at the reporting date of these interim condensed consolidated financial statements, this review remains ongoing and the related financial information has not been finalised or approved by SAAS's governance bodies. Accordingly, the Group has continued to apply the equity method based on the most recent financial information available by excluding the impact of such prior period adjustments. The Group continues to perform due diligence and will reassess the accounting treatment once related financial information and approvals are completed.

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.

b) Alvest Arabia Equipment Services ("AAES")
This represents Group's 50% ownership interest in Alvest Arabia Equipment Services ("AAES"), 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 June 2025, the Group received ⃁2 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 are as follows:

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Due from related parties (note 15 (a)(ii))	**948,854**	911,492
Other trade receivables	**361,826**	385,846
	1,310,680	1,297,338
Less: allowance for impairment loss	**(237,697)**	(238,263)
	1,072,983	1,059,075

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

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Balance at beginning of the period / year	**238,263**	234,124
(Reversal) / charge for the period / year	**(566)**	4,139
	237,697	238,263

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:

	30 June 2026 (Unaudited) ⃁ ’000	*31 December 2025 (Audited) ⃁ ’000*
Balance at beginning of the period / year	**-**	214,000
Investments during the period / year	**-**	95,000
Disposal of investments during the period / year	**-**	(319,789)
Fair value gain during the period / year	**-**	10,789
	-	-

12 ZAKAT PROVISION

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

	30 June 2026 (Unaudited) ⃁ ’000	*31 December 2025 (Audited) ⃁ ’000*
Balance at beginning of the period / year	**413,053**	398,277
Charge during the period / year	**19,383**	44,082
Reversal of charge relating to prior periods	**(33,401)**	(19,286)
Payments during the period / year	**(172,822)**	(10,020)
	226,213	413,053

Status of assessments of the Company

The Company has filed Zakat declaration up to the financial year ended 31 December 2025 with Zakat, Tax and Customs Authority (“ZATCA”). The Company obtained Zakat certificate valid until 30 April 2027. The Company has finalized its assessments with ZATCA up to the year 2014. No assessments have been raised by the ZATCA for the year ended 31 December 2025.

ZATCA has issued Zakat assessments for the years from 2015 to 2020 claiming an additional liability of ⃁ 243.7 million. The Company 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 Company’s appeal case for those years from 2015 to 2020 according to which the TCRTVD has partially accepted some disputed items. The Company received a revised assessment from ZATCA during January 2026, reflecting an additional liability of ⃁ 201 million. The Company partially accepted this assessment while retaining its right to object. Accordingly, the previously recognised provision was adjusted, resulting in a reversal of Zakat provision amounting to ⃁33.4 million in the interim condensed consolidated statement of profit and loss and other comprehensive income for the six-month period ended 30 June 2026. During June 2026, the Company settled the undisputed portion of the additional Zakat liability amounting to ⃁95.4 million appealing the remaining assessed liabilities. In accordance with procedural requirements of the Zakat By-Law (1445 AH), the Company also paid ⃁9.5 million, representing 10% of the disputed Zakat differences for the years 2015 through 2020. As of the date of this report, the appeal remains under review by ZATCA.

12 ZAKAT PROVISION (continued)

Status of assessments of the Company (continued)

In relation to the Zakat assessments for the years from 2021 to 2023, the Company received an assessment from ZATCA during December 2025, reflecting additional liability of ⃁93.4 million, followed by a revised assessment in January 2026 reflecting additional liability of ⃁94.9 million. The Company partially accepted this liability while retaining its right to object and accordingly, the previously recognised provision was adjusted, resulting in a reversal of Zakat provision amounting to ⃁19.3 million in the consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2025. During June 2026, the Company settled the undisputed portion of the additional Zakat liabilities, amounting to ⃁38.4 million. The Company subsequently appealed the remaining assessed liabilities totaling ⃁56.4 million. In accordance with the procedural requirements of the Zakat By-Law (1445 AH), the Company also paid ⃁5.6 million, representing 10% of the disputed Zakat differences for the years 2021 through 2023. As of the date of this report, the appeal remains under review by ZATCA.

During the period, in June 2026, ZATCA requested certain clarifications and information in relation to the Company's Zakat and Withholding Tax filings for the year ended 31 December 2024. The Company has responded to the queries raised by ZATCA and provided the requested information and clarifications. As of the date of this report, the matter remains under review by ZATCA, and the Company is waiting for the final result.

Based on current progress and the available information, management believes that the level of existing provisions for Zakat is sufficient to account for any potential liabilities that may arise at the time of final assessments.

Status of assessments of the Subsidiary

The Subsidiary has filed its annual declarations for the period up to 31 December 2024 and received the certificate from ZATCA which is valid until 30 April 2026. There were no zakat assessments received during the current and previous periods, and there are no pending zakat assessments.

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:

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Unaudited) ⃁'000	*30 June 2025 (Unaudited) ⃁'000*	***30 June 2026 (Unaudited) ⃁'000***	*30 June 2025 (Unaudited) ⃁'000*
Rendering of services	**624,956**	676,303	**1,288,529**	1,340,920
Sale of goods	**10,193**	12,645	**19,115**	19,523
	635,149	688,948	**1,307,644**	1,360,443

Revenue by the type of customers:

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Unaudited) ⃁'000	*30 June 2025 (Unaudited) ⃁'000*	***30 June 2026 (Unaudited) ⃁'000***	*30 June 2025 (Unaudited) ⃁'000*
Revenue from related parties (note 15(a))	**335,546**	389,979	**715,241**	751,604
Revenue from other local and foreign customers	**299,603**	298,969	**592,403**	608,839
	635,149	688,948	**1,307,644**	1,360,443

14 (LOSS) / EARNINGS PER SHARE

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

	Three-month period ended		***Six-month period ended***	
	30 June 2026 (Unaudited) ⃁'000	*30 June 2025 (Unaudited) ⃁'000*	***30 June 2026 (Unaudited) ⃁'000***	*30 June 2025 (Unaudited) ⃁'000*
(Loss) / profit for the period attributable to the shareholders of the Parent Company (⃁ *'000*)	**(56,577)**	99,373	**3,875**	197,000
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 (loss) / earnings per share based on earnings for the period attributable to shareholders of the Parent Company (in ⃁)	**(0.30)**	0.53	**0.02**	1.05

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.

Related Parties:	**Relationship**
Saudi Arabian Airlines Corporation	Ultimate Parent Company
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	Joint venture
Saudi Amad for Airport Services and Transport Support Company	Joint venture
Jusoor Airports for Operations and Maintenance Company	Joint venture

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.

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

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

Relationship	Nature of transactions	Three-month period ended		Six-month period ended	
		30 June 2026 (Unaudited) ⃁'000	*30 June 2025 (Unaudited) ⃁'000*	***30 June 2026 (Unaudited) ⃁'000***	*30 June 2025 (Unaudited) ⃁'000*
Fellow subsidiaries	Services provided	**331,505**	385,979	**707,639**	744,694
Joint ventures	Services provided	**2,875**	2,780	**5,227**	4,941
Affiliate	Services provided	**1,166**	1,220	**2,375**	1,969

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

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁ '000*
Saudi Airlines Air Transport Company	**672,958**	696,273
Saudia Aerospace Engineering Industries Company	**178,585**	165,869
Saudia Royal Fleet	**38,955**	25,444
SAL Saudi Logistics Services Company	**10,247**	9,094
Flyadeal Company	**28,260**	55
Saudi Private Aviation	**7,752**	5,399
Catrion Catering Holding Company	**10,492**	7,761
Saudi Airlines Cargo Company	**921**	914
Saudi Arabian Airlines Corporation	**683**	682
Prince Sultan Aviation Academy Company	**1**	1
	948,854	911,492

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

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

	30 June 2026 (Unaudited) ⃁ '000	*31 December 2025 (Audited) ⃁ '000*
Saudi Arabian Airlines Corporation	**308,738**	308,738
Saudi Amad for Airport Services and Transport Support Company	**-**	65,750
Alvest Arabia Equipment Services	**-**	7,202
	308,738	381,690

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	Three-month period ended		Six-month period ended	
		30 June 2026 (Unaudited) ⃁'000	*30 June 2025 (Unaudited) ⃁'000*	***30 June 2026 (Unaudited) ⃁'000***	*30 June 2025 (Unaudited) ⃁'000*
Joint ventures	Maintenance received	**-**	28,250	**-**	56,500
Affiliate	Services received	**20,427**	17,792	**38,286**	33,506
Fellow subsidiaries	Services received	**6,682**	52	**6,734**	52

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

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Catrion Catering Holding Company	**1,803**	11,362
Saudi Airlines Cargo Company	**-**	684
Saudi Airlines Real Estate Development Company	**6,000**	-
Prince Sultan Aviation Academy Company	**-**	172
Saudi Private Aviation	**-**	50
Jusoor Airports for Operations and Maintenance Company	**-**	46
Saudi Airlines Air Transport Company	**-**	29
	7,803	12,343

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	Three-month period ended		Six-month period ended	
		30 June 2026 (Unaudited) ⃁'000	*30 June 2025 (Unaudited) ⃁'000*	***30 June 2026 (Unaudited) ⃁'000***	*30 June 2025 (Unaudited) ⃁'000*
Parent Company	Other expenses	**29**	-	**29**	-
Joint venture	Invoices on behalf of the Joint Venture	**58,960**	25,854	**124,738**	55,337
Joint venture	Other expenses	**13,803**	8,855	**64,170**	18,274
Fellow subsidiaries	Other expenses	**3,600**	-	**3,600**	-

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

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Saudi Arabian Airlines Corporation	**40,470**	40,470
Jusoor Airports for Operations and Maintenance Company	**21,174**	31,174
Saudia Aerospace Engineering Industries Company	**16,536**	16,536
Catrion Catering Holding Company	**42,849**	30,139
Saudi Amad for Airport Services and Transport Support Company	**11,663**	-
Saudi Airlines Air Transport Company	**2,954**	2,954
Prince Sultan Aviation Academy Company	**6,155**	2,555
Alvest Arabia Equipment Services	**5,617**	-
Saudi Airlines Cargo Company	**177**	177
	147,595	124,005

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management compensation

Compensation for key management is as follows:

	30 June 2026 (Unaudited) ⃁'000	*30 June 2025 (Unaudited) ⃁'000*
Short term benefits	**7,594**	4,933
End of service benefits	**407**	319
Directors' fees	**3,000**	3,000
	11,001	8,252

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, 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 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.

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.

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 in its trade and other receivables and cash at banks. The Group manages credit risk with respect to receivables from customers by monitoring them 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 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 June 2026, 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 66% (31 December 2025: 83%) 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 June 2026.

16 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

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

	30 June 2026 (Unaudited) ⃁'000	*31 December 2025 (Audited) ⃁'000*
Financial assets		
Trade receivables	**1,310,680**	1,297,338
Other assets	**425,969**	445,521
Short term deposits	**555,000**	505,000
Bank balances	**103,336**	254,674
	2,394,985	2,502,533

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. 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:

		Contractual cash flows		
Non-derivative financial liabilities	***Carrying amount ⃁'000***	***Less than one year ⃁'000***	***More than one year ⃁'000***	***Total ⃁'000***
30 June 2026 (Unaudited)				
Trade payables	**77,994**	**77,994**	**-**	**77,994**
Other payables (excluding advances)	**561,110**	**561,110**	**-**	**561,110**
Lease liabilities	**230,903**	**109,573**	**141,854**	**251,472**
	870,007	**748,677**	**141,854**	**890,576**

		Contractual cash flows		
Non-derivative financial liabilities	*Carrying amount ⃁'000*	*Less than one year ⃁'000*	*More than one year ⃁'000*	*Total ⃁'000*
31 December 2025 (Audited)				
Trade payables	105,781	105,781	-	105,781
Other payables (excluding advances)	460,369	460,369	-	460,369
Lease liabilities	170,361	63,155	133,922	197,077
	736,511	629,305	133,922	763,227

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.

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 economic best 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.

Trade payables, liabilities against leases, and other liabilities are the Group's financial liabilities. All financial liabilities as of 30 June 2026 and 31 December 2025 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 six-month periods ended 30 June 2026 and year ended 31 December 2025, 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:

	For the six-month period ended 30 June 2026					
	FVTPL	***Amortized cost***	***Total***	***Level 1***	***Level 2***	***Level 3***
	⃁'000	***⃁'000***	***⃁'000***	***⃁'000***	***⃁'000***	***⃁'000***
Financial assets						
Bank balances	**-**	**103,336**	**103,336**	**-**	**-**	**-**
Short term deposits	**-**	**555,000**	**555,000**	**-**	**-**	**-**
Trade receivables	**-**	**1,072,983**	**1,072,983**	**-**	**-**	**-**
Other current assets	**-**	**425,969**	**425,969**	**-**	**-**	**-**
	-	**2,157,288**	**2,157,288**	**-**	**-**	**-**

17 FAIR VALUE MEASUREMENT (continued)

	For the year ended 31 December 2025					
	FVTPL	*Amortized cost*	*Total*	*Level 1*	*Level 2*	*Level 3*
	⃁ '000	*⃁ '000*	*⃁ '000*	*⃁ '000*	*⃁ '000*	*⃁ '000*
Financial assets						
Bank balances	-	254,674	254,674	-	-	-
Short term deposits	-	505,000	505,000	-	-	-
Trade receivables	-	1,059,075	1,059,075	-	-	-
Other current assets	-	445,521	445,521	-	-	-
	-	2,264,270	2,264,270	-	-	-

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 ⃁141.4 million (31 December 2025: ⃁ 101.2 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 June 2026.

(b) Commitments amounting to ⃁98.2 million (31 December 2025: ⃁107.7 million) are in respect of capital expenditure committed but not paid.

(c) During the previous year 31 December 2025, Group's joint venture, Saudi Amad for Airport Services & Transport Support filed a legal case against the Company for ⃁201 million in relation to existence of outstanding invoices. Currently, the legal proceedings are ongoing and based on management expectations, the related probabilities of winning the case are high for the Group.

(d) As at 30 June 2026, 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 GEOPOLITICAL DEVELOPMENTS

During the current period, geopolitical tensions in parts of the Middle East have increased resulting in heightened uncertainty across the region. Management continues to monitor developments and assess their potential impact on Group's operations and financial performance.

The Group has assessed the potential implications of these events on its operations, financial position and performance. During the period, the Group's operating performance was impacted due to the current geopolitical situation, and this has resulted in decrease in the gross profit margin for the three-month and six-month period ended 30 June 2026. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these geopolitical events on future periods.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate due to resilience of the financial position and strong cashflow situation of the Group.

20 SUBSEQUENT EVENTS

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

21 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 05 August 2026G corresponding to 22 Safar 1448H.