

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

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
30 JUNE 2025**

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2025

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of CATRION For Catering Holding Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2025 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 2025, 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services



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



Jeddah: 13 Safar 1447 H
(7 August 2025)

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

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

For the three-month and six-month periods ended 30 June 2025

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2025 S	2024 S	2025 S	2024 S
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	4	571,452,671	564,805,470	1,160,839,823	1,117,618,548
Cost of revenue	5	(412,292,723)	(415,370,450)	(831,790,355)	(815,726,984)
GROSS PROFIT		159,159,948	149,435,020	329,049,468	301,891,564
General and administrative expenses		(84,701,928)	(78,037,451)	(172,959,552)	(156,624,491)
Allowance for expected credit losses	12	-	(3,001,570)	(6,025,378)	(8,501,570)
Other income		3,331,754	5,425,793	15,173,100	9,537,786
Other expenses		(381,021)	(246,841)	(886,327)	(813,838)
TOTAL OPERATING PROFIT		77,408,753	73,574,951	164,351,311	145,489,451
Finance income		3,129,760	6,231,141	8,928,750	14,097,854
Finance cost		(9,309,659)	(4,881,118)	(18,934,171)	(9,651,663)
Share of results from investment in associate	11	(2,978,445)	3,773,122	(4,689,830)	9,517,677
PROFIT BEFORE ZAKAT		68,250,409	78,698,096	149,656,060	159,453,319
Zakat expense	16	(2,861,937)	(5,516,334)	(9,489,907)	(15,043,251)
NET PROFIT FOR THE PERIOD		65,388,472	73,181,762	140,166,153	144,410,068
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement loss on Employees' defined benefits		(922,507)	(164,757)	(922,507)	(164,757)
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>					
Net loss on cash flow hedges	10	(1,803,717)	-	(1,803,717)	-
Other comprehensive loss for the period		(2,726,224)	(164,757)	(2,726,224)	(164,757)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		62,662,248	73,017,005	137,439,929	144,245,311
Basic and diluted earnings per share (S per share)	6	0.80	0.89	1.71	1.76

Chief Financial Officer

Chief Executive Officer

Member of the Board of Directors

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<i>30 June 2025 # (Unaudited)</i>	<i>31 December 2024 # (Audited)</i>
	<i>Notes</i>		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,119,329,211	805,396,744
Right-of-use assets	9	403,572,636	211,222,337
Investment property		25,796,314	26,775,735
Advance against investment in shares		3,790,764	3,790,764
Margin deposit		4,230,000	4,230,000
Derivative designated as hedging instruments	10	747,210	-
Investment in an associate	11	38,648,536	43,338,366
TOTAL NON-CURRENT ASSETS		1,596,114,671	1,094,753,946
CURRENT ASSETS			
Inventories	8	86,913,765	84,577,494
Leases receivables - current portion	9	5,760,006	5,241,092
Trade and unbilled receivables	12	965,546,535	716,109,290
Prepayments and other receivables		144,729,340	155,857,890
Cash and cash equivalents		304,336,410	631,298,642
TOTAL CURRENT ASSETS		1,507,286,056	1,593,084,408
TOTAL ASSETS		3,103,400,727	2,687,838,354
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	13	820,000,000	820,000,000
Statutory reserve	14	246,000,000	246,000,000
Retained earnings		430,759,309	385,815,663
Cash flow hedge reserve		(1,803,717)	-
TOTAL SHAREHOLDERS' EQUITY		1,494,955,592	1,451,815,663
LIABILITIES			
NON-CURRENT LIABILITIES			
Loan and borrowings – non-current portion	18	339,621,006	157,290,378
Lease liabilities – non-current portion	9	353,391,302	165,477,645
Long-term bonus		7,258,455	3,716,789
Employees' defined benefits obligation		177,523,887	170,168,092
TOTAL NON-CURRENT LIABILITIES		877,794,650	496,652,904
CURRENT LIABILITIES			
Loan and borrowings – current portion	18	18,966,612	4,154,218
Trade and other payables	17	630,369,868	663,151,680
Lease liabilities – current portion	9	74,462,750	52,081,833
Zakat liabilities	16	6,851,255	19,982,056
TOTAL CURRENT LIABILITIES		730,650,485	739,369,787
TOTAL LIABILITIES		1,608,445,135	1,236,022,691
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,103,400,727	2,687,838,354

Chief Financial Officer

Chief Executive Officer

Member of the Board of Directors

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2025

	<i>Share capital ﷲ</i>	<i>Statutory reserve ﷲ</i>	<i>Retained earnings ﷲ</i>	<i>Cash flow hedge reserve ﷲ</i>	<i>Total ﷲ</i>
Balance as at 31 December 2023 (audited)	820,000,000	246,000,000	220,068,464	-	1,286,068,464
Net profit for the period	-	-	144,410,068	-	144,410,068
Other comprehensive income	-	-	(164,757)	-	(164,757)
Total comprehensive income	-	-	144,245,311	-	144,245,311
Dividends declared (note 15)	-	-	(90,200,000)	-	(90,200,000)
Balance as at 30 June 2024 (Unaudited)	820,000,000	246,000,000	274,113,775	-	1,340,113,775
Balance as at 31 December 2024 (audited)	820,000,000	246,000,000	385,815,663	-	1,451,815,663
Net profit for the period	-	-	140,166,153	-	140,166,153
Other comprehensive loss	-	-	(922,507)	(1,803,717)	(2,726,224)
Total comprehensive income	-	-	139,243,646	(1,803,717)	137,439,929
Dividends declared (note 15)	-	-	(94,300,000)	-	(94,300,000)
Balance as at 30 June 2025 (Unaudited)	820,000,000	246,000,000	430,759,309	(1,803,717)	1,494,955,592

Chief Financial Officer

Chief Executive Officer

Member of the Board of Directors

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2025

		<i>For the six-month period ended 30 June</i>	
		<i>2025</i>	<i>2024</i>
		<i>ﷲ</i>	<i>ﷲ</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES			
Profit before zakat		149,656,060	159,453,319
<i>Adjustments to reconcile profit before zakat and income tax to net cash flows:</i>			
Depreciation on property, plant and equipment	7	28,186,349	28,494,325
Depreciation on investment in property		979,420	979,420
Depreciation on right-of-use assets	9	33,588,194	23,760,778
Amortization of intangible assets		-	10,890
Provision for expected credit losses	12	6,025,378	8,501,570
Provision for / (reversal of) slow-moving inventory, net		801,164	(2,698,430)
Finance income		(8,928,750)	(14,097,854)
Finance cost		18,934,171	9,651,663
Gain on derivative financial instruments	10	(2,550,927)	-
Loss on disposal of property, plant and equipment		27,473	474,289
Share of results from associate	11	4,689,830	(9,517,677)
Gain from termination of lease/modification		(6,608,750)	-
Provision for employees' defined benefits obligation		11,345,111	10,177,361
Modification on lease receivables		(493,422)	-
Long-term bonus		3,541,666	4,000,000
		239,192,967	219,189,654
<i>Changes in operating assets and liabilities:</i>			
Inventories		(3,137,435)	(12,806,351)
Trade receivables		(255,462,623)	(228,732,746)
Prepayments and other receivables		20,031,808	17,827,338
Trade and other payables		(33,128,458)	120,784,801
Cash (used in) / generated from operations		(32,503,741)	116,262,696
Employees' defined benefits obligation paid		(9,382,451)	(12,751,890)
Net zakat paid	16	(22,620,708)	(28,489,526)
Net cash (used in) / generated from operating activities		(64,506,900)	75,021,280
INVESTING ACTIVITIES			
Additions of property, plant and equipment	7	(342,760,895)	(103,601,697)
Payment received for lease receivable	9	-	733,248
Dividend received from associate	11	-	5,000,000
Proceeds from disposal of property, plant and equipment		614,606	-
Net cash used in investing activities		(342,146,289)	(97,868,449)
FINANCING ACTIVITIES			
Payments of lease liabilities	9	(23,498,712)	(24,262,004)
Loan and borrowings proceed		197,143,022	-
Dividends paid		(93,953,353)	(90,264,800)
Net cash generated from/ (used in) financing activities		79,690,957	(114,526,804)
DECREASE IN CASH AND CASH EQUIVALENTS		(326,962,232)	(137,373,973)
Cash and cash equivalents at the beginning of the period		631,298,642	702,456,181
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		304,336,410	565,082,208
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION:			
Addition to right-of-use assets	9	222,242,923	1,070,400



Chief Financial Officer



Chief Executive Officer



Member of the Board of Directors

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 30 June 2025

1. ORGANIZATION AND ACTIVITIES

CATRION for Catering Holding Company (the “Parent Company”) is a Saudi Joint Stock Company domiciled in the Kingdom of Saudi Arabia. The Company was registered as a Saudi limited liability company on 20 Muharram 1429H (29 January 2008) under Commercial Registration No. 4030175741.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly involved in provision of cooked and non-cooked food to private and public sectors, provision of sky sales, operation and management of duty-free zones in Saudi Arabian airports and ownership, operation and management of restaurants at airports and other places, and the ownership, operation and management of central laundries.

The Company mainly provides catering services to Saudi Arabian Airlines and other foreign airlines in the airports of Jeddah, Riyadh, Dammam and Madinah in Saudi Arabia and to Saudi’s flights operating from Cairo International Airport.

The Group also has the following branches, which are operating under separate Commercial registrations:

<u>Branch Location</u>	<u>Commercial registration number</u>
Riyadh	1010336558
Riyadh	1010616679
Riyadh	1010616680
Dammam	2050082998
Medina	4650055980
Medina	4650216315
Sharma	3557100105
Jeddah	4030227251
Jeddah	4030285290
Jeddah	4030426294
Jeddah	4030477154
Jeddah	4030485646
Makkah	4031084114
Rabigh	4602006306

The Company has investment in the fully owned / controlled subsidiaries listed below, (the “subsidiaries”), collectively referred to as (the “Group”).

<u>Subsidiary Name</u>	<u>Commercial registration number</u>	<u>Date of incorporation</u>	<u>Country on incorporation</u>	<u>The principal activity</u>	<u>Effective holding</u>		<u>Share capital</u>	
					2025	2024	2025	2024
CATRION Catering Services LLC	4030371373	3 December 2019	Kingdom of Saudi Arabia	Catering services	100%	100%	500,000	500,000
CATRION Commercial Laundry LLC	4030515446	22 June 2023	Kingdom of Saudi Arabia	Laundry, Washing and Drycleaning	100%	100%	500,000	500,000
CATRION Operations and Maintenance LLC	400536143	18 December 2023	Kingdom of Saudi Arabia	Catering Services Facility Management	100%	100%	500,000	500,000
CATRION Laundry Operation and Maintenance LLC	4030536144	18 December 2023	Kingdom of Saudi Arabia	Laundry, Washing and Drycleaning	100%	100%	500,000	500,000

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
At 30 June 2025

1. ORGANIZATION AND ACTIVITIES (Continued)

The registered head office of the Parent Company is:

Al Saeb Al Jomhi Street
Prince Sultan Bin Abdulaziz Road, Almohammadya District (5)
P. O. Box 9178, Jeddah 21413
Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

These interim condensed consolidated financial statements do not include all the information and disclosures required in full set of annual consolidated financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the interim period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025 (see also note 2.4)

2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis using the accrual basis of accounting (except for the derivative financial assets measured at fair value), and the going concern assumption.

2.3 Functional and presentational currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals (ﷲ), which is the functional currency of the Group.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2025.

The significant judgments, estimates and assumptions made by the management in applying the Group's accounting policies are same as those used described in the annual consolidated financial statements for the year ended 31 December 2025.

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 in addition to the determination of the fair value of derivative designated as hedging instruments which affect in the current period and future periods. However, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is still evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

2.5 Derivative financial instruments and hedge accounting

i. Hedge Accounting

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
At 30 June 2025

2. BASIS OF PREPARATION (Continued)

2.5 Derivative financial instruments and hedge accounting (continued)

i. Hedge Accounting (continued)

The Group uses profit rate swap (“PRS”) agreements as cash flow hedges to manage its exposure to variability in profit rates arising from its variable-rate financing arrangements. These instruments are designated to hedge the risk of changes in future cash flows attributable to fluctuations in market profit rates. The ineffective portion, if any, is recognised in other expenses in the consolidated statement of profit or loss. Refer to Note 10 for more details.

The Group designates only the benchmark component of the profit rate as the hedging instrument. Any non-designated elements, such as credit spreads, are excluded from the hedge designation and may be recognised in other comprehensive income (“OCI”) under the cost of hedging reserve.

Amounts accumulated in OCI are accounted for based on the nature of the hedged forecast cash flows. In cases where the forecast cash flows result in the recognition of a financial item (e.g., future interest payments), the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period in which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

2.6 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 21 Lack of exchangeability	The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments did not have a material impact on the Group’s financial statements.	1 January 2025.

2.7 New standards not yet effective

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	01 January 2026.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
At 30 June 2025

2. BASIS OF PREPARATION (Continued)

2.7 New standards not yet effective (Continued)

Standard, interpretation, amendments	Description	Effective date
IFRS 18 - presentation and disclosure in financial statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	01 January 2027.
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	01 January 2027.
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred Indefinitely.

2.8 Basis of consolidation

These interim condensed consolidated financial statements comprises the interim condensed consolidated financial statements of the Group and its subsidiaries as for the period ended 30 June 2025. The subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. Intra-group balances and transactions, and any recognized income and expenses arising from intra-group transactions, are eliminated. Accounting policies of the subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Parent Company and its subsidiaries have the same reporting periods.

3. OPERATING SEGMENTS

a. Basis for segmentation

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

<i>Reportable segments</i>	<i>Operations</i>
Inflight	Inflight catering, airline equipment, business lounge and retail ground, onboard and online
Integrated Hospitality	Remote & Camp management, Business & Industries catering, Laundry services, Hajj and Umrah.

The Board of Directors is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements. However, the Group's financing (including finance costs, finance income and other income) and zakat are managed on a Group basis and are not allocated to operating segments.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At 30 June 2025

3. OPERATING SEGMENTS (Continued)

b. Information about reportable segments

30 June 2025 (Unaudited)

	<i>Inflight</i> ﷲ	<i>Integrated Hospitality</i> ﷲ	<i>Total reportable segments</i> ﷲ	<i>Overheads</i> ﷲ	<i>Head office</i> ﷲ	<i>Total</i> ﷲ
Six-month ended 30 June 2025						
Segment revenue	927,340,806	233,499,017	1,160,839,823	-	-	1,160,839,823
Segment profit / (loss) before Zakat	265,273,846	29,339,984	294,613,830	(144,957,770)	-	149,656,060
Depreciation and amortization	40,006,998	3,545,029	43,552,027	19,201,937	-	62,753,964
30 June 2025 (Unaudited)						
Assets:						
Segment assets	1,308,339,692	845,860,065	2,154,199,757	-	-	2,154,199,757
Head office	-	-	-	-	949,200,970	949,200,970
Total Assets as at 30 June 2025	1,308,339,692	845,860,065	2,154,199,757	-	949,200,970	3,103,400,727
Liabilities:						
Segment liabilities	675,575,972	436,769,395	1,112,345,367	-	-	1,112,345,367
Head office	-	-	-	-	496,099,768	496,099,768
Total Liabilities as at 30 June 2025	675,575,972	436,769,395	1,112,345,367	-	496,099,768	1,608,445,135

CATRION FOR CATERING HOLDING COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At 30 June 2025

3. OPERATING SEGMENTS (Continued)

b. Information about reportable segments (Continued)

30 June 2024 (Unaudited)

	<i>Inflight</i> ﷲ	<i>Integrated Hospitality</i> ﷲ	<i>Total reportable segments</i> ﷲ	<i>Overheads</i> ﷲ	<i>Head office</i> ﷲ	<i>Total</i> ﷲ
Six-month ended 30 June 2024						
Segment revenue	877,805,263	239,813,285	1,117,618,548	-	-	1,117,618,548
Segment profit / (loss) before Zakat	260,330,245	11,046,040	271,376,285	(111,922,966)	-	159,453,319
Depreciation and amortization	31,078,677	5,571,244	36,649,921	16,595,492	-	53,245,413
Assets:						
Segment assets	1,132,487,623	732,169,223	1,864,656,846	-	-	1,864,656,846
Head office	-	-	-	-	823,181,508	823,181,508
<i>Total Assets as at 31 December 2024</i>	<u>1,132,487,623</u>	<u>732,169,223</u>	<u>1,864,656,846</u>	<u>-</u>	<u>823,181,508</u>	<u>2,687,838,354</u>
Liabilities:						
Segment liabilities	519,259,885	335,708,840	854,968,725	-	-	854,968,725
Head office	-	-	-	-	381,053,966	381,053,966
<i>Total Liabilities as at 31 December 2024</i>	<u>519,259,885</u>	<u>335,708,840</u>	<u>854,968,725</u>	<u>-</u>	<u>381,053,966</u>	<u>1,236,022,691</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
At 30 June 2025

3. OPERATING SEGMENTS (Continued)

c. Reconciliations of information on reportable segments to primary statements

Geographical information

	30 June 2025 S\$ (Unaudited)	30 June 2024 S\$ (Unaudited)
Revenue		
Kingdom of Saudi Arabia	1,129,713,967	1,085,283,392
<i>All foreign countries</i>		
Egypt – Cairo	31,125,856	32,335,156
Total revenue	1,160,839,823	1,117,618,548

d. Major customer

Revenue from one customer of the Group represented approximately 55% (30 June 2024: 62%) of the total revenues.

4. REVENUE

	<i>Three-month period ended</i> 30 June		<i>Six-month period ended</i> 30 June	
	2025 S\$ (Unaudited)	2024 S\$ (Unaudited)	2025 S\$ (Unaudited)	2024 S\$ (Unaudited)
In-flight catering revenue	390,335,515	372,368,292	773,547,622	729,649,264
Non-airlines revenue	109,728,810	116,427,779	229,672,272	234,139,529
Business lounge revenue	63,433,791	62,501,590	139,138,120	126,588,388
Retail revenue	6,125,307	10,127,981	14,655,063	19,756,017
Other operating revenue	1,829,248	3,379,828	3,826,746	7,485,350
	571,452,671	564,805,470	1,160,839,823	1,117,618,548

5. COST OF REVENUE

	<i>Three-month period ended</i> 30 June		<i>Six-month period ended</i> 30 June	
	2025 S\$ (Unaudited)	2024 S\$ (Unaudited)	2025 S\$ (Unaudited)	2024 S\$ (Unaudited)
Cost of materials and goods	209,894,349	214,197,302	415,202,062	426,223,279
Personnel costs	103,410,147	97,132,628	205,144,866	188,975,727
Depreciation	26,103,481	22,607,770	53,270,907	45,432,263
Rent and maintenance of production units	13,396,511	19,091,524	32,525,672	37,230,546
Other costs				
Manpower and transportation cost	22,006,199	17,035,198	45,165,948	34,123,722
Supplies and expandable items	15,356,539	14,117,083	32,012,842	27,979,537
Communication and utilities	6,106,229	7,025,723	13,308,402	13,422,397
Other operational costs	16,019,268	24,163,222	35,159,656	42,339,513
	412,292,723	415,370,450	831,790,355	815,726,984

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
At 30 June 2025

6. EARNINGS PER SHARE

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

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

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>		<i>30 June</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</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
Net Profit for the period	65,388,472	73,181,762	140,166,153	144,410,068
Weighted average number of ordinary shares	82,000,000	82,000,000	82,000,000	82,000,000
Basic and diluted earnings per share (ﷲ per share)	0.80	0.89	1.71	1.76

7. PROPERTY, PLANT AND EQUIPMENT

	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<u>Cost:</u>		
Balance at the beginning of the period / year	1,337,315,018	900,717,430
Additions during the period / year	342,760,895	446,728,821
Disposals during the period / year	(2,375,662)	(10,131,233)
Balance at the end of the period / year	1,677,700,251	1,337,315,018
<u>Accumulated depreciation:</u>		
Balance at the beginning of the period / year	531,918,274	485,823,519
Charge for the period / year	28,186,349	55,182,653
Disposals during the period / year	(1,733,583)	(9,087,898)
Balance at the end of the period / year	558,371,040	531,918,274
<u>Carrying amounts:</u>		
At the end of period / year	1,119,329,211	805,396,744

- During the six months ended 30 June 2025, the additions to the work under constructions ﷲ 338 million (31 December 2024: ﷲ 423 million).
- As of 30 June 2025, the total balance of construction work amounted to ﷲ 828 million (31 December 2024: ﷲ 515 million) which represents the construction of Red Sea Project, other civil works and renovations. During the year ended 31 December 2023, the Group signed a memorandum of understanding with Red Sea Group, to provide catering and laundry services for a period of 20 years against which the Group commenced the construction of the Laundry and Catering service units located at the Red Sea waterfront.
- The amount of borrowing costs capitalised during the period ended 30 June 2025 was ﷲ 8.95 million (31 December 2024: 1.1 million).

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8. INVENTORIES

	30 June 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Catering items	53,662,343	54,266,464
Retail items	39,597,504	37,050,550
Packing and other materials	13,089,554	11,938,831
Spare parts	12,350,466	12,306,587
	118,699,867	115,562,432
Less: allowance for slow moving and obsolete inventories	(31,786,102)	(30,984,938)
	86,913,765	84,577,494

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

	30 June 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Opening	30,984,938	33,886,524
Charged / reversed during the period / year	801,164	(2,901,586)
Closing	31,786,102	30,984,938

Cost of inventories recognized in the consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2024 amounted to ﷲ 415,202,062 (30 June 2024: ﷲ 426,223,279) (note 5).

9. LEASES

a. Right-of-use assets

	Commercial Building ﷲ	Land ﷲ	Residential Building ﷲ	Vehicles ﷲ	Total 2024 ﷲ
<u>Cost:</u>					
Balance at 1 January 2025	473,429,546	57,898,037	25,414,889	14,763,450	571,505,922
Addition during the period (note i)	222,242,923	-	-	-	222,242,923
Lease modifications	3,695,570	-	-	-	3,695,570
Retirement (note ii)	(86,431,157)	-	-	-	(86,431,157)
Balance at 30 June 2025	612,936,882	57,898,037	25,414,889	14,763,450	711,013,258
<u>Accumulated depreciation:</u>					
Balance at 1 January 2025	311,428,865	14,504,794	19,586,476	14,763,450	360,283,585
Charge for the period	32,191,971	1,208,733	187,490	-	33,588,194
Retirement (note ii)	(86,431,157)	-	-	-	(86,431,157)
Balance at 30 June 2025	257,189,679	15,713,527	19,773,966	14,763,450	307,440,622
<u>Carrying amounts:</u>					
At 30 June 2025 (Unaudited)	355,747,203	42,184,510	5,640,923	-	403,572,636

- i) During the period ended 30 June 2025, the Group signed a lease contract with Jeddah Airport Company (JEDCO) for a period of (15) fifteen Gregorian years.
- ii) The retirement during the period ended 30 June 2025 related to the contract mentioned above with JEDCO, that is concluded at the end of its contractual term and the new one begins with substantially different terms.

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9. LEASES (Continued)

	<i>Commercial Building ﷲ</i>	<i>Land ﷲ</i>	<i>Residential Building ﷲ</i>	<i>Vehicles ﷲ</i>	<i>Total 2024 ﷲ</i>
<i>Cost:</i>					
At 1 January 2024	447,488,787	57,898,037	23,838,365	14,763,450	543,988,639
Additions (see note (i) below)	25,940,759	-	1,576,524	-	27,517,283
At 31 December 2024	<u>473,429,546</u>	<u>57,898,037</u>	<u>25,414,889</u>	<u>14,763,450</u>	<u>571,505,922</u>
<i>Accumulated depreciation:</i>					
At 1 January 2024	263,383,136	12,087,328	18,773,573	14,763,450	309,007,487
Charge for the year	48,045,729	2,417,466	812,903	-	51,276,098
At 31 December 2024	<u>311,428,865</u>	<u>14,504,794</u>	<u>19,586,476</u>	<u>14,763,450</u>	<u>360,283,585</u>
<i>Net book value:</i>					
At 31 December 2024	<u>162,000,681</u>	<u>43,393,243</u>	<u>5,828,413</u>	<u>-</u>	<u>211,222,337</u>

i) During the period ended 30 June 2024, the company entered into a new contract for a new Office in Riyadh.

b. Lease Liabilities

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
At beginning of the period / year	217,559,478	244,703,303
Additions to lease liabilities during the period / year	222,242,923	27,517,283
Interest expense during the period / year	14,463,543	12,903,006
Lease modification	(1,104,254)	-
Termination of lease liabilities	(1,808,926)	-
Lease payment during the period / year	(23,498,712)	(67,564,114)
At the end of the period / year	<u>427,854,052</u>	<u>217,559,478</u>
Less: Current portion of lease liabilities	<u>(74,462,750)</u>	<u>(52,081,833)</u>
Non-Current portion of lease liabilities	<u>353,391,302</u>	<u>165,477,645</u>

c. Leases receivables

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

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Net lease receivables at beginning of the period / year	5,241,092	5,767,746
Finance income	25,492	206,594
Modification	493,422	-
Payments received during the period / year	-	(733,248)
Net lease receivables at end of the period / year	<u>5,760,006</u>	<u>5,241,092</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
At 30 June 2025

10. DERIVATIVE DESIGNATED AS HEDGING INSTRUMENTS

Cash flow hedges

The Group is exposed to variability in future cash flows on liabilities which bear interest rate risk. The Group uses profit rate swaps as hedging instruments to hedge against these profit rate risks. At 30 June 2025, the Group had an interest rate swap agreement ("Derivative Instruments") in place with a notional amount of **ﷲ 425 million** (31 December 2024: **ﷲ Nil**) whereby the Group receives a fixed rate of interest and pays interest at a variable rate equal to SOFR + Fixed Rate on the notional amount. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate secured loan. The derivative is designated as cash flow hedge.

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

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

	30 June 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Notional amount	425,297,881	-
Positive Fair value of derivative instrument	747,210	-

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

The derivative financial instruments gain recognized during the period is equal to the change in fair value, as follows:

	30 June 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Balance at the beginning of the period	-	-
Gains from change in fair value recognized at income statement	2,550,927	-
Losses from change in fair value recognized at other comprehensive income	(1,803,717)	-
Derivative designated as hedging instruments	747,210	-

11. INVESTMENT IN AN ASSOCIATE

The Group has a 40% shareholding in Saudi French Company for Duty Free Operations and Management.

The balances of the investment in an associate as at 31 March 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Investment in an associate at the end of the period / year	38,648,536	43,338,366

- a) The associate does not issue interim financial statements, accordingly the financial data below and the share of results for the six-month period ended 30 June 2025 and year ended 31 December 2024 are based on internal management reporting.

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11. INVESTMENT IN AN ASSOCIATE (Continued)

b) Below is the summary of the financial information of the associate as at 30 June 2025 and 31 December 2024:

i) <u>Share in net assets</u>	30 June 2025 S\$ (Unaudited)	31 December 2024 S\$ (Audited)
Non-current assets	267,336,094	281,392,626
Current assets	219,552,612	200,227,429
Total assets	486,888,706	481,620,055
Non-current liabilities	132,663,969	145,369,745
Current liabilities	260,522,574	230,823,574
Total liabilities	393,186,543	376,193,319
Net assets	93,702,163	105,426,736
Group's share in net assets	37,480,865	42,170,695
Adjustment to acquisition price	1,167,671	1,167,671
	38,648,536	43,338,366

ii) <u>Share in profit</u>	30 June 2025 S\$ (Unaudited)	30 June 2024 S\$ (Unaudited)
Revenue	317,556,839	361,792,299
Net income for the period	(11,724,574)	23,794,193
Other comprehensive income	-	-
Group's share of net (loss)/ income for the year (at 40%)	(4,689,830)	9,517,677
Group's share of other comprehensive loss of an associate (at 40%)	-	-
Group's share of profit for the period	(4,689,830)	9,517,677

The associate had no contingent liabilities or capital commitments as at 30 June 2025 and 2024.

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

	30 June 2025 S\$ (Unaudited)	31 December 2024 S\$ (Audited)
At the start of the period / year	43,338,366	36,954,874
Group's share of results in an associate	(4,689,830)	11,383,492
Dividend received from associate	-	(5,000,000)
At the end of the period / year	38,648,536	43,338,366

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12. TRADE AND UNBILLED RECEIVABLES

	30 June 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
Trade receivables - Due from related parties (note 19)	664,533,191	449,552,045
Trade receivables – Others	383,362,609	326,063,045
Unbilled receivables (<i>note c below</i>)	55,653,157	72,471,244
	1,103,548,957	848,086,334
Less: allowance for expected credit losses	(138,002,422)	(131,977,044)
	965,546,535	716,109,290

- a) Trade receivables are non-interest bearing. The credit terms of the trade receivables vary across the business segments of the Group. It is not the practice of the Group to obtain collateral over receivables and the vast majority of these are, therefore, unsecured. For terms and conditions with related parties please refer to Note 16.
- b) As at 30 June 2025, approximately 72% of the Group's trade receivable's balance was due from various governmental and semi-Government entities (31 December 2024: 71%).
- c) Unbilled receivables represent billing not yet approved by customers. As at 30 June 2025 and 31 December 2024 the unbilled receivables balances was having aging of less than one year.

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

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

13. SHARE CAPITAL

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

The shareholders are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

The shareholders and their percentage interests in the share capital of the Parent Company as at:

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

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14. STATUTORY RESERVE

In accordance with the previous Company's By-laws, the Company is required to maintain a statutory reserve equal to a maximum of 30% of its share capital. According to the latest update in the Regulations for Companies in the Kingdom of Saudi Arabia, the mandatory statutory reserve requirement had been abolished. In pursuant to this change, extraordinary general meeting ("EGA") approved in its meeting on 27 Rabi-Awwal 1445H (corresponding to 12 October 2023) the amendment of the Company's Bylaws in accordance with the new Companies Law which became effective as at 19 January 2023.

15. DIVIDENDS

On 21 March 2025, and in its issued resolution, the Board of Directors recommended the distribution of cash dividends to the Company's shareholders for the second half of the fiscal year 2024 amounted to ₪ 94.3 million at ₪ 1.15 per share. The distribution date will be on 24 April 2025 (21 March 2024: ₪ 90.2 million at ₪ 1.1 per share). Subsequent to these interim condensed consolidated financial statements for the period ended 30 June 2025, the Company announces its Board of Directors resolution issued on 6 August 2025, for approval of distribution of cash dividends to the shareholders for the first half of the fiscal year ended 30 June 2025 amounting to ₪ 94.3 million at ₪ 1.15 per share.

16. ZAKAT

	30 June 2025	31 December 2024
	₪	₪
	(Unaudited)	(Audited)
Zakat payable	11,665,731	24,796,532
Advance income tax relating to foreign shareholding	(4,814,476)	(4,814,476)
Net zakat and income tax payable	<u>6,851,255</u>	<u>19,982,056</u>

i) Movements in Zakat provision were as follows:

	30 June 2025	31 December 2024
	₪	₪
	(Unaudited)	(Audited)
Balance at beginning of the period / year	24,796,532	32,655,727
Charge for the period / year	9,489,907	22,943,053
Payments during the period / year	(22,620,708)	(30,802,248)
Balance at end of the period / year	<u>11,665,731</u>	<u>24,796,532</u>

ii) Charge of the period ended 30 June 2025 and year ended 31 December 2024 is as follows:

	30 June 2025	31 December 2024
	₪	₪
	(Unaudited)	(Audited)
Zakat charge for the period / year	9,489,907	22,943,053
Total Zakat and income tax of the period / year	<u>9,489,907</u>	<u>22,943,053</u>

Zakat assessments status

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

The Parent Company:

The Zakat, Tax, and Customs Authority ("ZATCA") has finalized its Zakat inspection on the Company's accounts up to the fiscal year ended 31 December 2023. The company has fully complied with its obligations by successfully settling the corresponding invoices and clearing its Zakat position for the mentioned period. For the year ended 31 December 2024, the Company filed the Zakat return and obtained the Zakat Certificate. ZATCA did not finalize the review of the Company's accounts for the mentioned year to date.

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16. ZAKAT (continued)

Zakat assessments status (continued)

The Subsidiaries:

CATRION Catering Company

The subsidiary has submitted its Zakat declarations up to the year ended 31 December 2024 and obtained the unrestricted Zakat certificate valid until 30 April 2025.

CATRION Commercial Laundry Company

The subsidiary has submitted its Zakat declarations up to the year ended 31 December 2024 and obtained the unrestricted Zakat certificate valid until 30 April 2025.

CATRION Operations and Maintenance Company

The subsidiary's first financial year is a long first year, commencing on the inception date of 18 December 2023. The Company submitted its first Zakat declaration for the first period ended 31 December 2024 and obtained the unrestricted Zakat certificate valid until 30 April 2025.

CATRION Laundry Operation and Maintenance Company

The subsidiary's first financial year is a long first year, commencing on the inception date of 18 December 2023. The Company submitted its first Zakat declaration for the first period ended 31 December 2024 and obtained the unrestricted Zakat certificate valid until 30 April 2025.

17. TRADE AND OTHER PAYABLES

	30 June 2025 SAR (Unaudited)	31 December 2024 SAR (Audited)
Trade payables – third parties	298,954,907	282,668,499
Accrued expenses	268,301,692	324,492,905
Employee related accruals	58,231,664	53,181,238
Dividends payable	2,960,185	2,613,538
Trade payables – related parties (note 19)	1,921,420	195,500
	630,369,868	663,151,680

18. LOANS AND BORROWINGS

During the year ended 31 December 2024, the Group has entered into a revolving facility agreement with Commercial Bank under the names of its subsidiaries. CATRION Commercial Laundry LLC has a total facility of SAR 403 million, out of which SAR 160 million is utilized, and CATRION Catering Services LLC has a total facility of SAR 204 million, out of which SAR 88 million is utilized respectively as at 30 June 2025. The facilities were secured by a promissory note to meet the Group's working capital requirements as well as the expenditures over the Red Sea Projects. The first repayment is scheduled for October 2025 and will be paid over a period of 15 years.

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

	30 June 2025 SAR (Unaudited)	31 December 2024 SAR (Audited)
Opening balance	161,444,596	-
Drawn during the period / year	197,143,022	161,444,596
	358,587,618	161,444,596
Current portion	(18,966,612)	(4,154,218)
Non-current portion	339,621,006	157,290,378

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19. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include Group's shareholders, associated companies, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

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

<i>Name of Related party</i>	<i>Nature of transactions</i>	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
		<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Major shareholders	Sale of goods and services	434,962,070	435,653,681	911,158,731	855,257,321
	Services received	-	-	820,603	745,814
Affiliates	Sale of goods and services	66,989,951	43,313,990	117,024,914	76,037,905
	Services received	1,263,114	3,143,642	1,921,420	3,829,918
Associate	Sale of goods and services	1,273,796	2,203,039	2,967,561	4,170,301

ii) Due from related parties are as follows (note 12):

	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Saudi Arabian Airlines Corporation	580,122,112	397,202,113
Saudia Royal Fleet	29,595,478	8,175,350
Saudi Ground Services Company	18,640,036	16,458,008
Saudia Aerospace Engineering Industries	17,328,198	17,384,088
Saudi Private Aviation	7,357,944	3,711,951
Flyadeal Airlines Company	5,267,888	4,548,140
Saudi French Company for Duty Free Operations and Management	2,967,562	647,035
Saudi Airlines Cargo Company	2,944,551	1,307,660
Prince Sultan Aviation Academy	61,933	72,789
Saudi Airlines Real Estate Development Company	38,261	37,260
SAL Saudi Logistics Services Company	209,228	7,651
	664,533,191	449,552,045

iii) Due to related parties are as follows (note 17):

	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Saudi Ground Services Company	1,863,920	-
Saudi Airlines Real Estate Development Company	57,500	195,500
	1,921,420	195,500

Terms and conditions of transactions with related parties

Outstanding balances at the reporting period are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at year-end arise in the normal course of business. For the period ended 30 June 2025 and year ended 31 December 2024, the amounts owed by related parties are not impaired.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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19. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

iv) Compensation of key management personnel of the Group:

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management is shown below:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Short term employee benefits	3,115,399	1,889,141	5,704,056	3,711,123
Post-employment benefits	48,600	24,300	89,100	48,600
Termination benefits	144,874	119,533	2,052,527	209,062
Key management bonus	1,000,000	1,000,000	2,000,000	2,000,000
	<u>4,308,873</u>	<u>3,032,974</u>	<u>9,845,683</u>	<u>5,968,785</u>

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

20. CONTINGENCIES AND COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group had the following commitments, letter of guarantees and contingencies:

	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Capital commitments	<u>196,447,832</u>	<u>105,821,964</u>
Letter of guarantees (refer to note below)	<u>67,639,381</u>	<u>135,034,136</u>

On 30 June 2025, the Group had outstanding letters of guarantee amounting to ﷲ 67.6 million issued by banks on behalf of the Group to suppliers and promises to meet any financial obligations (31 December 2024: ﷲ 135.0 million) with cash margin deposit amounting to ﷲ 7.1 million (31 December 2024: ﷲ 7.1 million).

Vendors and ex-employees have commenced an action against the Group in respect of individual and commercial claimed to be defective. The estimated payout is ﷲ 4.9 million should the action be successful.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 06 August 2025 (corresponding to 12 Safar 1447H).