

CATRI:::N



BEYOND THE HORIZON

Annual
Report 2024



His Royal Highness

KING SALMAN BIN ABDULAZIZ AL SAUD

Custodian of the Two Holy Mosques



His Royal Highness

PRINCE MOHAMMED BIN SALMAN BIN ABDULAZIZ AL SAUD

Crown Prince and Prime Minister

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01

MEET CATRION

Consistency Through Change

Overview

Core Ideals

Evolution of Excellence

Shareholder Relations

CATRION Impact

Beyond the Horizon



CONSISTENCY THROUGH CHANGE

Overview

Founded in 1981, CATRION began its journey as the culinary wing of Saudi Arabian Airlines and has since risen to prominence as a pioneer in the catering industry.



Our legacy is built on a foundation of exceptional service and a relentless pursuit of culinary excellence, catering not only to airlines but also extending our expertise to lounges, trains, events, and hospitality sectors across the Kingdom and beyond.

Through decades of innovation and strategic growth, CATRION has embraced its role as a key player in achieving the milestones outlined in Saudi Arabia's Vision 2030. This commitment is mirrored in our extensive operations that now span two core segments: In-Flight Catering, and Integrated Hospitality. Each segment showcases our adaptability and our drive to exceed client expectations in a dynamic global market.

The rebranding from Saudi Airlines Catering to CATRION marks a pivotal moment in our journey, signifying not just a broadening of our horizons but a deepened commitment to redefining the hospitality industry. Our innovative practices go beyond environmental stewardship to include the adoption of advanced technologies that ensure

superior guest experiences and operational excellence. This evolution is a testament to our dedication to embracing sustainable practices while simultaneously enhancing the hospitality landscape of Saudi Arabia.

At CATRION, our pride in our 43-year journey of industry leadership is matched by our commitment to the people we serve. We strive to encapsulate the essence of Saudi hospitality - warm, welcoming, and innovative - throughout our diverse operations. This commitment to excellence and hospitality is not merely about maintaining standards but continually elevating them to deliver unparalleled experiences. Looking forward, CATRION is dedicated to leading with visionary solutions that not only anticipate the needs of tomorrow but also actively shape the future of hospitality, making every interaction with our clients a testament to the enduring and hospitable spirit of Saudi Arabia.

Core Ideals

Vision

To be the global caterer and support services provider of choice for public and private organizations, across travel, tourism, sport, and events.

Mission

Grounded in our Saudi heritage of hospitality, CATRION is committed to offering the finest in catering, travel, events, and support services. We strive to be a center of excellence in delivering innovative and sustainable services to our clients.

Values



Reliable



Passionate



Smart



Sustainable



Caring



Committed



Evolution of Excellence

Four Decades of Enriching Experiences

1980

1981

Saudi Airlines Catering Company (SACC) is established at Jeddah's King Abdulaziz International Airport with a primary focus on providing catering services to Saudia, the national carrier.

1983

SACC expands its operations to Riyadh, launching at the King Khalid International Airport. This expansion is followed by SACC's entry to the Egyptian market the following year.

1984

Launch of Egypt operations in Cairo International Airport.

1985

SACC established SkySales, assuming control of Saudia's In-flight retail operation. This strategic move further strengthens SACC's position as a comprehensive provider of in-flight services.

1990

1999

SACC expands its operations to Dammam, followed by Medina two years later. This strategic move allows SACC to extend its services to more key locations.

2000

2001

Launch of Medina operations in Prince Mohammad Bin Abdulaziz Airport.

2006

SACC secures its first ten-year contract to operate the Al Fursan Lounge at King Abdulaziz International Airport. As a result, SACC's expertise multiple locations across Saudi Arabia.

2008

SACC undergoes a transformation as it establishes itself as an independent limited liability company. This milestone is accompanied by the launch of support services for non-aviation sectors, including catering, laundry and site management.

2010

2011

Launch of central production unit (CPU) in Riyadh.

2012

SACC transitions into a closed joint-stock company, subsequent to an initial public offering and stock market listing that occurs the following year.

2013

The launch of B2B Saudi Laundry Services takes place at Riyadh's King Fahad Medical City, further diversifying SACC's service offerings.

2014

SACC secures its first rail contract, providing on-board services for passengers.

2016

SACC inaugurates a state-of-the-art laundry facility in King Abdullah Economic City, embodying their commitment to innovation, efficiency and quality.

2017

The launch of the 'Wellcome Lounge' at Prince Mohammed Bin Abdulaziz International Airport, Madinah signifies a significant milestone as the first dedicated lounge in the domestic terminals in Saudi Arabia.

2018

Initiation of digital transformation program.

2019

SACC enters the sports and entertainment sector through a catering and sponsorship agreement for Rally Dakar Saudi Arabia 2020.

2020

2020

Exclusive caterer for pilgrims to Hajj and Umrah.

2021

The opening of the Jeddah Wellcome Lounge accompanies the launch of 'Crafted', a new high-end catering and hospitality line, highlighting SACC's commitment to redefining luxury.

2023

SACC undergoes a rebranding, announcing a new era under the name CATRION. This strategic move reflects the company's evolution and its ongoing commitment to growth and excellence.

2024

CATRION launched the 2nd Riyadh Central Production Unit (CPU) at Princess Nourah University and renewed its SAR contract for five more years.

Shareholder Relations

Shareholder Information

Listing Date

09/07/2012

Exchange

Saudi Stock Exchange,
Tadawul – Main Market

Symbol

6004

ISIN Code

SA1330R2TQ16

Number of Shares Issued

82,000,000

Market Cap as of 31st
December 2024

SAR 9,856 Mn

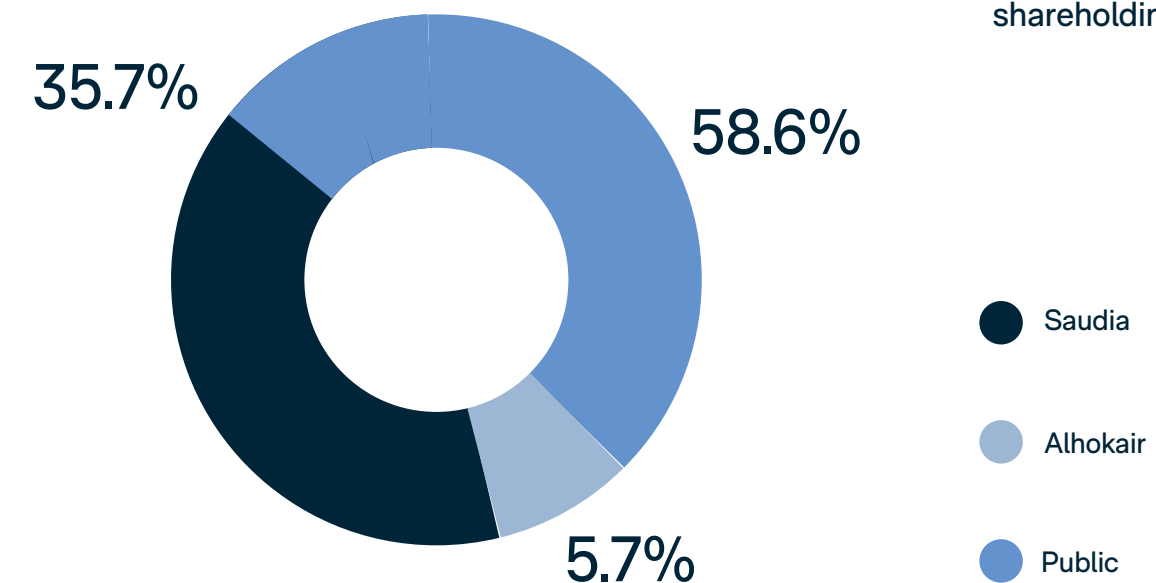
USD 2,627.1 Mn



Major Shareholders

At the end of 2024, CATRION had 2 major shareholders,

Saudi Arabian Airlines, owning 35.7% and Abdulmohsen Abdulaziz Alhokair Holding owning 5.75%. 5 investors own more than 1 million shares, representing 41.45% of the issued shares, with a foreign shareholding of 8.59%.



| Investors according to Nationality | Percentage of Ownership | Number of Investors | Number of Shares |
|------------------------------------|-------------------------|---------------------|------------------|
| Saudi Arabian | 91.4% | 23,074 | 74,957,038 |
| Other Nationalities | 8.6% | 1081 | 7,042,962 |
| Total | 100% | 24,155 | 82,000,000 |

Ownership Notification

In line with the Capital Markets Authority regulations, article 70, on the Offer of Securities and Continuing Obligations, CATRION received no new notifications of new ownership of over 5% in 2024 of the shares issued to the company, with only two shareholders owning a percentage equal to or greater.

| | Beginning of the Year | | End of the Year | |
|--|-----------------------|-------------------------|------------------|-------------------------|
| | Number of Shares | Percentage of Ownership | Number of Shares | Percentage of Ownership |
| Saudi Arabian Airlines | 29,274,000 | 35.7% | 29,274,000 | 35.7% |
| Abdulmohsen Abdulaziz Alhokair Holding | 6,710,880 | 8.2% | 4,711,256 | 5.7% |
| Total | 35,984,880 | 43.9% | 33,985,256 | 41.4% |

Investor Relations

Over the course of 2024, the Company continued to interact consistently with the investor community and will continue to do so through 2025.

4

Earnings Calls Held

1

Conference Attended

15

Investor Meetings Held



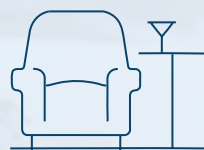
CATRION IMPACT

Business Segments

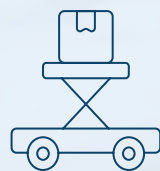
In-Flight Catering



On-board
Meals



Airport
Lounges



Equipment
Logistics



Retail

Integrated Hospitality



Hajj & Umrah
Catering



Laundry
Services



Sports &
Events



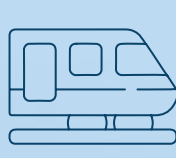
Business and
Industry Services



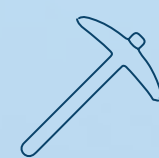
Remote
Sites



Health Care



Railway



Camp
Management



BEYOND THE HORIZON

As CATRION steps into the future, our theme 'Beyond the Horizon' captures our enduring commitment to expanding the scope and scale of our services,

while continuously innovating within the travel and hospitality sectors. This theme reflects our ambitious drive to set new standards in service excellence and adapt proactively to the evolving global landscape.

'Beyond the Horizon' emphasizes our strategic focus on broadening our reach and deepening our impact, by leveraging advanced technologies and pioneering new solutions in hospitality and support services. Our efforts are tailored to meet and exceed the expectations of our clients and to align with the strategic objectives of Saudi Arabia's Vision 2030, enhancing our contribution to the Kingdom's growth and prosperity.

Through initiatives that integrate sustainability with cutting-edge service delivery, CATRION is dedicated to redefining the guest experience. Our aim is not just to meet the current needs of our clients but to anticipate future demands, ensuring that each step we take today prepares us for the opportunities of tomorrow.

With a firm eye on the future, CATRION is poised to address the challenges ahead, embracing change and driving innovation. 'Beyond the Horizon' is more than just a theme; it is a reflection of our journey towards becoming a global leader in the hospitality industry, committed to enriching experiences and delivering unmatched value to our clients and stakeholders across the globe.

02

TOWARDS NEW HORIZONS

Chairman's Foreword

CEO's Foreword

CFO Statement

Strategy

Corporate Strategy 2024-2026

Operating Environment and Risks

Expanding Frontiers

Vision 2030 Alignment

Partnerships and Clients

Business Pillars

Aiming High

Our People

Sustaining Tomorrow

Protocols and Performance

Future in Focus

Advancing through Technology

Culinary Experiences



CHAIRMAN'S FOREWORD



Esteemed shareholders, valued partners, and dedicated colleagues,

Every day, Saudi Arabia pushes the boundaries of possibility, bringing visionary projects to life that reshape our economic and social landscape, an aspiration at the core of Vision 2030. Against this inspiring backdrop, I am proud to present CATRION's journey as we stand on the threshold of a new era, ready to look beyond the horizon and redefine what hospitality can mean for our Kingdom and beyond.

Over forty years ago, we embarked on our journey as a small but dedicated in-flight catering provider. Today, through strategic expansion and unwavering commitment, CATRION has evolved into a multi-faceted hospitality leader, covering everything from airlines and lounges to corporate events and integrated hospitality solutions. This transformation has only been possible because we consistently strive to anticipate change, embrace innovation, and diversify our services.

The year 2024 has been especially pivotal, underscored by our involvement in landmark national initiatives and our enhanced role in sustainable practices. Our forward-looking strategy prioritizes the adoption of advanced technologies, aligning our operational efficiencies and cybersecurity investments with the highest international standards. Furthermore, we have intensified our ESG efforts, reducing our carbon footprint, optimizing resource usage, and embedding responsible practices into every corner of our operations.

In keeping with the spirit of Vision 2030, we see enormous potential in emerging sectors such as healthcare, tourism, and large-scale events, areas that CATRION is uniquely positioned to serve with distinction. By partnering with government agencies and industry peers, we aim to contribute meaningfully to the socio-economic growth of Saudi Arabia, creating jobs, enriching local communities, and raising the bar for hospitality services.

Before closing, I wish to extend my deepest appreciation to our shareholders for their steadfast trust, to our partners and government collaborators for their invaluable support, and to our Board of Directors and executive team for their inspiring leadership. Above all, my heartfelt thanks go to our dedicated employees, whose passion and resilience remain the bedrock of our achievements.

As we look beyond the horizon, let us continue to forge new paths, embrace bold ideas, and shape an industry that not only meets but exceeds the world's evolving expectations. Together, we will drive forward, guided by our rich heritage and motivated by a future brimming with promise.

Mohammed Abdulaziz AlSarhan
Chairman

CEO'S FOREWORD



Esteemed shareholders, partners, colleagues, and customers,

It is my privilege to present CATRION's annual report under our guiding theme, "Beyond the Horizon," which reflects both our ambitious spirit and the tangible achievements we have realized this year. Since our founding over four decades ago, CATRION has remained dedicated to excellence and innovation in catering and hospitality. Today, as we stand on the cusp of the future, we can look back on a year defined by strategic milestones, digital growth, and sustainability leadership.

Redefining Hospitality

CATRION is not just a caterer; we are a holistic hospitality powerhouse serving airlines, events, business and industry, and more. Our 2024–2026 strategy calls for continuous expansion into non-aviation sectors, a more balanced revenue mix, and an ongoing commitment to delivering world-class service. We believe in nurturing a culture where innovation, people empowerment, and sustainability intertwine to shape every decision we make.

Our Path to Growth

This year, we further solidified our market position through automation and digitalization. Nearly 90% of our operations now integrate digital platforms that enhance efficiency, enable data-driven planning, and improve the overall customer experience. Financially, we achieved a robust net profit of SAR 352.8 million, reflecting solid performances across our two core segments: Inflight Catering and Integrated Hospitality. These achievements underscore our steady progress toward a 50/50 aviation and non-aviation revenue split.

Towards a Greener Future

A cornerstone of our success lies in our Environmental, Social, and Governance (ESG) initiatives. From installing solar systems at our laundry facilities to expanding the use of electric vehicles, we are pioneering green innovations to reduce emissions and preserve resources. We have seen a marked improvement in waste reduction, supported by a surge in recycling and composting practices. The recognition we received, culminating in a prestigious ESG award, affirms that responsible business is integral to our future-ready strategy.

Embracing Challenges with Determination

Our journey has not been without hurdles. A complex global economy tested our cost management and talent acquisition efforts. Yet by leveraging our innovative culture and prioritizing employee engagement through the Culinary Academy and career development programs, we have consistently delivered elevated customer satisfaction and preserved the dynamic spirit that drives our workforce.

Advancing Beyond the Horizon

As we anticipate the 2034 World Cup and other grand-scale events, CATRION remains aligned with Vision 2030, aiming to seize new opportunities in travel, tourism, and healthcare. Our strategic investments focus on building agile solutions, enhancing service offerings, and maintaining a forward-thinking approach to challenges and opportunities alike. In short, our mission is clear: to grow, adapt, and lead with unwavering dedication to quality, innovation, and sustainability.

A Note of Gratitude

I extend my deepest thanks to our esteemed Chairman and the Board of Directors for their visionary guidance, to government entities for their partnership and support, and to our shareholders and customers for entrusting us with your confidence. Above all, I commend our employees for their relentless passion and determination; your efforts are the heartbeat of CATRION's success.

Together, let us continue to push boundaries, set new standards, and transform CATRION into the global hospitality leader it is destined to be.

I am confident that as we look beyond the horizon, we will chart a course for enduring prosperity and make an even greater impact on the industry we proudly serve.

Wajdy M. Al-Ghabban
CEO

CFO STATEMENT



I am pleased to report another successful year, demonstrating strong financial performance across all key metrics. For the fiscal year ended December 31, 2024, CATRION achieved revenue growth of 7.8% year-over-year, driven by increased demand for our innovative product lines and enhanced guest experience in Inflight catering and business lounges. Our operating profit improved by 18.5%, reflecting our commitment to operational efficiency.

Net profit after Zakat and tax reached SAR 352.8 million, a 24.8% increase compared to 2023, reflecting the solid financial foundation we have built through strategic investments and disciplined cost management. Our earnings per share (EPS) for the year were SAR 4.30, an increase of 24.6% over the previous year.

Our balance sheet remains robust, with a strong cash position and minimal debt, which positions us well to continue investing in growth opportunities. We distributed 184.5 million to shareholders in dividends during 2024.

Throughout the year, we reinforced our risk management practices to hedge against global economic fluctuations, ensuring our financial stability and stakeholder confidence. Our efforts were underscored by a comprehensive review of external audits, a clear VAT and Zakat status, and robust control over outstanding receivables. On the investment front, we channeled resources into new large-scale projects, cutting-edge technologies and cyber security, pivotal moves that solidify our revenue streams and strengthen our long-term market positioning.

Looking ahead, we are optimistic about the future of CATRION, and we remain committed to harnessing both organic and inorganic growth avenues, accelerating digital transformation with new SAP ERP systems, and embedding sustainable practices across our financial operations.

Our mission is not merely to maintain growth, but to do so in a manner consistent with Vision 2030: driving local talent development, championing environmentally responsible projects, and elevating operational efficiency. We are, in essence, growing a “Company centered on innovation, sustainability and financial resilience”, one that stands for excellence and high returns for our shareholders.

Our operating profit improved by

18.5%

CATRION achieved revenue growth of

7.8%

year-over-year

Net profit after Zakat and tax reached

SAR 352.8 Mn

Mahmoud Masoud
CFO

STRATEGY

Corporate Strategy 2024 - 2026



Diversifying Growth, Accelerating Leadership

CATRION's Corporate Strategy for 2024-2026 outlines a bold vision to establish itself as the national leader in catering and hospitality within the Kingdom of Saudi Arabia. Anchored in two core pillars, 'Diversify & Accelerate' and 'Building on Existing Capabilities', this strategy focuses on maintaining market leadership in in-flight catering, scaling up integrated hospitality services, and venturing into new growth opportunities across healthcare, events, and other emerging sectors. By enhancing operational efficiencies, fostering strategic partnerships, and adopting a customer-centric approach, CATRION is committed to aligning its efforts with Saudi Vision 2030, diversifying its revenue streams, and driving sustainable growth. This forward-looking strategy underscores CATRION's ambition to redefine industry standards and strengthen its position as a trusted leader in hospitality and catering excellence.

01

Diversify and Accelerate

| Strategic Objective | Become the National Champion for Catering in the KSA |
|--|--|
| What | |
| Maintain Market Leadership in In-Flight Catering | <ul style="list-style-type: none">• Develop compelling CATRION value proposition for new airlines• Build key account management capability to nurture priority customers• Cover airport expansions and assess covering new airports• Maintain market leadership in lounges• Retain strategic operations in retail and focus on profitability |
| Scale up in Integrated Hospitality | <ul style="list-style-type: none">• Execute Red Sea and pursue other Giga Projects• Develop Integrated Facility Management offering• Scale-up new sectors (Healthcare and Events and Functions)• Grow profitably existing sectors (B&I, Remote Sites and Railways)• Develop a more sustainable Hajj model |
| Integrated Agility and Adopt a Customer-Centric Approach | <ul style="list-style-type: none">• Transform Procurement• Adopt a matrix organization for Integrated Hospitality (incl. Business Development function)• Establish Guest Experience• Enhance cost competitiveness / operational efficiency across Business Segments• Enhance agile management of Giga Projects (e.g., project management, financial and operational controlling) |
| Explore New Opportunities | <ul style="list-style-type: none">• Partner with established brands on frozen foods |
| How | |
| | <ul style="list-style-type: none">• Enhance cost competitiveness/ operational efficiency across Business Segments (e.g., food and labor cost for Integrated Hospitality, corporate cost)• Restructure the organization and inject needed capabilities (e.g., business development, category management, marketing, data analytics)• Pursue inorganic growth opportunities; explore JVs where needed (e.g., healthcare, events) |

02

Building on Existing Capabilities



Food Procurement

Established procurement scale of SAR 1.2 Bn, with strategic relationships with key vendors.



Food Preparation and Operating Kitchen at Scale

Operates 1 CPU and 6 kitchens with end-to-end service offering including menu planning and food delivery.



Value Add Food Preparation

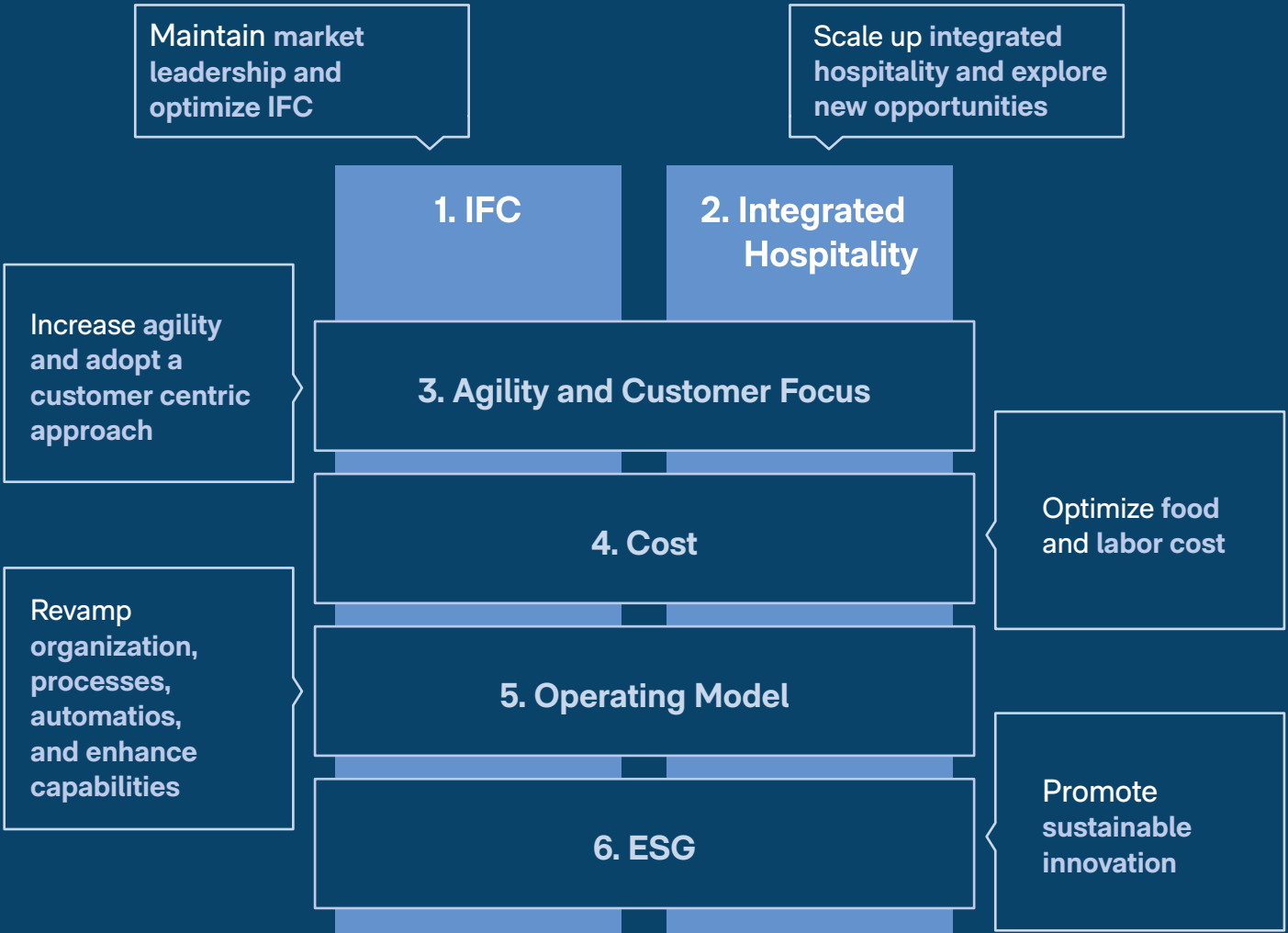
Large central production unit with capacity to produce 300k+ meals / day.



Operating within the Travel Channel

Knowhow of the travel channel operations including in-flight catering, lounges, on-board retail, and on-ground retail.

Strategy Execution Roadmap



Operating Environment and Risks

Operating Environment

In 2024, Saudi Arabia continued its ambitious economic transformation as outlined in Vision 2030, marked by a significant advancement in diversifying its economy away from oil dependence.

The Kingdom recorded a GDP growth rate of

2.8%

direct investments totaling over

SAR 18 BN

The Kingdom recorded a GDP growth rate of 2.8%, driven largely by expansion in the non-oil sectors such as tourism, healthcare, and Government initiatives have accelerated infrastructural developments and regulatory reforms, which attracted foreign direct investments totaling SAR 18 billion during Q3 2024². These efforts are pivotal in positioning the country as a competitive player on the global stage.

The adoption of cutting-edge technologies across various sectors contributed to an increase in operational efficiencies and the emergence of new business models. Saudi Arabia's active pursuit of digital transformation is exemplified by the launch of multiple smart city projects, expected to enhance urban living and economic sustainability. Furthermore, the government's focus on strengthening public-private partnerships saw private sector contributions to GDP rise by 20% from the previous year, signaling a successful shift towards a more inclusive economic model³.

Reflecting on the year, Saudi Arabia's economic landscape in 2024 demonstrated robust growth initiatives and strategic reforms aimed at fostering a diversified and sustainable economy.

These developments have not only strengthened the nation's economic resilience but also laid a solid foundation for future growth and prosperity.

¹Saudi General Authority for Statistics

²Ministry of Investment, Saudi Arabia

³Saudi Vision 2030 Delivery Plan

Saudi Arabia welcomed

60_{MN}

tourists in the first half of 2024

Reflecting on the year, Saudi Arabia's economic landscape in 2024 demonstrated robust growth initiatives and strategic reforms aimed at fostering a diversified and sustainable economy.

The evolving economic landscape presents both new challenges and unprecedented opportunities, particularly in tourism and aviation. As tourism emerges as a key growth driver, major international events and increased visitor numbers are increasingly integral to global hospitality and catering strategies. For instance, Saudi Arabia welcomed 60 million tourists in the first half of 2024, marking a 10% increase compared to the same period in 2023. This surge in tourism fuels demand for high-quality catering and hospitality services, which creates ample opportunities for industry leaders.

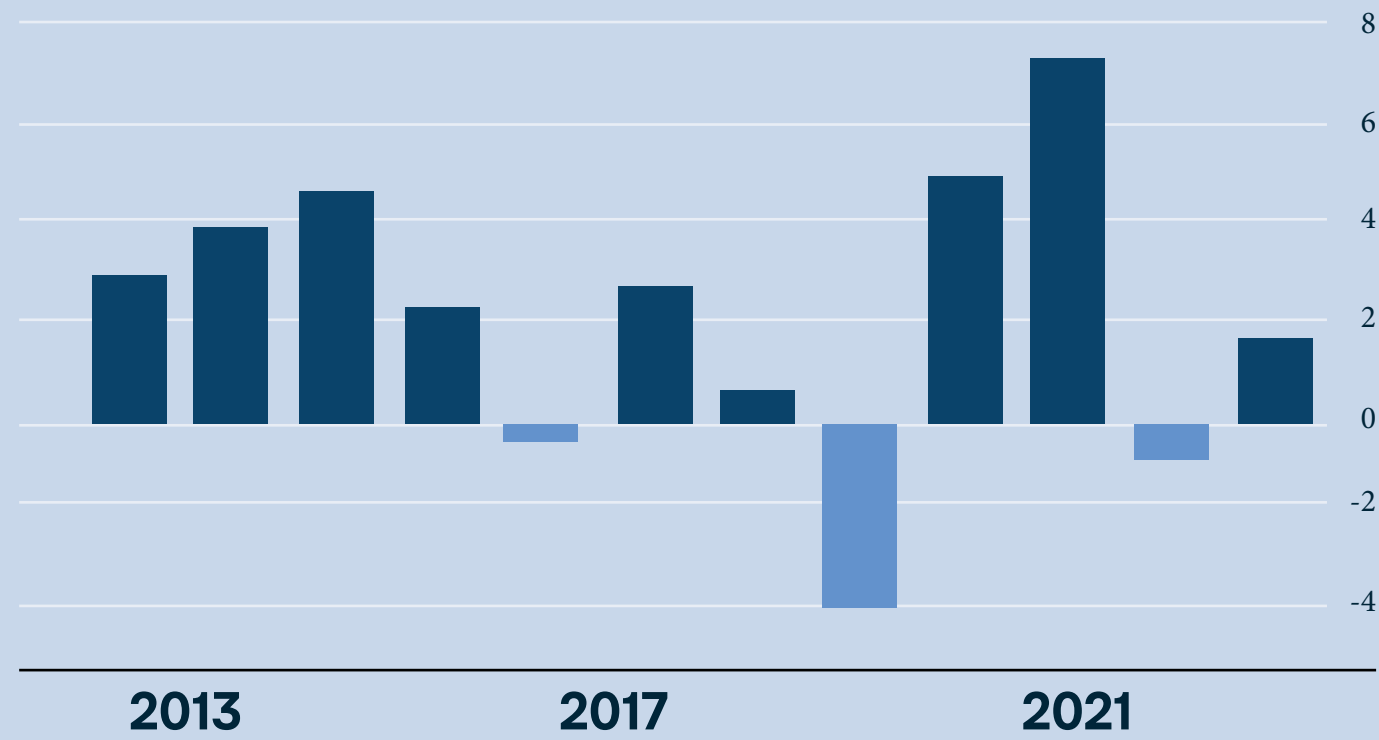
In parallel, the aviation sector has witnessed remarkable expansion. Saudi Arabia's civil aviation sector experienced a year-on-year passenger increase in early 2024, accommodating approximately 62 million passengers compared to 53 million in the same period of 2023. This 17% increase underscores a growing market for in-flight and on-ground services, signaling higher demand for comprehensive catering solutions,

airport lounge management, and digital enhancements that streamline operations and elevate passenger experiences.

As Saudi Arabia leads G20 countries with impressive expansion in its tourism sector, the market dynamics favor companies that invest in innovative technologies, sustainable practices, and customer-centric strategies. For firms like CATRION, which span Inflight Catering and Integrated Hospitality, these macroeconomic trends provide a fertile ground for growth. The burgeoning tourism and aviation markets allow CATRION to capitalize on increased passenger volumes, diversify service offerings, and drive strategic investments, such as expanding capacity in Riyadh and Jeddah, launching new digital platforms, and strengthening sustainability initiatives. By aligning with these sectoral trends, CATRION reinforces its competitive edge and supports its long-term vision for continued growth, innovation, and sustainability in a rapidly evolving economic landscape.

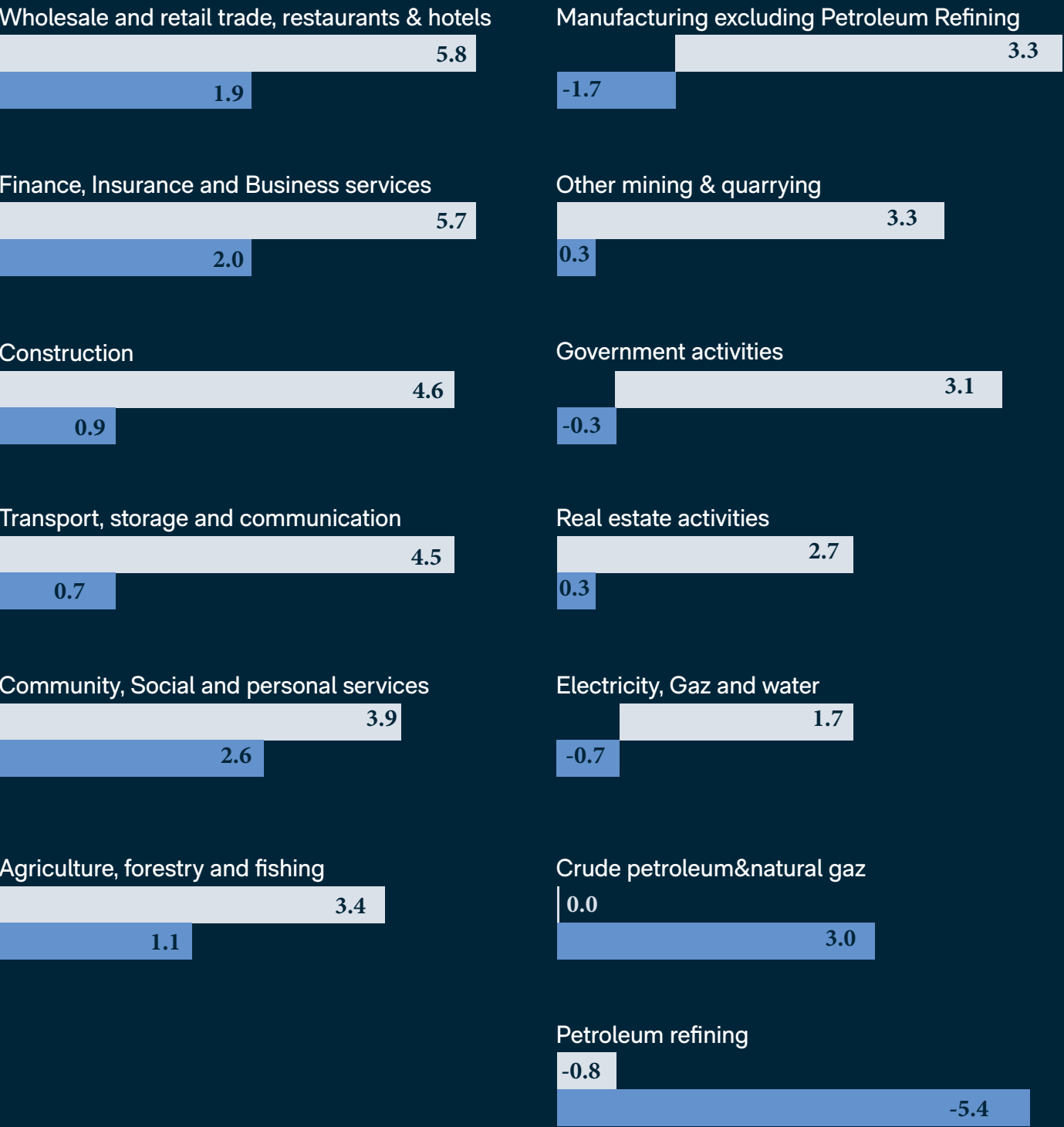
GDP Growth

Saudi Arabia Full Year GDP Growth - percent



Real GDP Growth rates by economic activities

Y-O-Y Q-O-Q



Risk Management Overview

At CATRION, risk management is seamlessly integrated into our corporate strategy, ensuring the identification, analysis, and mitigation of risks across all levels of operation.

Our Board of Directors sets the tone at the top, endorsing a robust governance framework that aligns with our strategic objectives to safeguard interests and enhance sustainability. This framework empowers our management team with the insights needed to make informed decisions, maintain our competitive edge, and uphold stakeholder trust.

By effectively balancing growth opportunities with potential risks, we not only preserve but also enhance CATRION's value and reputation in the global marketplace, demonstrating a steadfast commitment to operational excellence and strategic growth.

Risk Management Framework

At CATRION, our Risk Management Framework is meticulously designed across 5 pillars to safeguard our operations and strategic objectives against potential risks. It ensures that risk management is deeply integrated into every aspect of our organizational structure and decision-making processes.



Integration

- Determining management accountability and oversight roles and responsibilities.
- Ensuring Risk Management is integrated into all aspects of the organization.



Design

- Understanding the organization and its internal and external context.
- Articulate risk management commitment and allocate resources.
- Establishing communication and consultation arrangements.



Implementation

- Developing an appropriate implementation plan, including deadlines.
- Identifying where, when, and how decisions are made and by whom.
- Modifying the applicable decision-making processes where necessary.



Evaluation

- Measuring framework performance against its purpose, implementation, and behaviors.
- Determining whether it remains suitable to support the achievement of objectives.



Improvement

- Continually monitoring and adapting the framework to address external and internal changes.
- Taking actions to improve the value of Risk Management.
- Improving the suitability, adequacy, and effectiveness of the RM framework.

Risk Management Process



Communication and Consultation

- Foster collaboration across different expertise areas.
- Consider diverse perspectives when defining and evaluating risk criteria.
- Ensure all relevant information is available for oversight and decision-making.
- Promote inclusiveness and ownership among stakeholders.



Risk Assessment

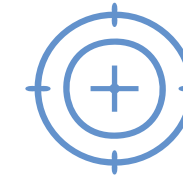
- Identify risks that could impact organizational objectives.
- Analyze risk characteristics, including likelihood, potential impact, and controls.

Risk Evaluation

- Compare risk analysis outcomes with risk criteria to assess risk significance.

Risk Treatment

- Choose and implement the most suitable risk treatment options.



Scope, Context, and Criteria

- Define the purpose and boundaries of risk management activities.
- Assess both the external and internal contexts affecting the organization.
- Establish risk criteria that specify acceptable risks and support decision-making.



Monitoring and Review

- Continuously improve process design and outcomes.
- Monitor the risk management process and its effectiveness.
- Collect and analyze data to inform management and refine practices.



Recording and Reporting

- Document and communicate risk management activities and outcomes.
- Provide essential risk information for organizational decision-making.
- Enhance overall risk management practices.

Risk Universe

CATRION's Risk Universe defines the specific risk environment in which the company operates.

It identifies key sources of risk across eight principal categories: Strategic, Reputational, People, IT and Cybersecurity, Regulatory, Governance, Financial, and Operational. These categories frame our risk management processes and guide our continuous review and adaptation to accurately reflect our strategic and operational environments. Each identified risk is categorized to help decision-makers understand the interrelationships between CATRION's activities and associated risks, ensuring effective management, treatment, and follow-up of risks.



Risk Appetite

Risk Appetite at CATRION describes the level of risk we are prepared to accept in pursuit of our strategic objectives.

It varies according to the nature of each strategic objective and risk category. We are committed to:

- Minimizing exposure to risks associated with regulatory compliance, operations, and people.
- Encouraging a calculated acceptance of risk to drive our strategic objectives forward.
- Ensuring that all potential risks and benefits are thoroughly evaluated before authorizing new developments, with proper measures in place to mitigate risks.

We prioritize protecting our assets and maintaining high employee retention rates, aligning our risk tolerance with our corporate vision and mission.

Our approach to risk does not tolerate ethical compromises or quality deficits. This proactive and calculated approach to risk management supports our aim to achieve corporate objectives while ensuring business continuity.



| Risk Category | Appetite | |
|----------------------------|----------------|--|
| Strategic Risks | Low | Focused on aligning CATRION's strategic actions with its vision and mission, emphasizing the importance of response to both internal and external changes to sustain independent and effective operations. |
| Reputational Risks | Low | Involves risks from various operational aspects including employee conduct and information security, with strategies centered on maintaining CATRION's public image and trust. |
| People Risks | Moderate | Addresses risks associated with human resource management such as talent acquisition and retention, with proactive initiatives aimed at fostering a supportive and compliant workplace. |
| IT and Cybersecurity Risks | Low | Focuses on ensuring system reliability and safeguarding against technological threats, with compliance to national cybersecurity standards. |
| Regulatory Risks | Zero Tolerance | Pertains to the adherence to legal and regulatory obligations, with strict measures to prevent any breach that could impact operational legality and compliance. |
| Governance Risks | Zero Tolerance | Concerns risks related to conflicts of interest and governance practices, ensuring thorough compliance with corporate governance standards and ethical conduct. |
| Financial Risks | Low | Relates to the management of financial resources to prevent conditions that could adversely affect CATRION's financial stability and capacity to meet its objectives. |
| Operational Risks | Moderate | Covers risks from internal processes and controls, focusing on operational efficiency and continuity, also integrating financial risk considerations due to their impact on core operations. |

Principal Risks and Mitigation

The following describes and provides high-level mitigation approaches to some of the most important risk areas across CATRION.



Financial Risks

- **Cash Flow and Interest Rate Risk:** CATRION's financial operations are largely independent of market interest rate changes due to having no significant interest-bearing liabilities. The company maintains robust liquidity management to ensure operational cash flow stability.
- **Credit Risk:** Managed through continuous monitoring and stringent controls over receivables, with counterparty risks minimized by transacting only with entities that have high credit ratings.
- **Liquidity Risk:** Ensured by maintaining ample liquidity reserves and access to credit facilities, supplemented by regular cash flow forecasting to anticipate funding needs.

Strategic Risks

- **Business Environment Risk:** Mitigated by a diversification strategy across various sectors to reduce dependence on any single economic condition or market.
- **Market and Customer Risk:** Managed by nurturing long-term client relationships and not overly relying on any single client or market, which shields the business from sector-specific downturns.
- **Global Political Risk:** CATRION stays adaptive to global political changes that might impact its operations, engaging proactively in policy discussions and scenario planning.
- **IT and Cybersecurity Risks:** Managed through comprehensive cybersecurity measures including network security, endpoint protection, and regular vulnerability assessments to safeguard operational integrity and data confidentiality.

People Risks

- **Recruitment Risk:** Addressed by robust talent acquisition strategies and leveraging a broad talent management framework that includes effective training and development programs.
- **Retention and Motivation Risk:** Focused on nurturing a supportive work environment through competitive compensation, career development opportunities, and performance management systems that align personal growth with company goals.

Operational Risks

- **Hazard Risk:** Mitigated by strict adherence to health and safety protocols, comprehensive insurance coverage, and crisis management procedures to ensure employee safety and operational continuity.
- **Service Delivery and Contractual Compliance Risk:** Managed by rigorous compliance checks and quality control processes to meet contractual obligations and maintain service standards.

Expanding Frontiers

“Diversification is about envisioning CATRION as a multifaceted entity that can capture various opportunities”

Wajdy M. Al-Ghabban
Chief Executive Officer

Diversification objective:

generate

50%

of revenues from non-aviation activities.

Key Strategies

- Diversification across markets, services and industries to grow Integrated Hospitality
- Growth opportunities through giga projects
- M&A activity to enter high-potential segments inorganically
- Strategic enablers, such as automation and digitalization, to optimize Inflight Catering (IFC) & Integrated Hospitality (IH)
- Growing the role of laundry services, and strengthening Hajj & Umrah and corporate hospitality offering
-

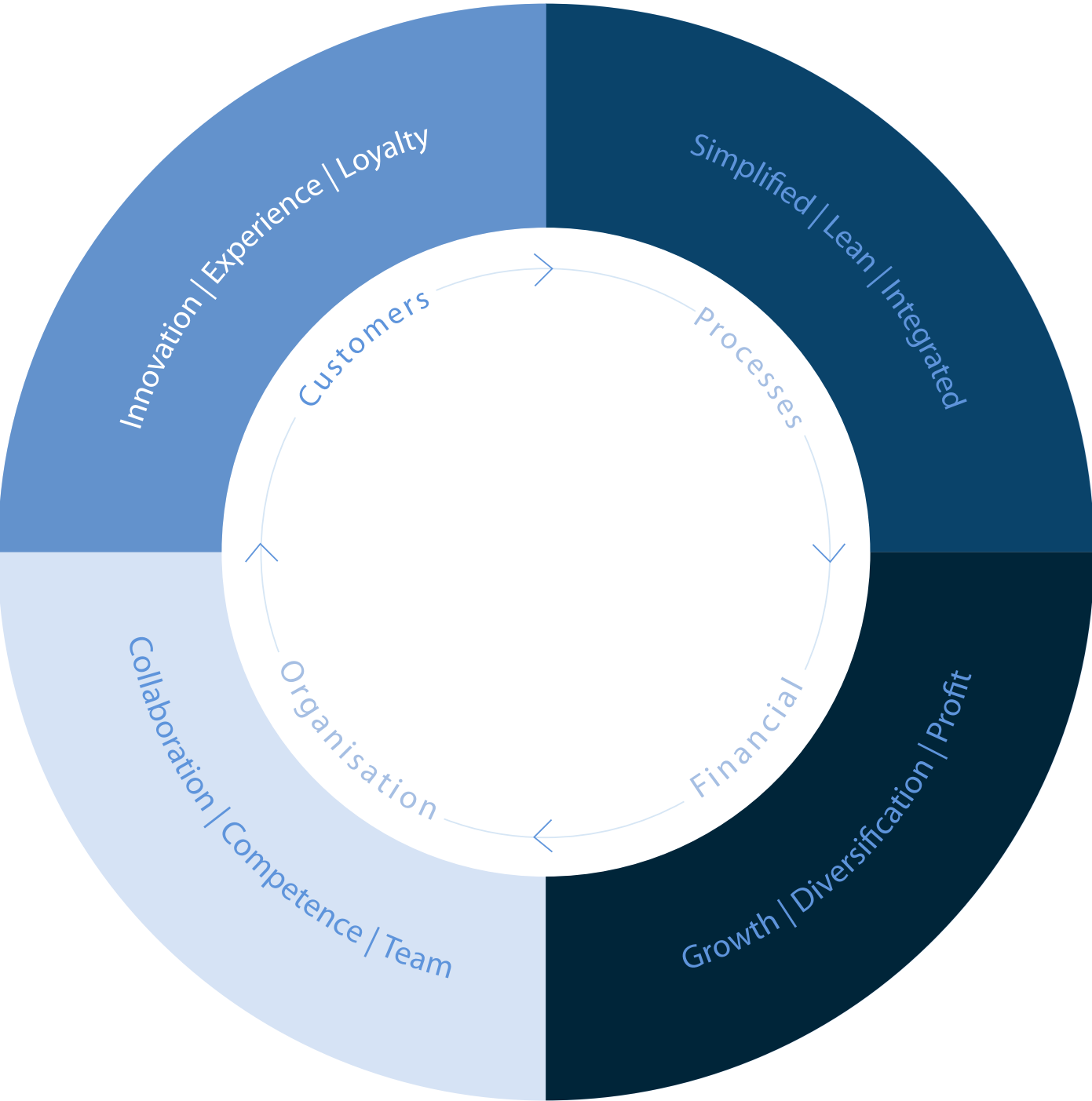
Diversification Opportunities

- Diversify revenue, consumer base and labor force
- Leverage synergies and emerging growth opportunities
- Generate parallel revenue streams
- Capitalize on economies of scale, through existing capabilities such as SAR 1 BN procurement scale, CPU and large-scale food preparation
- Enhance cost competitiveness and operational efficiency
- Forge new partnerships and networks

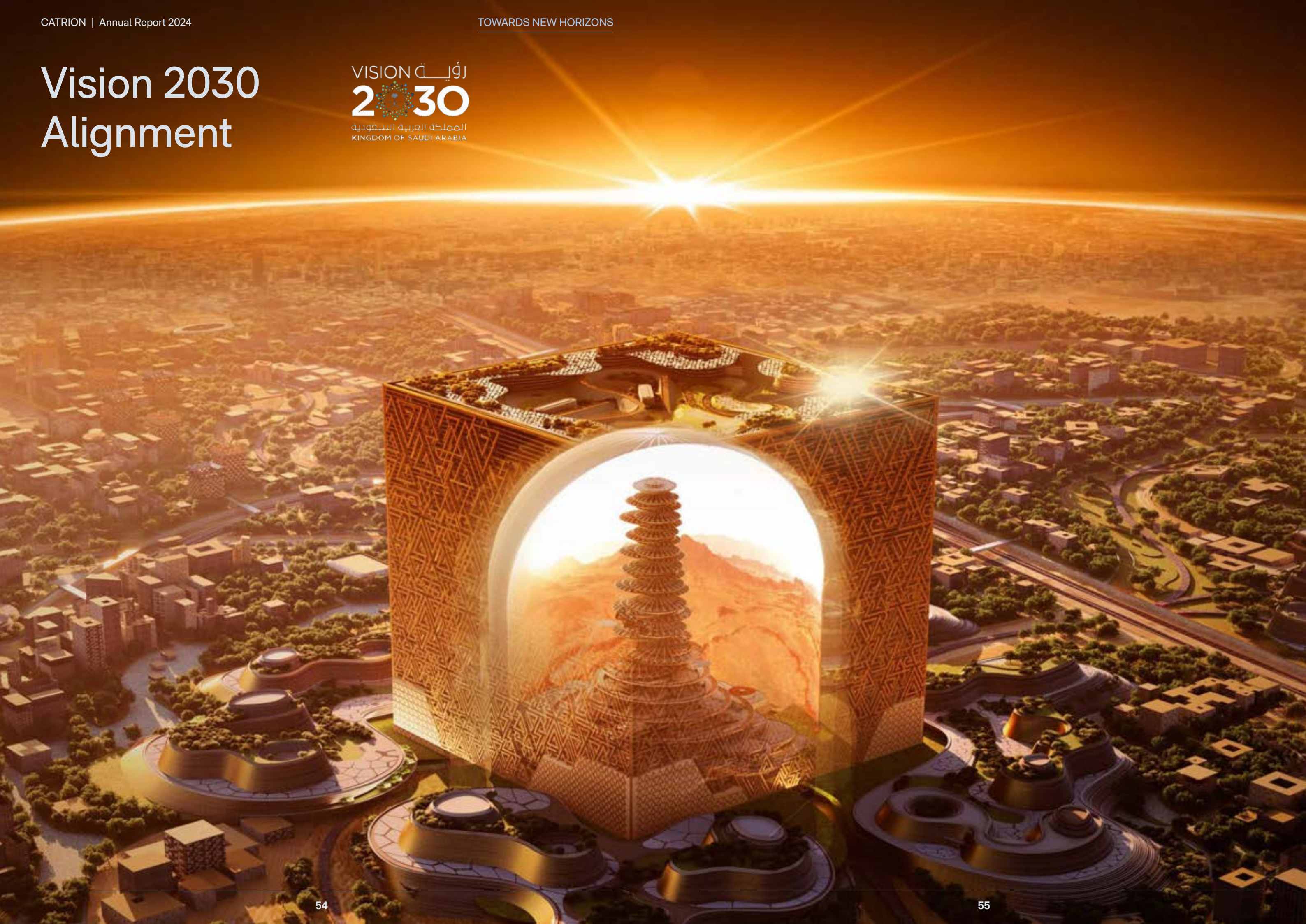
Benefits

- Increase prospective consumer and partnership pool
- Nurture new strategic opportunities for CATRION partners
- Create additional value for shareholders and employees
- Raise competitiveness along the CATRION value chain
- Stabilize revenues and mitigate risk, for the benefit of all stakeholders

Strategic Tools for Diversification Success



Vision 2030 Alignment



Innovating with Vision: CATRION's Commitment to 2030 Goals

CATRION is dedicated to aligning its strategic endeavors with the ambitious framework of Saudi Arabia's Vision 2030.

As a committed partner in cultivating a dynamic economy and vibrant society, we are actively integrating the vision's core objectives into our business operations. Our initiatives in sustainability, enhancing customer satisfaction, fostering employee development, and driving community engagement are reflective of Vision 2030's transformative agenda.

We are proactively diversifying our services to span multiple sectors, thereby reinforcing our pledge to these national goals. Operating within this strategic framework, CATRION significantly contributes to the Kingdom's economic diversification and sustains its expansion on the global stage.

In the Saudi hospitality and catering sector, our comprehensive service solutions are tailored to meet the expansive needs of various Giga projects. From providing state-of-the-art technical maintenance to delivering exceptional food service and managing large-scale industrial laundry operations, each aspect of our service is designed to support the complex demands of these monumental projects, thereby playing a crucial role in the realization of Saudi Vision 2030.

These align with the UN's Sustainable Development Goals for 2030

| | | | | |
|---|---|---|---|--|
| 01  No Poverty | 02  Zero Hunger | 03  Good Health and Well-being | 04  Quality Education | 05  Gender Equality |
| 06  Clean Water & Sanitation | 07  Affordable & Clean Energy | 08  Decent Work& Economic Growth | 09  Industry,Innovation & Infrastructure | 10  Reduce Inequality |
| 11  Sustainable Cities & Communities | 12  Responsible Consumption & Production | 13  Climate Action | 14  Life Below Water | 15  Life On Land |
| 16  Peace, Justice & Strong Institutions | 17  Partnerships for the Goals | | | |

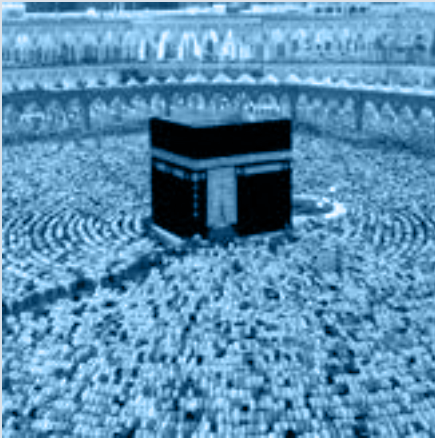
CATRION in Action: Supporting Vision 2030 Across Key Sectors



Tourism

Vision 2030 objectives:
Increase the tourism sector's contribution to GDP to **10%**.
Welcome **100 Mn** annual overnight visitors.

CATRION Contribution:
Inflight Catering and airport lounges seek to enhance KSA's tourism value proposition, generating new job opportunities.



Hajj & Umrah

Vision 2030 objectives:
Increase the capacity to welcome Umrah visitors, from **8 Mn** to **30 Mn** annually.

CATRION Contribution:
Integrated Hospitality nourishes thousands of religious pilgrims per year.



Culture & Entertainment

Vision 2030 objectives:
Increase the household spending on cultural and entertainment activities from **2.9%** to **6%**.

CATRION Contribution:
Integrated Hospitality & Corporate Events functions serve a growing number of major sports, leisure and entertainment events.



Saudi Participation

Vision 2030 objectives:
Learning for working
Attract the talent we need.

CATRION Contribution:
CATRION achieved **35%** Saudization rate by end-2024



Logistics

Vision 2030 objectives:
Increase the global ranking in Logistics Performance Index from **49** to **25**, and be regional leader.

CATRION Contribution:
Inflight Catering supports local, regional and international logistics.



Economic Diversification

Vision 2030 objectives:
Increase the non-oil government revenue from **SAR 163 bn** to **SAR 1 Trn**.
Increase the private sector contribution to GDP from **40%** to **65%**

CATRION Contribution:
CATRION creates jobs, diversifying its products and portfolio to support national priorities, and pursues additional non-aviation revenue.

Partnerships and Clients

Aviation Partners:



Non-Aviation Partners:



BUSINESS PILLARS

In-Flight Catering Business Segment

At the core of CATRION's service spectrum, the Inflight Catering Business Segment epitomizes our relentless drive for operational excellence and customer-focused innovation.

With decades of expertise in the aviation arena, IFC has continuously adapted to the evolving landscape of global air travel, refining both its culinary offerings and logistical processes to deliver unmatched on-board experiences.

As a crucial cornerstone of CATRION's broader hospitality framework, IFC's scope transcends traditional in-flight meals, extending into complementary services such as airport lounges, equipment logistics, and retail ventures.

Guided by a forward-thinking approach, the Inflight Catering Business Segment remains poised to redefine industry benchmarks, ensuring every passenger's journey is met with an exceptional touch of quality and care.

In-Flight Catering



On-board
Meals



Airport
Lounges



Equipment
Logistics



Retail



Integrated Hospitality Business Segment

The Integrated Hospitality Business Segment represents a dynamic shift in CATRION's service offerings, transitioning from its roots in in-flight catering to a broad-based provider of integrated hospitality solutions.

10 new hospital contracts

This strategic expansion has been driven by our commitment to diversify and enhance service delivery across non-aviation sectors including healthcare, remote sites, and major event management.

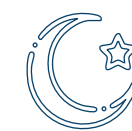
In 2024, the Integrated Hospitality Business Segment advanced CATRION's market presence by significantly extending service offerings to encompass a wide array of integrated facility management solutions. This includes managing complex operations such as Hajj and Umrah catering, comprehensive laundry services, and catering for remote sites and large-scale events, reflecting a versatile approach to client needs. We also oversee facilities management for public and private sector entities, underscoring our adaptability and customer-centric ethos.

This year, The Integrated Hospitality Business Segment successfully secured contracts increasing our operational footprint in the healthcare sector with 10 new hospital contracts. This aligns with our goal to leverage our expertise beyond traditional boundaries and foster a diversified revenue stream.

Further demonstrating our commitment to excellence and innovation, the Integrated Hospitality Business Segment has integrated advanced technologies and sustainable practices across operations. This includes the deployment of biodegradable materials at major events like UNCCD COP 16 and the introduction of sophisticated customer management processes to enhance interaction and satisfaction.

As we continue to push the boundaries of traditional hospitality services, the Integrated Hospitality Business Segment remains pivotal in CATRION's growth strategy, ensuring that our service offerings are not only diverse but also of the highest quality, tailored to meet the evolving demands of our clients and the ambitious goals of Saudi Arabia's Vision 2030.

Integrated Hospitality



Hajj & Umrah
Catering



Laundry
Services



Sports &
Events



Business and
Industry Services



Remote Sites



Railway



Camp
Management



Health Care

AIMING HIGH

Our People

“Our people are the heart of CATRION’s success and the driving force behind our journey ‘Beyond the Horizon.’ By investing in their growth, well-being, and diversity, we ensure a sustainable future for our organization and the communities we serve.”

VP of Human Resources



Our People, Our Future

CATRION's transformation in 2023 set the stage for a bold new era; one in which our Human Resources (HR) team plays a central role.

From supporting our Vision 2030 commitments to cultivating a robust, diverse talent pool, the HR department ensures that every CATRION employee is empowered to contribute meaningfully to our company's mission and long-term success.

A Strategy Built for People

In alignment with the Strategy 2024–2026, the HR underwent a strategic restructuring to better serve three core pillars:

01

Daily Operations

02

People & Organization

03

Business Partnership with internal stakeholders

This refined model is supported by five HR Excellence Strategy Pillars, each designed to foster growth, innovation, and a strong corporate culture:

HR Services Automation

Streamlining and automating HR processes to boost efficiency, cost-effectiveness, and user satisfaction.

Talent Attraction & Retention

Building a robust talent pipeline to sustain business continuity, with special emphasis on digitalized recruitment and competitive reward frameworks.

Employee Experience

Enhancing morale, engagement, and satisfaction through continuous feedback loops and well-being programs.

Compensation & Performance Culture

Linking performance with tangible rewards while nurturing a performance-driven mindset across all levels.

Growing Leaders & Building Capabilities

Identifying critical roles for succession, strengthening leadership pipelines, and investing in skills development that underpins our growth aspirations.

Together, these pillars propel CATRION toward its goal of creating a dynamic and sustainable business, closely aligning with Saudi Arabia's Vision 2030.



Total Employees

4,842



Male Employees

4,426



Female Employees

416



Saudization Rate

35%

Talent Attraction & Retention

CATRION transitioned to a fully digital recruitment process, with ~20 steps tracked via an advanced in-house platform. This approach:

- Reduces time-to-hire through efficient candidate sourcing and screening
- Enhances the candidate experience with clear, transparent communication
- Strengthens workforce stability through robust selection processes

Additionally, initiatives such as succession planning, monthly recruitment-plan updates, and employee engagement surveys have helped keep turnover at a moderate 14%.

To further incentivize top talent to stay, HR developed a competitive reward framework and introduced flexible, family-friendly policies, boosting overall job satisfaction and retention.

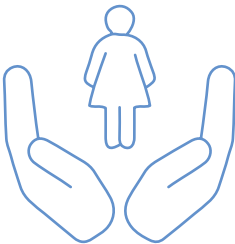
Employee Development

Building future-ready capabilities is central to CATRION's strategic goals. This year, CATRION has achieved 3,822 training seats:

| | |
|--|--|
| Executive Training | <ul style="list-style-type: none">• Senior leadership upskilling (17 Executives), in partnership with renowned institutions including Harvard Business School, INSEAD, Cambridge Judge Business School, and Wharton.• Emphasizes readiness for emerging challenges and strengthens our leadership pipeline. |
| Culinary Training & Specialized Programs | <ul style="list-style-type: none">• 59 culinary staff underwent advanced culinary techniques, international cuisine modules, and food safety training, raising service quality in airport lounges and onboard experiences.• Year-round training for regulatory certifications like GACAR 68 bolsters compliance and operational excellence. |
| Female Development | <ul style="list-style-type: none">• 194 female employees trained, marking a 20% increase over the previous year. Among the trainees, 15.6% were promoted from transactional roles to more senior positions.• Contributes to both gender inclusion and leadership diversity within CATRION. |
| Community Services | <ul style="list-style-type: none">• 53 external trainees benefited from professional skill development, supporting CATRION's corporate social responsibility (CSR) objectives and strengthening community ties. |
| Saudization & Local Talent | <ul style="list-style-type: none">• 1,312 Saudi employees received training in 2024, marking an 19% growth from prior years.• This aligns directly with Vision 2030's focus on national workforce development. |

Diversity & Inclusion

CATRION's 44-nationality workforce underscores our dedication to a truly global environment. To ensure clear communication across such diverse demographics, HR provides resources in six main languages—Arabic, English, Tamil, Hindi, Tagalog, and Urdu.



Female Empowerment

A
31%
increase in female hiring overall.



Inclusive Policies

Standardized onboarding, plus new leave types for working mothers and emergency childcare, further fosters an environment of equity and belonging.

By promoting diversity at all levels, CATRION not only nurtures innovation but also strengthens its employer brand, aligning closely with Vision 2030's emphasis on economic and social development.



Employee Engagement & Well-Being

Maintaining a motivated and healthy workforce is central to CATRION's success:



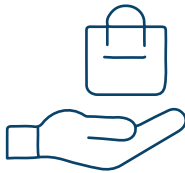
Engagement Surveys

Capture real-time feedback on morale, work-life balance, and culture.



Well-Being Programs

Focus on health awareness (World Diabetes Day, Men's Cancer Health, Breast Cancer Awareness, etc.) and mental wellness.



Work-Life Balance

Introducing flexible work arrangements and new leave types (especially for female employees) reduced stress, leading to a more engaged workforce and helping push turnover down to 14%.

HR Innovations & Digital Transformation

This year, the HR department has leveraged innovative technologies to significantly enhance service delivery and customer satisfaction through the following initiatives:

Employee Digital Archiving

Implemented a digital archiving system to manage employee records, resulting in improved data accessibility, security, and accuracy while reducing reliance on physical storage.

Automated Recruitment Activities

Integrated automation into the recruitment process to streamline candidate sourcing, evaluation, and onboarding. This initiative contributed to the reduction of time-to-hire, enhancement of the candidate experience, and ensured efficient fulfillment of business needs.

Performance Management System (PMS) Automation

Launched a digital performance management platform, which enabled real-time tracking of employee performance, improved transparency, and provided actionable feedback to drive individual and organizational growth.

Automated Travel Services

Implemented a travel order and expense tracking system, which simplified travel management processes, enhanced employee satisfaction, and reduced administrative burden.

HR Dashboard

Deployed HR dashboard systems for HR data management and analytics. This step enhanced decision-making by providing accurate, real-time insights into workforce metrics and trends, enabling proactive adjustments to meet business objectives.

Collectively, these innovative tools support our vision of a tech-forward HR function that underpins a dynamic and agile organization.

Looking Ahead: Future HR Priorities

CATRION's HR strategy will continue to evolve in step with Vision 2030, ensuring long-term resilience and growth:

Saudization Growth

- Building on the current 35% figure by expanding training programs and recruitment pipelines to support national goals.

Strengthening Leadership Development

- Sustaining the momentum of 213% executive training growth and broadening succession-planning initiatives.

SAP Integration & Process Optimization

- Implementing SAP HR modules for enhanced workflow, data integrity, and strategic decision-making.

Employer Branding

- Strategic recognition programs, success stories, and flexible work benefits to attract and retain top-tier talent.

Enhanced D&I & ESG

- Target a 10–15% rise in female participation, deepen our diversity efforts, and embed ESG principles (e.g., sustainable resource use, community outreach) in all HR functions.

Sustaining Tomorrow

“By empowering sustainable practices across every layer of our business, we strive to protect our planet, uplift communities, and shape a resilient future for the Kingdom and beyond.”

ESG Department Lead



New Horizons in Sustainability

In 2024, CATRION reinforced its commitment to responsible business through a comprehensive Environmental, Social, and Governance (ESG) strategy.

By embedding sustainability principles across our operations, from energy consumption and waste management to community impact and transparent reporting, CATRION ensures that long-term resilience and ethical stewardship remain central to our growth. Guided by four core pillars of ESG, we continue to align with Saudi Vision 2030 and global best practices, helping us tackle the evolving challenges of our industry and the world at large.

ESG Strategy & Framework

CATRION's ESG framework addresses key focus areas like waste, environmental compliance, employment, occupational safety, food quality, and innovation.

Enabled by strategic enablers - Communication & Engagement, Technology & Innovation, and Regulatory Compliance - this integrated approach ensures we continually refine our practices, adopt leading technologies, and uphold the highest ethical standards. Our alignment with international and national drivers underscores our dedication to both global sustainability targets and local regulations.

CATRION ESG Strategy

Core Pillars



Environmental
Stewardship



Integrity
& Safety



Product Quality
& Safety



Ethical
Governance

Key Focus Areas



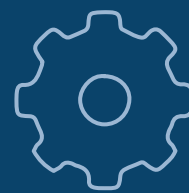
- Waste
- Environmental compliance
- Materials



- Employment
- Customer health and safety
- Occupational health and safety



- Food quality and safety
- Procurement



- Innovation and technology
- Business ethics
- Governance and regulatory compliance

Strategic Objectives

Elevate our sustainability performance by implementing comprehensive strategies that minimize waste, optimize resource use, and ensure environmental compliance. Specifically focusing on reducing food waste, enhancing efficiency in resource use and adopting sustainable packaging practices, we aim to advance our commitment to environmental stewardship, including pollution management and embracing the principles of a circular economy.

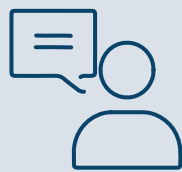
Uphold our commitment to integrity and safety by prioritizing well-being, development, diversity, and inclusion of our employees. Ensure customer health and safety through rigorous measures, and maintain high standards of occupational health and safety. This comprehensive approach reflects our dedication to fostering a safe, inclusive, and healthy environment for both our team members and customers.

Elevate our commitment to product quality and safety within our catering operations by implementing meticulous food quality and safety measures. Strengthen sustainability through Improved procurement practices, emphasizing responsible sourcing, and reinforcing our dedication to delivering high quality, safe food products. This objective underscores our pledge to provide exceptional culinary experiences while prioritizing sustainable and ethical sourcing practices.

Uphold ethical governance as the cornerstone of our sustainability and overall strategic focus. Ensure robust governance structures, steadfast regulatory compliance, and the highest standards of business ethics. Embrace innovation and technology to drive efficiency, transparency, and sustainability in our operations, thereby fostering a culture of responsible business practices. This objective reflects our commitment to integrity, legal adherence, and continual innovation for enduring ethical leadership in the catering industry.

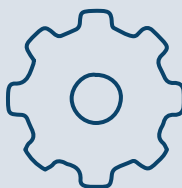


Strategic Enablers



Communication, Engagement, & Development

- Stakeholder engagement
- Sustainability-related communication
- Sustainability-related capacity development



Technology & Innovation

- Efficiency and resource optimization
- Circular economy
- Innovative processes, procedures, and products



Regulatory Compliance

- Food safety and environmental regulations
- Stakeholder trust
- Risk management
- Adaptability

International Drivers



National Drivers



2024 Highlights

This year marked a series of significant milestones, reflecting CATRION's continued evolution and commitment to a sustainable future:



Advancing Renewable Energy and Sustainable Transportation

- **Solar Installations:** Completed a 297 KWP solar panel system at our KAEC laundry facility, generating 501 MWh annually and reducing 8,000 tons of CO2 emissions over 30 years.
- **Fleet of Electric Vehicles:** Introduced EVs in Riyadh and Jeddah, trimming reliance on fossil fuels while enhancing efficiency.



Waste Management & Recycling

- **100% Increase in Recycling Rates:** Expanded efforts in recycling tires, batteries, cartons, and used oil, driving a significant 15% growth in recycling strategic objectives.
- **Composting & Wastewater Recycling:** Partnered with Morooj to recycle wastewater; explored composting solutions to repurpose organic waste and reduce landfill usage.
- **One Million Meals Donated:** Diverted surplus food from landfill to charitable causes, reinforcing CATRION's commitment to a circular economy and community welfare.



Environmental Excellence Through Compliance and Certifications

- Secured **three environmental permits** from the National Center for Environmental Compliance (NCEC).
- Earned **ISO 14001 certification** for robust environmental management.
- Published our **first-ever ESG report**, boosting transparency and trust among stakeholders and clients.
- Joined the **United Nations Global Compact**, aligning with global sustainability goals.



Community Engagement & Social Responsibility

- **1+ Million Charitable Donations:** Reinforced social responsibility by donating items to underserved communities.
- **CSR Hackathon:** Fostered innovation in social and environmental solutions through strategic partnerships.
- **Local Content Strategy:** Launched a three-year plan to strengthen local sourcing, enhance economic contributions, and align with Vision 2030's priorities.



Fostering Governance and Sustainable Impact

- **Collaboration with the United Nations Global Compact (UNGC) Saudi Arabia:** Intensified its commitment towards sustainability by working closely with the UNGC Saudi Arabia, shaping a resilient and sustainable future.
- **ESG Reporting Milestone:** Published the first-ever ESG report, marking a significant achievement in transparency, and commitment to sustainable governance practices.
- **Enhanced Governance Policies:** Strengthened the corporate governance framework by integrating robust policies to improve transparency, and ethical practices across all operations.
- **Stakeholder Engagement Initiatives:** Introduced comprehensive strategies for meaningful stakeholder communication, ensuring alignment with global governance standards and fostering mutual trust.

Environmental Stewardship

Advancing Renewable Energy and Sustainable Transportation

By broadening solar adoption at facilities beyond KAEC and rolling out electric/hybrid vehicles, CATRION demonstrates a holistic approach to lowering greenhouse gas emissions and promoting environmentally conscious operations. Feasibility studies at Riyadh and Jeddah units aim to further expand solar capacity, while each new EV introduced reduces fuel consumption and boosts cost efficiency, directly contributing to the Kingdom's shift toward sustainable mobility.

Waste Management & Circular Economy

CATRION's ongoing partnerships with specialized recyclers enable advanced materials recovery for electronic waste, batteries, cartons, and more. This strategic move has already resulted in a 15% increase in overall recycling rates, with a target to push this figure higher by 2025. Initial composting assessments likewise confirm the feasibility of repurposing organic waste, minimizing landfill disposal, and fostering a circular economy. Sustainable packaging solutions for in-flight meals and children's amenities have eliminated 3.5 million kilograms of CO₂ emissions and saved 100,000+ kg of emissions in 2024, underscoring our proactive stance on responsible resource use.

Saved
100,000+
kg of emissions

15%
increase in overall recycling rates

3.5 MN KG
of CO₂ eliminated

Environmental Excellence Through Compliance and Certifications

- **ISO 14001:** This certification underscores our dedication to international best practices, ensuring systematic environmental management and continuous improvement.
- **NCEC Permits:** Satisfying national regulations highlights our alignment with Saudi Arabia's environmental objectives, reinforcing stakeholder confidence in our compliance measures.

Key Metrics

501 MWh
Annual Solar Production

8,000+ Tons CO₂
Saved Over 30 Years (KAEC)

100%
Increase in Recycling Rates

15%
Projected Recycling Target Growth by 2025

Building a Legacy of Community and Responsibility



Empowering Local Communities

CATRION's social commitment extends well beyond environmental efforts. In 2024, we donated over one million items, from surplus meals to electronics, to charitable organizations such as Ikram and Ertiqra, ensuring resources that would otherwise go to waste instead benefit those in need. Moreover, the CSR Hackathon introduced a platform for employees, partners, and local innovators to brainstorm and implement impactful social solutions.

Supporting Local Content & Economic Growth

To drive local economic development, CATRION renewed a three-year Local Content Strategy, prioritizing domestic sourcing and reinforcing Vision 2030's call for economic diversification. Through formal MoUs with key partners, we have expanded ESG and CSR collaborations, amplifying our community impact while bolstering trust in local markets. This includes forging new alliances to streamline distribution channels for surplus items and collaborate on sustainable infrastructure projects—ultimately fueling job creation and local entrepreneurship.

Educating & Engaging Employees

Across 2024, we launched multiple internal ESG training sessions grounded in GRI standards. These programs fortified our employees' understanding of sustainability metrics and daily best practices. By empowering teams with the knowledge and tools to embed sustainability into every task, CATRION has nurtured a workforce that actively champions environmental stewardship and community engagement.

Shaping a Resilient Future Through Innovation, Advanced Technology, and Governance



Collaboration with the United Nations Global Compact (UNGC) Saudi Arabia

CATRION has intensified its dedication to sustainability through strategic collaboration with the United Nations Global Compact (UNGC) Saudi Arabia. By engaging with this esteemed platform, CATRION has aligned its operations with global principles and localized sustainability goals. This partnership underscores CATRION's unwavering commitment to advancing sustainability in the region.

Smart Solar Energy Management

Our newly adopted solar energy dashboard monitors daily output, CO₂ emissions avoided, and revenue streams. By visualizing these metrics, CATRION can swiftly optimize performance, pivot resources, or invest further in renewable technologies. These efforts, backed by collaborations with advanced solar tech providers, keep us at the cutting edge of sustainable energy management.

ESG Reporting Milestone

The publication of CATRION's first-ever ESG report represents a pivotal milestone in its sustainability journey. This report demonstrates its transparency and accountability, providing stakeholders with clear insights into its environmental, social, and governance performance. By highlighting key achievements and measurable progress, the report reflects CATRION's commitment to embedding sustainability into its core operations and decision-making processes.

Enhanced Governance Policies

CATRION has implemented a series of enhanced governance policies.

These policies are designed to uphold transparency and strengthen the integrity of its operations. Key areas of focus include anti-corruption measures, robust compliance frameworks, and ethical decision-making protocols.

By integrating these policies, CATRION has solidified its foundation for responsible governance, ensuring that its practices align with international standards and industry best practices.

Stakeholder Engagement Initiatives

Recognizing the importance of collaboration and trust, CATRION has developed comprehensive stakeholder engagement initiatives. These initiatives aim to foster meaningful communication with internal and external stakeholders, ensuring their voices are heard and their perspectives are integrated into strategic decisions. By aligning with global governance standards, CATRION promotes transparency and mutual trust, which are critical to achieving sustainable growth and maintaining long-term relationships with stakeholders.

Creating Sustainable Value for Shareholders

By embedding sustainability into our daily operations, CATRION not only reduces environmental impact but also bolsters long-term resilience and market reputation.

Recognizing the rise of ESG-focused investments, we strive to maintain high standards that attract responsible investors and appeal to broader stakeholder groups. Initiatives like waste minimization, water recycling, and clean energy directly reduce costs, mitigate operational risks, and optimize resources—feeding into an enhanced bottom line. Meanwhile, transparent reporting through our first-ever ESG Report and alignment with the UN Global Compact further reaffirm our commitment to measurable progress.



How ESG Creates Shareholder Value

Positive ESG Ratings

Boosts investor confidence and opens new funding avenues.

Risk Mitigation

Robust environmental controls and community engagement minimize disruptions or reputational damage.

Operational Efficiencies

Lower waste, reduced energy consumption, and streamlined processes mean cost savings.

Long-Term Sustainability

Paves the way for continued growth without overexploiting resources.

Building on Success for a Brighter Future

Building on our 2024 successes, the ESG team aims to:

Expand Solar Adoption

Scale Recycling & Composting

Grow the EV Fleet

Deepen ESG Reporting

Enhance Local Content & Sourcing

Adopt Biodegradable Packaging

Strengthen Governance & Compliance


Deploy Advanced Water Management

Protocols and Performance

Health, Security & Standards
Control (HSSC)

“We are committed to embedding safety, security, and sustainability into the core of everything we do. By harnessing advanced technologies and fostering a deeply ingrained culture of well-being and resilience, HSSC is setting new standards of excellence. Together, we are safeguarding our people, assets, and environment while driving innovation and sustainable growth, ensuring a safer and more secure tomorrow for all.”

VP of Health, Security & Standards Control

A person wearing a blue lab coat and blue nitrile gloves is carefully placing a green leafy vegetable into one of many small white containers. Each container is filled with a fresh salad consisting of green lettuce, red cherry tomatoes, black olives, and white cheese cubes. The containers are arranged in rows, and the background is a soft-focus laboratory or kitchen setting with blue and white tones.

Throughout 2024, our Health, Security & Standards Control (HSSC) department has played a pivotal role in safeguarding CATRION's operations, people, and assets.

This team, encompassing risk management, facilities oversight, sustainability, and compliance, has emphasized continuous improvement, digitization, and stakeholder engagement. In doing so, HSSC has ensured that CATRION remains at the forefront of safety standards, regulatory alignment, and innovative operational practices.



Decrease in Incident Rate by

24%
91%

of cases were treated by CATRION Clinics

25,818

total number of cases in 2024

Promoting a Culture of Safety

Keeping our workforce safe and well is at the heart of HSSC's mission. The department reduced the overall incident rate by 24% this year, driven by a non-punitive reporting system that encourages employees to proactively report potential risks without fear of reprisal. Over 1,991 employees received specialized safety training, which helped lower lost-time injuries by 10% and led to zero security violations across all CATRION facilities.

In 2024, CATRION recorded a total of 25,818 cases, with 23,404 (91%) treated at CATRION Clinics and 2,414 referred to external medical providers. This achievement highlights the effectiveness and proactive approach of CATRION's medical team. As a result, CATRION employees collectively saved a significant amount in hospital visit costs, based on average visit expenses.

Safety in Numbers

A Snapshot of CATRION's Commitment to Health & Security

24%
Lower
Incident Rate

Through enhanced training and a non-punitive reporting system, workplace incidents dropped significantly compared to last year.

10%
Fewer Lost-Time
Injuries

Targeted safety awareness programs, quick hazard identification, and real-time reporting led to a notable drop in injury-related downtime.

ZERO
Security
Breaches

Rigorous security checks, AI-based screening equipment, and continuous staff vigilance ensured no reported breaches in 2024.

1,991
Employees
Trained

From crisis management to day-to-day safety protocols, employees received specialized training tailored to their roles.

23,404
Cases Treated by
CATRION Clinics

CATRION managed 91% of total patients in-house, minimizing disruption to operations while prioritizing employee well-being.

Going Beyond Income Targets

One of the department’s most notable achievements this year was surpassing its external income target considerably. Our central laboratory, responsible for critical testing and certification, generated revenue well above the initial goal. This success not only underscores our lab’s growing market presence and reliability but also reflects our broader strategic focus on expanding services and diversifying revenue within CATRION.

Demonstrating Global Compliance

Another major step forward has been the acquisition and maintenance of multiple internationally recognized certifications, demonstrating our unwavering commitment to global benchmarks. In total, we have secured 27 certificates this year, spanning crucial areas such as ISO 41001 for facility management, ISO 45001 for occupational health and safety, ISO 14001 for environmental management, and GACAR 151 certification for aviation security compliance. Alongside these, the department finalized the Environmental Permit to Construct (EPC) and Environmental Permit to Operate (EPO) for key projects, including the RSG site, thereby reinforcing CATRION’s alignment with regulatory requirements and sustainability objectives.

| Renewed Certificates | | | New Certificates |
|----------------------|----------------|-----------------------|------------------|
| ISO 9001:2015 | FSSC 22000_JED | ISO 22301 | ISO 41001 |
| FSSC 22000_RUH | FSSC 22000_DMM | FSSC 22000_MED | GACAR 151_RUH |
| ISO 22000_MED | ISO 22000_DMM | ISO 22000_RUH | ISO 14001 |
| ISO 22000_JED | ISO 22000_CPU | ISO 17025-Central Lab | GACAR 151_DMM |
| ISO 45001_JED | ISO 4500_DMM | ISO 4500_RUH | GACAR 151_MED |
| ISO 4500_MED | ISO 45001_CAI | HACCP | |
| HALAL SFDA | GACAR 151 HQ | GACAR 151_JED | |

Enhancing Facilities Management

135+
SOPs Created

7%
Reduction in Maintenance and Operational Costs

When it comes to facilities management, 2024 witnessed the introduction of over 135 new standard operating procedures (SOPs), guides, and manuals, each meticulously designed to standardize operations across our diverse footprint. This work culminated in achieving ISO 41001 certification with an extended scope, solidifying CATRION’s growing capability to offer integrated facility management solutions internally and to potential external clients. The department acquired a Computer-Aided Facilities Management (CAFM) system to support these enhancements. This platform centralizes maintenance requests, provides real-time data on equipment lifecycles, and is projected to optimize maintenance and operational costs by 7%, ultimately preserving asset value and optimizing manpower allocation.

A Step Toward Green Energy and a Sustainable Future

In addition to these operational achievements, HSSC has been at the forefront of sustainability.

Teaming with our ESG function, we completed the solar energy project at KAEC Laundry (290 KWp capacity, yielding 470,434 kWh annually). We introduced 17 electric and hybrid vehicles across our fleet, collectively reducing CO₂ emissions by 46,000 kilograms annually.

Recycling and waste management were also prioritized, resulting in a 100% increase in recycling-related revenues and an in-depth study of cabin waste composition, revealing that 23.4% is unconsumed food. These measures align with our climate goals and further bolster our commitment to Vision 2030's targets for carbon footprint reduction.



Maintaining Risk & BCM Preparedness

Key to HSSC's success is its robust risk management and business continuity framework. This year, the department reached 100% coverage in our Risk & BCM culture maturity assessment, ensuring that every facet of the business understands and addresses potential disruptions, be they operational, financial, or environmental. Monthly awareness bulletins, quarterly newsletters, and on-site training sessions reinforced a proactive mindset, enabling CATRION to maintain uninterrupted service even under challenging conditions.

the department reached

100%

coverage in our Risk & BCM culture maturity assessment

Advancing Safety, Security, and Sustainability Through Digital Transformation

As part of its commitment to operational excellence, HSSC has embraced digital transformation to streamline processes and elevate safety standards. In 2024, the department deployed multiple technology-based solutions to reduce manual workloads, improve data accuracy, and enable real-time monitoring across various functions:

HSSC Dashboard

By automating roughly 75% of the department's key performance indicators (KPIs), the dashboard consolidates risk assessments, security metrics, QMS, and compliance tasks onto a single platform. Leadership can now quickly review potential concerns, generate data-driven insights, and respond to risks more proactively.

CAFM for Facility Management

Introduced earlier this year, the Computer-Aided Facilities Management (CAFM) system centralizes maintenance requests, tracks asset lifecycles, and maps facility audit schedules. Initial results suggest a 7% reduction in maintenance and operational costs, reflecting more efficient asset utilization.

Medical Process Automation

Patient intake, health certificates, and other in-house medical services have been partially digitized, ensuring consistent data management and faster turnaround times. This approach further aligns with HSSC's objective to provide seamless, on-site healthcare for employees.

By leveraging these digital solutions, HSSC has strengthened compliance, facilitated better decision-making, and laid the groundwork for future innovations—reinforcing CATRION’s vision of a highly agile and tech-enabled organization.

Digital Transformation Spotlight

How Automation Powers Compliance & Efficiency

CAFM System

- **Centralized Maintenance:** Tracks asset lifecycles, work orders, and inspections in one portal.
- **Cost Savings:** Early data suggests a 7% reduction in maintenance and operational expenses.

Medical Process Automation

- **E-Records & E-Forms:** Speeds up patient intake, cuts paperwork, and secures medical data.
- **Enhanced Accuracy:** Minimizes human error, ensuring more reliable health outcomes for employees.

HSSC Dashboard

- **75% Process Automation:** Brings together risk assessments, security metrics, QMS, and compliance checklists under one system.
- **Better Decision-Making:** Real-time analytics and visual dashboards help leadership proactively address potential issues.

Building Partnerships & Collaborations

To ensure synergy between compliance and broader corporate goals, the department engaged in numerous partnerships and collaborations.

Notably, we signed Memorandums of Understanding (MoUs) with Ikram, Ertiqra, and Tadweer charities to donate surplus food, electronics, and other assets. We also concluded an agreement with Morooj to strengthen sustainability efforts across our operations, and a joint MOU with REEF (in collaboration with NADEC) to incorporate local produce into our airline menus,

further supporting national agriculture. Additionally, a partnership with King Abdulaziz University opened training opportunities for local students, integrating academic research with industry demands. At the same time, we continued working with the Saudi Food and Drug Authority (SFDA) to refine regulations and uphold rigorous standards, a testament to our role as both an industry operator and thought leader.

9 Partnerships in 2024

| | | |
|--|--|--|
| Ikram Charity Surplus food donation program | Ertiqra Charity Recycling and donation of electronics | Tadweer Sustainable waste management and food donation |
| KAU Training and research exchange for university students | Elm Company Innovation, data analysis, and technology collaboration | Almanara Khadraa Oil recycling, leading to a 250% revenue increase from used oil |
| CSR Hackathon Driving local community innovations in social responsibility | Morooj Agreement Enhancing sustainability efforts through environmental awareness, increased vegetation cover, and community engagement in green initiatives | REEF MOU (with NADEC) Fostering sustainable agriculture and incorporating locally sourced products into airline menus, contributing to food security and boosting the economic value of national goods |

Success Story

UNCCD COP 16 Success

Serving 65,000+ Meals with Zero Incidents

The HSSC team's contributions were on full display during UNCCD COP 16, where over 65,000 meals were served without a single accident or food-related incident. The on-site medical staff conducted 496 health checkups and issued 460 health cards under time-critical conditions. Thanks to thorough planning and daily oversight in regard to the F&B scope, the event concluded with zero customer-facing complaints, a vivid demonstration of how diligent processes and dedicated teams drive excellence in large-scale engagements.

In essence, the Health, Security & Standards Control department has firmly positioned CATRION as a leader in operational rigor, sustainability, and risk management. By combining top-tier certifications, state-of-the-art technologies, and a culture that values safety and well-being, HSSC continues to raise the bar for performance and accountability.

65,000+

Meals Served

ZERO

Accidents and ill health.

ZERO

Food Related incidents.

ZERO

Customer facing complaints.

496

Health Checkups

460

Health Cards



Food Safety

“At CATRION, food safety is more than a protocol; it’s a responsibility we uphold every day. By refining processes, adopting new technologies, and investing in our people, we ensure that every dish served embodies our promise of uncompromising quality.”

VP of HSSC



While HSSC upholds overarching health and security protocols, Food Safety stands as a distinct yet equally critical pillar within CATRION's operations.

Guided by robust international frameworks, continuous innovation, and relentless staff training, our Food Safety endeavors guarantee that every meal served—from in-flight dining to remote-site catering—meets the highest quality and safety standards.

Lab at a Glance

Key Insights into CATRION's Central Laboratory

46

Accredited Tests

Coverage includes microbiological, chemical, and advanced PCR-based analyses—17 of which were newly introduced in 2024.

Rapid PCR Turnaround

Saving time 50 to 80% than conventional methods depending on the type of microbe and the result, enabling quicker pathogens detection and immediate corrective action when needed.

Strategic Regulatory Alignment

Accredited by SFDA and aligned with international benchmarks, reinforcing trust among B2B clients and regulatory bodies.

Elevating Certifications and Accreditations

A hallmark of 2024 has been the upgrade of all Inflight Catering (IFC) units and our Central Production Unit (CPU) to FSSC 22000 Version 6. This comprehensive certification ensures that our food safety management system aligns with evolving global standards, thus safeguarding every link in the supply chain—from raw material sourcing to final delivery.

We also maintained or expanded additional ISO 22000 accreditations across Jeddah (JED), Riyadh (RUH), Dammam (DMM), Medina (MED), and CPU sites, reinforcing a consistent, group-wide commitment to impeccable hygiene and process controls.

Driving Innovation in Quality Control

Beyond day-to-day operations, the Food Safety team also prioritizes innovation for enhanced accuracy and efficiency.

One notable example is the introduction of ATP devices, which produce near-instant test results for surface contamination checks. By providing data in under 15 seconds, these devices enable on-the-spot corrective actions, further strengthening our preventive approach to quality control.

At the heart of these accomplishments is a profound belief that food safety is non-negotiable; it underpins customer trust, public health, and the reputation of CATRION's entire service portfolio. From pioneering advanced certification upgrades to nurturing a trained, vigilant workforce, the Food Safety department ensures that every plate we serve exemplifies CATRION's hallmark of excellence.

Strengthening Laboratory Capabilities

In parallel, our central laboratory has bolstered its testing scope to 46 different accredited tests, including new PCR-based methods that significantly reduce turnaround times for pathogen detection. This bolstered capacity cements CATRION's reputation for prompt and reliable diagnostics, as evidenced by the lab's external revenue surpassing the initial targets. This success reflects the external market's trust in our expertise and reaffirms our standing as a leader in food safety diagnostics.

46 different accredited tests

Advancing Training & Awareness

Complementing these system-wide improvements, CATRION has placed a strong emphasis on training and awareness.

monthly toolbox talk reached over

6,400
employees

10
senior staff members certified

Lufthansa audits at DMM scored a perfect

100%

After achieving Highfield UK accreditation, we extended certified food safety courses to both employees and external stakeholders. This year alone, in-house trainers delivered advanced programs to municipalities' inspection teams in Makkah and Aseer, enabling local authorities to enhance their oversight and better protect public health. Internally, monthly toolbox talks, translated into three languages, reached over 6,400 employees, covering topics such as HACCP best practices, allergen controls, and safe food handling. We also certified 10 senior staff members as Lead Trainers, enabling them to cascade knowledge throughout the organization efficiently and consistently.

These comprehensive food safety measures have yielded exceptional audit outcomes. In February 2024, British Airways conferred a "Blue Audit Rating" on our RUH unit, the first of its kind in that location, while Lufthansa audits at DMM scored a perfect 100%. Similarly, healthcare clients have repeatedly praised our compliance levels, with some audits achieving near-perfect scores. Internal inspections supervised by our Hygiene & Food Safety (H&FS) team have also driven performance improvements, increasing overall inspection scores from 72% in January to 87% by September 2024.

Shaping the Regulatory Landscape

Externally, CATRION continues to shape the regulatory landscape.

Our Regulatory Affairs experts partnered with the SFDA to help develop “Food Catering Hygienic Requirements,” ensuring local regulations are both stringent and feasible for large-scale operators. We also convened the Food Safety Advisory Committee, comprising representatives from the Ministry of Health, academia, and industry, to discuss emerging trends, share best practices, and align sector-wide improvements in food safety standards.



Whether ensuring top-tier facility management and security protocols or enforcing globally recognized food safety systems, CATRION's Protocols and Performance framework stands as a testament to our unwavering commitment to operational integrity and excellence. Through HSSC's integrated strategies—spanning risk management, environmental stewardship, and employee welfare—and the Food Safety department's drive for continual improvement and external certification, CATRION has realized remarkable gains in revenue generation, cost avoidance, and stakeholder confidence.

Looking ahead, we plan to deepen our digitization efforts, expand into additional certifications, and foster more public-private partnerships to sustain this upward trajectory.

By uniting Health, Security & Standards Control with a dynamic Food Safety culture, CATRION remains well-equipped to meet the demands of a rapidly evolving industry, ensuring that every passenger meal, remote-site service, and operational decision is crafted with quality, safety, and innovation at its core.



Future in Focus

Digital Transformation & Innovation

“Technology is integral to CATRION’s strategic ambition. By harnessing AI, data analytics, and streamlined digital workflows, we’re enabling new avenues of efficiency, revenue, and innovation, ultimately redefining how we serve our clients.”

VP of Information Technology



In 2024, Information Technology (IT) at CATRION continued to support the company's expansion into aviation, non-aviation catering, and integrated hospitality services.

The IT team's strategic mission is centered on three core pillars: Digital Business Optimization, Digital Transformation, and Technology Enablement. This approach ensures that every new platform, system upgrade, and AI-driven process aligns with CATRION's overarching business objectives. By adhering to these pillars, the IT division ensured that every digital solution directly supported CATRION's broader goals of operational excellence, sales growth, and enhanced customer satisfaction.

2024, A Year of Excellence

UNCCD COP 16 Online Platform

A defining milestone of the year was the rapid creation of the UNCCD COP 16 Online Platform, developed in under three weeks. This high-speed initiative integrated seamlessly with our Catering ERP platform, covering the entire customer journey in regard

to the F&B scope, from placing orders and processing payments to managing approvals, logistics, and deliveries. During the event, we delivered across 100 different locations and served over 65,000 meals served.

65,000

meals served

AI & Data-Driven Innovation

Similar agility was demonstrated in the deployment of AI and data analytics across various domains, including the QMS AI Chatbot and a new ChatGPT-based Assistant that simplified everyday tasks, enabling staff to quickly navigate policies, training materials. Additionally, the team has applied predictive analytics, by leveraging machine learning in the Ramp Traffic Management System (TMS), boosting forecasting accuracy for aviation and non-aviation. An exciting achievement this year well is Piloting the Menu Builder System, which is an AI-powered tool for meal planning and cost optimization, integrated with our Catering ERP platform for improved portioning and minimal waste.

Digitalization and Paper Reduction

Additionally, paper-intensive processes were extensively digitized, saving approximately 570,000 A4 sheets annually through e-forms and automated workflows for goods and meal receiving. Besides that, the IT launched the Travel Order Version II, which is a fully automated workflow built on low code play forms, reducing lead times by 50% and centralizing real-time reporting.

570,000

A4 sheets saved annually

Travel Order lead time reduction by

50%

E-Commerce and Branding

Another highlight was the revitalization of CATRION's online presence, most notably with the new company website launched in May 2024,

reflecting the company's rebranded identity with user-friendly navigation and direct access to performance reports. This year was also marked with the restructured SkySales platform, rebuilt with Adobe Commerce/

Magento, laying the foundation for expanded e-commerce services for a seamless ordering experience, integrated advanced management systems, and a modern online experience.

IT Governance & Disaster Recovery

In tandem, the IT Disaster Recovery (DR) Test exceeded recovery objectives, ensuring minimal downtime and zero data loss in disruption scenarios. This reflected the division's commitment to business continuity and resilience.

Furthermore, the implementation of an IT Service Management Platform (AMER) integrated with Microsoft Teams, ensured delivering faster request resolution (21% improvement), and consequently lifted user satisfaction rates above 4.67 out of 5.

A Culture Based on Innovation

Looking ahead, IT aims to capitalize on the foundations implemented over the past two years,

further refining ERP integrations (including SAP), exploring AI-driven solutions for operational efficiency, and scaling e-commerce platforms across multiple service lines.

By prioritizing cost optimization, speed-to-market, and robust IT governance, the team will continue to push boundaries, ensuring that every technological leap supports CATRION's reputation for excellence and reliability.

Cybersecurity & Data Protection

“Today, protecting CATRION’s critical assets and data is fundamental. By integrating robust cybersecurity measures into every business function, we ensure operational resilience, build stakeholder trust, and drive sustainable growth.”

Director of Cybersecurity

Mirroring IT's transformational vision, the Cybersecurity department dedicated 2024 to strengthening CATRION's cyber resilience, through increasing and consolidating its continuing compliance with both the National Cybersecurity Authority (NCA) standards and the Personal Data Protection Laws (PDPL), as well as aligning with international best practices. Operating under a mission to protect confidentiality, integrity, and availability across all technological layers, the department aligned each initiative with overarching business objectives, risk management imperatives, and the ongoing push toward digital transformation.

A Year of Resilience and Protection

Enhanced Threat Detection & Response

Notable progress included elevating NCA ECC compliance significantly, driven by advanced threat detection and response technologies to safeguard networks and endpoints like Network Detection & Response (NDR), Network Access Control (NAC), Domain Name Security (DNS), and SOAR for automated incident handling. The team also implemented tools to prevent impersonation and protect CATRION's identity, brand, and online services.

Ongoing Risk Management and Governance

Through monthly reviews of Cybersecurity organizational risks, multiple physical audits conducted across 28 CATRION locations, coupled with 27 risk assessments pertaining to projects or events, and 24 Cybersecurity Standard implementation checks against the NCA ECC Framework, CATRION demonstrated its accomplished approach to managing risk and governing its assets. Additionally, to improve incident response, the Outsourced Security Operations Center (SOC) provided 24/7 monitoring, handling procedures like processing Haseen threat notifications (109 this year) and safeguarding critical infrastructure.

Compliance and Data Privacy

CATRION also prioritized protecting data privacy, introducing a Data Privacy Policy and systematic processes such as the Record of Processing Activities (RoPA) and Data Protection Impact Assessments (DPIAs) to meet both national regulations and international standards. Also, to facilitate asset protection, the IT department ensured comprehensive tracking of all new IT assets through Asset Inventory Onboarding, reinforcing control over potential vulnerabilities.

Fostering a Secure Culture

Complementing these technical safeguards, the department ramped up security awareness, implementing and conducting ongoing Cybersecurity induction awareness sessions, 4 simulating quarterly phishing exercises, 11 online awareness campaigns, and 137 new-hire training sessions. These initiatives collectively foster a culture where employees recognize their role in safeguarding the organization. Moreover, the division is keen to continuously update its internal controls. This year, the team reviewed or created 79 documents to govern Cybersecurity practices in CATRION and updated online privacy statements for transparency.

The cybersecurity department also partnered with internal departments (IT, BCM, Audit) and external vendors to ensure synergy in implementing advanced cybersecurity solutions.

Cybersecurity by Numbers in 2024

0

impactful incidents affecting CATRION information or technical assets

+21

advanced security tools or solutions in operation

246

of change requests reviewed

3,174^{hours}

of training and awareness delivered to CATRION employees

79

documents reviewed or created to govern CS practices in CATRION

28

Cybersecurity physical location inspection audits carried out

3,035

suspected phishing emails reported by CATRION employees

24

CATRION Cybersecurity Standard implementation checks against the NCA ECC Framework

1,224

CATRION employees participated in Phishing simulations

3

roadmaps defined in relation to data privacy, data classification, and data leakage prevention

81%

of record of processed activities were documented

15

Data Protection Impact Assessments (DPIAs) have been completed

100%

completion of planned privacy training sessions

Value Creation & Alignment with Vision 2030

By reducing vulnerability exposures, ensuring compliance, and training employees to uphold best practices, Cybersecurity played a decisive role in protecting shareholder value and sustaining market confidence.

These efforts underpinned CATRION's strategic alignment with Vision 2030 by reinforcing a secure digital backbone, essential for economic diversification and a thriving digital economy. As part of its next phase, the department will expand AI usage for threat analysis, enhance data governance with automated compliance checks, and further integrate privacy measures into everyday business processes.

This roadmap safeguards not just the daily operations but the integrity and reputation CATRION depends on to grow sustainably.



Advancing Through Technology

IT Systems & Infrastructure Upgrades

ERP & System Implementations

Throughout 2024, CATRION's technology advancements took tangible shape in significant system upgrades and seamless integrations.

The Microsoft Dynamics reimplementation restored the system to a standard version, boosting performance and aligning it with emerging cybersecurity requirements, most notably by separating application and database servers. This implementation also facilitated SAP integration prep, cleaning up item and supplier master data, and fixing cost calculations.

Simultaneously, our Catering ERP platform gained sophistication through predictive analytics in the Ramp Traffic Management System (TMS), refining both aviation and non-aviation catering, by providing predictive analytics for better flight and catering demand forecasts.

These enhancements were further amplified by piloting AI-powered tools such as the Menu Builder and PAX Load System, which combined data-driven insights and machine learning to drive over 90% accuracy in passenger load estimations, thus cutting food waste and last-minute changes in airline catering.



Infrastructure & Network Improvements

On the networking front, CATRION undertook a broad Technology Refresh, replacing 84 outdated devices and adding 196 new ones across sites, to bolster performance and cybersecurity. These endeavors translated into a 40–50% surge in network efficiency, coupled with a 56% improvement in system loading times, and reduced cybersecurity vulnerabilities.

Other pivotal upgrades included modernizing the Aruba Wireless backbone to mitigate vulnerabilities and scaling the IP Phone Voice Gateway to comply with international cybersecurity standards. Moreover, to further enhance communication across offices, the MS Teams was integrated.

Finally, by implementing System Center Configuration Manager (SCCM) for automated software deployment, patch management, and remote device monitoring, the IT team ensured a more secure, user-friendly environment, fully supporting the organization's digital growth and evolving service demands.

Systems at a Glance

| ERP & Apps | Network & Infra | Workflows & Collaboration |
|---|--|--|
| <ul style="list-style-type: none">• Microsoft Dynamics (vanilla reimplementation)• TMS with AI-based forecasting | <ul style="list-style-type: none">• Aruba Wi-Fi upgrades• IP Phone Gateway compliance• ~40–50% performance boost | <ul style="list-style-type: none">• SharePoint-based intranet• IT Service Mgmt. (AMER) integrated with MS Teams |

Cybersecurity Tools & Compliance Solutions

Preventing & Detecting Cyber Threats

Parallel to IT’s infrastructure achievements, Cybersecurity invested in cutting-edge solutions to fortify CATRION’s defensive posture.

Advanced NDR, DNS, and NAC systems improved real-time visibility of network activity, filtering out unauthorized connections and thwarting potential breaches before they escalated. Also, automated incident response, courtesy of our SOAR platform, reduced reliance on manual interventions, allowing for rapid containment and resolution of threats. Another noteworthy move was the deployment of brand/identity protection technologies, ensuring corporate and high-risk employee data remained guarded from impersonation or phishing exploits.



Governance & Data Protection Platforms

To complement these technical safeguards, Cybersecurity began the implementation of a new Governance, Risk, and Compliance (GRC) tool. This software provides an integrated dashboard for tracking compliance with NCA ECC, PDPL, and broader risk management mandates, a critical step toward ensuring continuous alignment with legal and operational standards. Meanwhile, the department began automating data governance processes to streamline handling of Data Subject Requests, strengthen the Record of Processing Activities, and maintain full transparency in personal data management. This layered approach to governance, especially with 28 physical inspections and 24 ECC control implementation reviews, underscored the depth of CATRION’s commitment to secure, responsible innovation.

Success Story

UNCCD COP 16 Success

Securing 65,000 Meals with Flawless Digital Precision

The synergy between IT & Cybersecurity teams during UNCCD COP 16 was pivotal in rapidly developing a robust online platform. This platform was seamlessly integrated with our Catering ERP platform, ensuring secure online payments and data handling under the rigorous standards expected at international events. The operational excellence of this initiative was underscored by significant financial returns within just 15 days of operation.

The platform's efficiency was highlighted through the successful handling of orders, delivering a total of 65,000 meals without compromising security. This achievement stands as a testament to CATRION's capability in managing safe digital commerce under tight deadlines. The flawless execution and zero security breaches during this period reflect our commitment to operational rigor and the safeguarding of customer data.

This not only illustrates CATRION's ability to merge technological innovation with financial and operational goals but also reinforces our standing as a leader in digital commerce within high-stakes environments. Our teams continue to push the boundaries, ensuring that every digital interaction is secure, efficient, and profitable.

ZERO

security breaches

Showcasing Innovation & Real-World Impact

Standardize Pro

One of the standout success stories in 2024 was Standardize Pro, an in-house digital solution engineered for real-time inspection of operational quality and compliance.

Initially piloted at JED-IFC, it provided custom checklists and dashboards that condensed inspection data into actionable insights. By merging photos, live inputs, and automated analysis, the platform accelerated quality reporting, enabling faster corrective measures. Future rollouts include generating detailed PDF reports, sending automated alerts, and scaling the system to additional regions.

AI Assistants

Another innovative leap was the use of AI technology to streamline operations. Coupled with AI-driven chatbots like AMER AI Assistant, which automates IT service requests, and the CATRION AI Assistant, staff gained unprecedented access to policy guidance, training modules, and scheduling resources. These developments saved time, minimized human error, and fueled a more self-reliant employee culture, demonstrating how advanced tech can revolutionize daily routines without compromising on oversight or security.

Digital Transformation Spotlight

| AMER AI | CATRION AI |
|---|---|
| Integrates with MS Teams for request management and approvals | Automates policy queries, SAP usage, and onboarding materials |



CATRION's IT and Cybersecurity teams have charted a path that blends cutting-edge innovation with vigilant risk management. By swiftly launching an online catering platform for UNCCD COP 16, integrating AI into forecasting and menu creation, and fortifying systems with next-generation cybersecurity tools, these teams have redefined how CATRION drives value, fosters trust, and upholds operational continuity.

Looking ahead, priorities include deepening AI integration, polishing the user experience across all platforms, and intensifying data governance to remain a beacon of responsible innovation.

These commitments ensure CATRION remains poised for continued success, secure, agile, and fully prepared to meet the evolving demands of a global market aligned with Vision 2030.

CULINARY EXPERIENCES

“We strive to seamlessly blend tradition with innovation. Whether serving global dignitaries at a prestigious event or creating everyday meals at scale, our Culinary team pushes the boundaries of taste, quality, and craft.”

VP of Culinary

Culinary Overview

CATRION's Culinary represents the creative heart of the organization's gastronomic vision.

Beyond catering to large events and embassy gatherings, the division anchors its reputation in the synergy between global culinary arts and authentic local flavors, guided by a belief that taste is both a cultural expression and a modern science. From refining heritage Saudi recipes to winning gold medals at the IKA Culinary Olympics, the Culinary underlines CATRION's passion for culinary innovation and unwavering commitment to excellence.



Service Offerings

Culinary Service Portfolio

| Service Line | Key Features | Recent Highlights |
|------------------|---|---|
| CPU | Frozen meals, pre-cuts, smoked items | 450k monthly meal output, Panda & Savola product lines |
| Menu Planning | Saudi & global flavors, cost/waste control | 100+ years combined experience, local spice innovations |
| VIP & Commercial | Embassies, corp. events, festivals | 9 repeated embassy orders, Red Sea Film Fest, Cirque du Soleil |
| Culinary Academy | CORE Program, global accreditation (Worldchefs) | 6 groups graduated, 70+ staff certified, expanded collaborations |

CPU (Central Production Unit)

An essential pillar of the Culinary BU's large-scale manufacturing, the Central Production Unit (CPU) specializes in:

Frozen Meals Production

The CPU excels in the high-volume production of frozen meals, maintaining a rigorous standard of quality control. These meals are stored at -18°C to ensure preservation and freshness, catering to a diverse client base that includes airlines, hospitals, and government facilities. With a robust capacity to produce up to 450,000 meals per month, the CPU can respond flexibly to varying demand levels, ensuring consistent supply across all sectors.

Pre-Cut Fruits and Vegetables

To streamline kitchen operations and reduce preparation time for clients, the CPU processes a large variety of fruits and vegetables. These pre-cut items are essential components of meal kits and are extensively used in culinary lines across CATRION's operations, promoting efficiency and freshness in every dish served.

Smoked Products

Innovating within the culinary field, the CPU has developed a line of smoked products that cater to the growing demand for ready-to-eat, gourmet options. These products range from smoked meats to cheeses and seafood, each crafted to enhance CATRION's retail offerings and provide consumers with premium, flavor-rich choices that are both convenient and satisfying.

Retail Innovations

The CPU catalyzes partnerships with retailers like Panda and Savola Group, developing new ready-to-eat product lines. This approach satisfies modern consumer appetites for convenience while spotlighting CATRION's inventive flavors and quality standards.

Menu Planning & Global Expertise

The Menu Planning team at CATRION, composed of a diverse group of international chefs with rich culinary backgrounds, brings over a century of combined culinary expertise to the table. This diverse group is instrumental in refining and expanding CATRION's culinary offerings:

Saudi Culinary Research

The team dedicates significant effort to modernizing traditional Saudi dishes by infusing local spices and contemporary cooking techniques. This approach not only rejuvenates centuries-old recipes but also ensures they retain their cultural essence. The goal is to provide a modern twist on classic flavors, making them appealing to both local palates and international guests.

Global Cuisine Integration

By blending Middle Eastern, Western, and Asian culinary influences, the team crafts diverse menu options that cater to a broad audience. This global approach is particularly crucial for airline catering, VIP events, and hospital menus, where the expectation is to offer a culinary experience that feels both global and familiar to every guest.

Cost and Quality Management

Rigorous management of ingredients, portion control, and waste reduction are key to maintaining high standards of quality while also ensuring the profitability of the culinary operations. The team's strict discipline helps strike a balance between cost-efficiency and the delivery of high-quality and flavorful meals.

Together, these strategies enable the Menu Planning team to create a compelling and culturally rich dining experience,

making every meal an opportunity to showcase CATRION's commitment to culinary excellence and innovation. This approach not only enhances the guest experience but also supports the company's strategic goals by elevating its brand in the competitive hospitality market.



VIP & Commercial Events

The Culinary's VIP and Commercial Division at CATRION has carved a niche in orchestrating high-profile events that cater to an elite clientele,

including corporate functions and notable cultural events like the Red Sea Film Festival and Cirque du Soleil performances. This division is renowned for its ability to craft bespoke culinary experiences that combine custom menus with enthralling presentations, all upheld by an unwavering standard of excellence. The division's reputation for delivering top-tier, personalized catering solutions is well acknowledged, evidenced by repeated engagements from various embassies such as German, French, Swedish,

and British. These partnerships underscore the division's capability to meet the sophisticated demands of royalty, diplomats, and global luminaries, ensuring each event is as unique as it is memorable. Through meticulous planning and execution, the VIP/Commercial Division continuously reinforces CATRION's status as a leader in high-end event catering, providing unparalleled service that transcends typical catering expectations.

Culinary Academy

“The Culinary Academy stands at the forefront of Saudi Arabia’s gastronomic renaissance, blending local heritage with global flair, and shaping the next wave of world-class chefs.”

Academy Director



Launched in 2024, the Culinary Academy aims to upskill existing staff, nurture future leaders, and infuse modern culinary ideas into every dish across CATRION.

Recognizing that people are the heartbeat of any gastronomic initiative, the Academy offers a structured curriculum that balances traditional Saudi heritage with international cooking standards, all while staying aligned with national goals including Vision 2030.

**Vision:**

To become the Culinary Hub of Excellence in KSA.

**Mission:**

To develop Saudi Nationals and Culinary Team Members into CATRION Culinary Leaders.

A Specialized Program for CATRION Culinary Team Members

CORE Program



The CORE Program is the Academy’s flagship course designed specifically for internal culinary team members.

The CORE Program is the Academy’s flagship course designed specifically for internal culinary team members. Since its inaugural intake in 2024, the Program has trained more than 60 employees, each completing a rigorous 3 to 4-month training.

During training, students master culinary fundamentals, kitchen safety, advanced plating, nutrition and food science, food safety, and sustainability. Students achieve individual global culinary certification with Worldchefs and City & Guilds.

Leadership training, team building, and modern dietary practices also form essential components of the CORE program, empowering participants to apply world-class standards in real CATRION operations.

By continually refining this internal training initiative, the Culinary Academy boosts staff credentials and ensures that every aspect of CATRION’s service, from large-scale catering to VIP events, reflects consistency, skill, and passion.

All current and future Academy programs highlight sustainability as a key principle, aligning with CATRION’s CSR commitments and environmental objectives. Students engage in:

| Resource Optimization | Waste Reduction | Climate-Conscious Planning |
|--|---|---|
| Minimizing waste in cooking processes, adopting local sourcing, and applying eco-friendly practices. | Encouraging portion control, proper storage, and creative repurposing of surplus. | Learning to design menus that prioritize regional produce, cut transportation costs, and support local farmers. |

Post-training, participants receive Sustainability for Culinary Professionals certification from Worldchefs Academy, verifying their commitment to eco-forward approaches.

They also receive Food Safety & HACCP certification from Highfield Academy. CORE Program graduates are recognized in a formal graduation ceremony, reinforcing CATRION’s culture of achievement and professional growth.

- While the Culinary Academy has enjoyed widespread success, it navigates scheduling hurdles, particularly during peak operational periods. To address this, the Academy:
- Coordinates with IFC & IH teams for flexible scheduling that ensures minimal disruption.
 - Adapts modules for on-site or remote learning (online platforms) to accommodate staff in distant camps or busy event rosters.

Despite these challenges, the Academy’s momentum continues to grow, underpinned by robust internal support and enthusiastic uptake from employees seeking career advancement.

CORE Program Snapshot

| Launch | Graduates | Duration | Focus |
|--------|------------------------|-----------------------|---|
| 2024 | 6 groups, 60 employees | ~3–4 months per group | Culinary fundamentals, sustainability, presentation, food safety, nutrition and food science, leadership, team-building, and global certification |

Worldchefs x CATRION Collaboration

“Our strategic sponsorship with Worldchefs elevates the caliber of our programs, connecting us to a global culinary network of 12 million professionals, including top Michelin-star chefs, and shining a spotlight on Saudi Arabia’s burgeoning food culture.”

Academy Director



One of the Academy's proudest achievements is forging a strategic sponsorship with the World Association of Chefs Societies (Worldchefs), a prestigious global alliance recognized for setting top-tier culinary benchmarks. This collaboration includes:

| Accreditation & Global Visibility | Award Recognition | Access to a 12 million Chef Network |
|---|--|--|
| <ul style="list-style-type: none">• First Culinary Academy in Saudi Arabia to earn Worldchefs endorsement, positioning CATRION at the cutting edge of culinary excellence.• Features in the Worldchefs magazine on two occasions, a testament to the Academy's growing reputation. | <ul style="list-style-type: none">• During the Worldchefs Congress 2024 in Singapore, CATRION received the Worldchefs Recognition of Honor Award, a notable award for its progressive approach and high professional standards, a milestone that further cements its international standing. | <ul style="list-style-type: none">• Through Worldchefs, the Academy taps into a global pool of experts and Michelin-level personalities, boosting learning opportunities for local talent and accelerating knowledge exchange. |

Award Recognition

During the Worldchefs Congress 2024 in Singapore, CATRION received the Worldchefs Recognition of Honor Award, a notable award for its progressive approach and high professional standards, a milestone that further cements its international standing.

1st Academy

in Saudi Arabia with Worldchefs endorsement

Worldchefs x CATRION Highlights

| | | | |
|---|--|---|--|
| Strategic Sponsorship with leading global culinary alliance | Award at Worldchefs Congress 2024 in Singapore | Magazine Features amplifying CATRION's brand on the world stage | Collaboration for curriculum design & sustainability modules |
|---|--|---|--|



2025, A Year of Promises

The Culinary Academy is poised to get accredited in the coming year as a Higher Training Institute, and is currently developing 3 different programs, that will be available to the public.

Culinary Fundamentals Program (3 months):

A short but intensive training to bolster foundational skills for new hires or cross-functional staff.

Culinary Arts Associate Diploma (1 year):

A specialized track for Saudi nationals seeking mid-tier professional status in culinary arts.

Culinary Arts Diploma with Airline & Catering Specialization (2 years):

The first of its kind globally, bridging advanced culinary techniques with in-flight and large-scale catering operations, ideal for Saudi nationals preparing to meet Saudi Arabia’s rapidly expanding aviation market.

Future Accreditations & Funding

| TVTC Accreditation | HRDF Funding | Launch |
|---|--|---|
| Applying as a Higher Training Institute | Aligning with national workforce development goals | 2025 programs set to integrate with CATRION’s broader strategy for employee empowerment |

The Culinary Academy acts as the talent engine powering CATRION’s gastronomic vision, merging rigorous training, international recognition, and Saudi heritage to produce a new generation of skillful and sustainability-minded chefs.

By collaborating with Worldchefs and City & Guilds, the Academy fortifies its reputation on a global platform, elevating both the culinary profession and Saudi Arabia’s standing in world cuisine.

Armed with CORE Program successes, advanced equipment, and a pipeline of new diplomas set to launch in 2025, the Academy is on track to foster not only CATRION’s growth but also the broader culinary landscape, achieving synergy between local tradition, international excellence, and the Kingdom’s pursuit of high-caliber hospitality aligned with Vision 2030.

Operational Reach

The Culinary function at CATRION has showcased its operational prowess through a series of high-profile events that highlight its expertise in managing complex, large-scale catering needs:



Prestigious Events

Throughout 2024, the Culinary demonstrated its exceptional capabilities by catering to numerous VIP events. Additionally, they served 3,600 guests daily over four days at the Great Futures Event at KAFD and managed the World Annual General Assembly (WAGA), providing multi-course plated dining for 700 VIPs.



Sports & Global Summits

The Culinary’s versatility was further evidenced at major events such as:

- **UNCCD COP 16:** Successfully deployed 650 staff and served over 65,000 meals with zero complaints, marking it as the largest event in UN COP history.
- **Dakar Rally (Dec 2024 – Jan 2025):** Over 125,000 meals were planned and executed from 16 container kitchens, showcasing the Culinary function’s ability to handle logistically demanding projects efficiently.



Culinary Olympics (IKA) Success

At the international stage in Germany, the CATRION team excelled by winning 2 Gold, 3 Silver, and 2 Bronze medals at the Culinary Olympics, reflecting their culinary artistry and ability to meet global standards.

Culinary Excellence at a Glance

3,600

guests served daily at the Great Futures Event

700

VIPs served

+125,000

meals served in DAKAR

Won 2 gold, 3 silver and 2 bronze medals at Culinary Olympics

65,000

meals served at UNCCP COP 16

Strategic Alignment

Innovation & Market Leadership

With a newly introduced commercial section for high-end event catering, the Culinary enhances CATRION's market presence beyond aviation, forging a distinct luxury brand identity. This approach resonates with the mission to combine local flavors with international gastronomic trends, ensuring elevated experiences for royalty, diplomats, and VVIP clientele.

Challenges & Opportunities

Adapting traditional mindsets to modern standards remains a key hurdle. However, the Culinary capitalizes on injecting new talent, continuous training, and technology, like event management platforms and online ordering systems, to overcome these friction points. By bridging cultural authenticity with cutting-edge techniques, the Culinary stands primed for disruptive culinary leadership.

Talent & Vision 2030

Every milestone, be it the Culinary Academy or the CORE Program, echoes CATRION's broader corporate drive toward creating skilled local workforces and establishing Saudi Arabia as a global nexus for culinary arts. The endgame is to reshape the regional market, forging a next-generation gastronomic identity rooted in tradition yet fearless in innovation.

Customer Engagement Initiatives

While the Culinary excels in artistry, it also values close client collaborations to maintain quality and responsiveness:

Tailored Consultations: Embassies, corporate clients, and event planners receive personalized menu designs, tastings, and themed presentations.

Continuous Feedback Loops: Post-event surveys and real-time digital platforms (email, app-based feedback) let the culinary team quickly adjust to client preferences, improving future experiences.

Innovation Showcases: Regular in-house "tasting events" encourage clients to sample new concepts, bridging them with the Culinary's latest gastronomic advancements.

Culinary in Numbers

Commercial & Event Achievements

- **Embassy VVIP Functions:** 9 repeated orders, underlining consistent excellence.
- **UNCCP COP 16:** 65,000 meals served across 100 different locations, flawlessly executed, recognized by UN officials for outstanding cuisine.
- **Red Sea Project:** High-profile events with customized frozen meals for over 60 top resort and hotel GMs/CEOs.

Academy & Workforce Development

- 6 groups graduated, producing 70+ certified culinarians in 2024 alone.
- Partnerships with Worldchefs & City & Guilds to formalize skill sets globally.

Financial & Operational Impact

- **Ramadan Event (Saudia Technic):** 49,800 guests served.
- **International Partnerships:** Negotiations with Riyadh Air for potential new lines of in-flight cuisine, bridging IFC synergy with advanced gastronomic features.



Spanning from high-volume meal production at the CPU to VIP-level event catering and advanced talent development at the Culinary Academy, the Culinary function manifests CATRION's unwavering drive to blend tradition with modernity.

In showcasing local Saudi flavors on global stages and seamlessly orchestrating events of epic scale like UNCCP COP 16 in regard to the F&B scope, the Red Sea Film Festival, the Culinary team continually elevates the Kingdom's gastronomic identity.

As the Culinary eyes the future, expanding commercial ventures, forging alliances with next-gen airlines, and further empowering the local workforce through rigorous training, it stands firmly behind Vision 2030. Each carefully curated dish, each academy graduate, and each global accolade underscores that CATRION is not just creating meals; it's crafting memorable culinary journeys that resonate with diverse palates and position Saudi Arabia as a rising epicenter of gastronomic excellence.

03

DELIVERING EXCELLENCE

Inflight Catering (IFC) Business Segment

IFC Overview

Service Offerings

Operational Reach

Strategic Alignment

Customer Engagement Initiatives

IFC in Numbers

Integrated Hospitality (IH) Business Segment

IH Overview

Service Offerings

Operational Reach

Strategic Alignment

Customer Engagement Initiatives

IH in Numbers



INFLIGHT CATERING (IFC) BUSINESS SEGMENT

“At the heart of CATRION lies our Inflight Catering Business Segment, a pillar of operational excellence, innovation, and an unwavering commitment to elevating passenger experiences.”

EVP Inflight Catering

Inflight Catering (IFC) Overview

In 2024, the Inflight Catering (IFC) Business Segment continued to embody CATRION's enduring pursuit of quality, reliability, and customer-centric solutions.

IFC has evolved to serve

119
airlines

With over 40 years of industry experience, IFC has evolved to serve 119 airlines, a figure that underscores both its market leadership and deep-rooted expertise. This leadership stance is further reinforced by substantial investments in our Riyadh and Jeddah facilities over five years, set to triple overall production capacity while enhancing automation and operational efficiency to drive higher quality and scalability.

By integrating advanced technology such as Traffic Monitoring Systems (TMS) for real-time delivery tracking and digital sensors for production-floor oversight, IFC has significantly streamlined day-to-day logistics. These initiatives ensure rapid turnaround times, unparalleled meal quality, and a more holistic hospitality offering that extends beyond in-flight meals into airport lounges, retail operations, and e-commerce ventures. In alignment with Saudi Vision 2030, the IFC's growth strategy focuses on diversification, innovation, and sustainable practices, positioning CATRION to remain a trendsetter in global aviation catering.



Service Offerings

In-Flight Meals and Culinary Innovations

Flights Made for Comfort

Rooted in a chef-driven philosophy, IFC's meal proposition offers a spectrum of innovative dining experiences that cater to the diverse tastes and preferences of our passengers across all cabin classes. Our commitment to culinary innovation is demonstrated through several initiatives such as:

Creative Date-Inspired Products:

Emphasizing the rich culinary heritage of the region, our menu includes desserts, beverages, and pastries that incorporate dates, a staple ingredient known for its nutritional value and sweetness. These date-inspired creations are designed to offer a taste of local culture and cuisine, showcasing regional flavors in a creative and appealing manner.

Tailored Menus for Specific Passenger Segments:

We create specialized menus to cater to the unique dietary and cultural preferences of various passenger groups, ensuring an elevated and personalized dining experience. Whether for premium travelers, specific national cuisines, or health-conscious passengers, our tailored offerings reflect our commitment to quality, variety, and customer satisfaction.

Through these innovations, CATRION's In-Flight Catering Business Segment continues to set industry benchmarks for culinary excellence, ensuring every passenger's dining experience is nothing short of extraordinary.

Culinary Collaboration

IFC works closely with the Culinary Function to craft menus that balance flavor variety, cultural authenticity, and cost efficiency. This synergy enables tailored offerings, whether region-specific dishes, plant-based options, or premium gastronomic experiences.



3

Wellcome

5

Alfursan

28

Altanfeethi

Cairo

Medina

Riyadh

Jeddah

Dammam

Airport Lounges

Elevating Every Aspect of Travel

At CATRION, the Airport Lounges business unit stands as a beacon of exemplary service and strategic growth, enhancing every aspect of the passenger's journey.

In 2024, our lounges welcomed 2.7 M guests across 38 airport facilities, including Al-Fursan premium airline lounges, and Al-Tanfeethi, and our proprietary Wellcome Lounge brand, which is operating at three locations with three more in development. By setting new standards in guest experience and operational efficiency, our lounges underscore CATRION's commitment to redefining modern travel and delivering unmatched hospitality at every step.

In the past year, our business unit achieved significant milestones, including a new partnership with Dragon Pass and securing lucrative contracts with many airlines, notably with Egypt Air for our Jeddah Wellcome Lounge. These achievements align perfectly with CATRION's strategic goals of optimizing operations and driving revenue growth through enhanced guest experiences and strategic partnerships.

We've focused on maximizing operational efficiency and customer satisfaction through innovative strategies and the adoption of new technologies. Initiatives like the introduction of digital tools have streamlined operations and improved the personalization of services, contributing to a 34% increase in net profits for 2024. Our commitment to excellence is also reflected in the successful management of delayed flights and VIP services, ensuring that every interaction within our lounges adds value to the overall travel experience.

our lounges welcomed

2.7 MN Guests

across

38 airport facilities

Aligned with CATRION's sustainability goals, our lounges have embraced significant environmental initiatives, including the reduction of food waste and the integration of energy-efficient practices. These efforts are bolstered by our community engagement activities, enhancing our contribution to economic growth and elevating our brand reputation across the industry.

Looking ahead, our Airport Lounges business unit is poised for further growth with plans to expand the Wellcome Lounge brand across additional locations in Riyadh, Dammam, and others.

We aim to continue enhancing our service offerings and guest experiences, leveraging our successes to further strengthen our position as leaders in airport hospitality. The upcoming year will focus on expanding our lounge business, increasing brand awareness, enhancing our membership base, and driving revenue through innovative service enhancements.

By integrating customer feedback, technological advancements, and strategic market positioning, CATRION's Airport Lounges are set to redefine industry standards, offering unmatched hospitality and creating memorable travel experiences for every guest.

Retail

Expanding Horizons in Consumer Engagement

CATRION's Retail business unit, branded as SkySales since 1985,

has evolved from an in-flight retail service for Saudia into a comprehensive retail platform. Our goal is to maintain retail as a support service to our esteemed clients, including Flynas, and Flyadeal, while also exploring other potential airline partners. We focus on seamless integration with their offerings, enhancing passenger convenience, and maximizing retail opportunities both in the air and on the ground.

Dynamic Retail Channels



On-Board Retail

Our shopping service aboard Flyadeal, and Flynas ensures that luxury and convenience are always within reach for travelers. This service has continually adapted to passenger preferences.



Ground Shops

Our strategic positioning and customer-focused approach have driven significant growth in ground shop sales under the SkySales brand, particularly at Riyadh Airport.



E-Commerce

Our online platform, skysalesonline.com, extends the convenience of our retail experience beyond the airport, offering an array of products with flexible payment solutions through partnerships with Tabby and Tamara. This platform not only caters to the evolving digital consumer behaviors but also supports our weekly promotional campaigns and the introduction of new brands, enhancing our market reach and consumer engagement.

Retail Service Portfolio

| Retail Channel | Key Features |
|----------------|-----------------------------------|
| On-Board | In-flight shopping (Saudia, etc.) |
| Ground Shops | Multiple airport outlets |
| E-Commerce | Online platform & newsletters |

Operational Reach

This year, strategic airline partnerships and daily operations Inflight Catering's operational scope continues to soar,

underpinned by a robust infrastructure and a finely tuned logistics network that spans major airports across Saudi Arabia and select international locations. IFC's commitment to operational excellence is exemplified through:

Diverse Airline Servicing

IFC proudly caters to an expansive list of 119 airlines, including major carriers such as Saudia, Flynas, Flyadeal, British Airways, Malaysia Airlines, and Garuda Airlines. This extensive portfolio demonstrates IFC's capability to meet varied culinary and service expectations on a global scale.

Record Flight Handling

On December 2024, IFC achieved a record by servicing 338 flights in a single day, showcasing its capacity for large-scale and efficient operations, which is essential for maintaining punctuality and service quality under tight schedules.

High-Loader Fleet Expansion

To support its growing operations, IFC has committed to significantly enhancing its ground handling capabilities by acquiring 85 new high-loaders over the next three years. This investment will double the efficiency of ground services, facilitating quicker turnaround times and improved service delivery.

Growth and Client Retention

In 2024, IFC not only secured 16 new airline contracts, but also successfully renewed 6 major contracts, maintaining a 100% client retention rate amidst a competitive landscape. This achievement underscores IFC's customer-centric approach and its reputation for reliability and quality.

Future Expansion and Diversification

With an eye on future aviation and hospitality trends led by Saudi Vision 2030 and Saudi Aviation Strategy, IFC is set to expand its Riyadh and Jeddah facilities over five years. This strategic development will triple the daily production capacity, aligning with the growing demands of the next-generation aviation industry beyond 2030. Moreover, IFC is expanding its scope beyond traditional catering through strategic retail and lounge partnerships, such as those with Dragon Pass and Lounge Key, enhancing its service offerings to include more comprehensive hospitality solutions.

IFC Reach in 2024

Airlines Served

119

Lounges Operations Managing

38 Lounges

Peak Meal Production

134,739 meals served via Jeddah Unit

Daily Flight Record

338 flights

Logistics

1,000+ daily cargo high-loader trips

Strategic Alignment

At the heart of IFC’s strategic objectives lies Vision 2030, serving as the foundation for its ambitious goals.

IFC actively contributes to the Kingdom’s aviation growth by scaling its production capacity to meet increasing demand, helping Saudi Arabia emerge as a global aviation hub. By facilitating seamless travel experiences for global travelers, IFC supports national connectivity programs and encourages inward investments.

Empowering Local Content and Job Creation

IFC prioritizes fostering Saudi male and female talents, investing in training programs, and promoting Saudization across all levels of its operations. Beyond workforce development, it collaborates with local suppliers to strengthen the Kingdom's economy. This includes innovative partnerships in local sourcing, which ensures stability in supply chains while promoting sustainability.

Sustainability as a Core Pillar

IFC is a pioneer in sustainable aviation services, leading projects to minimize environmental impact. For example, its commitment to reducing single-use plastics was effectively translated through minimizing plastic waste, ensuring continuous progress toward responsible environmental practices, thus setting industry standards for eco-friendly practices. Other initiatives, like the Sustainable Rotable Equipment Project (SV Rotable EQ), ensure resource efficiency and align closely with the Kingdom's environmental goals. Investments in electric and hybrid vehicles further reduce carbon footprints while lowering operational costs.

Strength in Collaboration

Internally, IFC thrives on synergy across CATRION's ecosystem, leveraging cross-functional collaboration to drive efficiency, cost optimization, and innovation. This unified approach enhances agility and streamlines operations.

IFC + CATRION Ecosystem

| Culinary | IT | HSSC | Procurement |
|---|--|---|---|
| Tailored menu engineering for cost, flavor, and brand differentiation | AI-driven forecasting (TMS, PAX Load), e-commerce solutions (SkySales) | Ensuring food safety, business continuity, and ISO certifications | Optimizing supplier contracts, local sourcing, stable commodity pricing |



Customer Engagement Initiatives

In response to escalating competition, IFC has strategically enhanced its customer engagement strategies to nurture loyalty and build enduring relationships. A key pillar of this approach is our Key Account function, which ensures dedicated support, tailored interactions, and proactive service improvements. These efforts are designed not only to retain clients but also to delight them through personalized engagement and responsive solutions.

Real-time Feedback and Resolution Systems

Set to launch in Q2 2025, a new customer satisfaction and complaint handling system will enable IFC to address feedback instantaneously. This initiative is designed to elevate service quality continuously and adapt to passenger needs effectively.

Collaborative Client Workshops

In 2024, IFC hosted 39 workshops with airline partners to delve into passenger feedback, understand specific operational challenges, and align menu offerings with brand preferences. These workshops serve as a platform for dynamic collaboration, ensuring that services are closely aligned with client expectations and industry trends.

Enhanced Personal Engagement

Recognizing the value of personalized service, IFC has introduced home visits and VIP experience discussions for top-tier clients. These engagements focus on service customization, potential scope expansions, and direct feedback on satisfaction metrics, fostering deeper relationships and ensuring client needs are meticulously met.

Elevating the Lounge Experience

The Wellcome Lounge has seen significant enhancements in service quality, cleaning protocols, and staff training, driven by insights gained from NPS scores and real-time customer feedback. These upgrades are part of IFC's commitment to providing an exceptional guest experience at every touchpoint.

These customer engagement initiatives have been pivotal in achieving 100% retention across main contracts and enhancing collaborations with diverse segments such as low-cost carriers,

business aviation, and private/VVIP clients. By focusing on proactive and responsive engagement strategies, IFC continues to set itself apart in a highly competitive market, ensuring client loyalty and satisfaction remain at the forefront of its operational goals.

IFC in Numbers

Flight & Meal Growth

+13%
growth in flight servicing volume

+6%
growth in meal deliveries

Record-setting day with
134,739
meals served on June 22, 2024, via Jeddah Unit

Financial Highlights

16 new contracts
+6 contract renewals

Net profit soared, consolidating IFC's leadership despite new market entrants

Lounge Expansion

15%
passenger growth in lounge usage

38
total lounges (3 Wellcome Lounges, 28 Altanfeethi, 5 Alfursan, and others)

Ongoing expansions in Riyadh, Dammam, Jeddah, and others

Sustainability Metrics

Waste reduction in production by
8%
(target <6% oversupply)

2 EV and
6 hybrid
ramp vehicles in operation at Riyadh station

The Inflight Catering Segment stands as the beating heart of CATRION's aeronautical ambitions, weaving together culinary excellence, operational might, and a deep commitment to customer satisfaction.

Whether through cutting-edge expansions at major airports, the seamless addition of new airline partnerships, or the robust integration of sustainable processes, IFC continues to redefine the boundaries of in-flight hospitality.

As competition intensifies and passenger expectations rise, IFC's unwavering focus on innovation, quality, and guest engagement ensures it remains a formidable market leader, poised for continued success in the evolving aviation landscape.



INTEGRATED HOSPITALITY (IH) BUSINESS SEGMENT

“The Integrated Hospitality Business Segment marks our bold transition from pure in-flight catering to a comprehensive provider of world-class hospitality services. We leverage CATRION’s longstanding expertise to deliver innovative, customer-centric solutions, anywhere, anytime.”

VP of Integrated Hospitality

Integrated Hospitality (IH) Overview

Expanding on CATRION's foundational expertise in aviation catering, the Integrated Hospitality (IH) Business Segment is a dynamic evolution toward a comprehensive suite of services.

These services range from facilities management and remote-site solutions to healthcare catering, laundry operations, and extensive support for large-scale sports and events. In 2024, the IH team significantly advanced its market presence, leveraging new technologies and strategic partnerships that align with Saudi Arabia's Vision 2030. This strategic shift not only diversifies CATRION's offerings but also positions it at the forefront of industry innovation and national development.

The IH Business Segment's focus on profitable growth and customer-centric innovation ensures CATRION's continued prominence across various service sectors.

With operations extending from the challenging environments of remote mining camps to the demanding settings of top-tier hospitals and significant events like UNCCP COP 16 in regard to the F&B scope, IH demonstrates its adaptability and commitment to excellence. The IH Business Segment ability to integrate and manage complex service demands showcases CATRION's capability to meet and exceed the evolving expectations of a diverse client base, reinforcing its role as a pivotal player in the Kingdom's expansive service landscape. This strategic expansion is instrumental in solidifying CATRION's reputation as a leader in integrated hospitality solutions, contributing significantly to the broader goals of economic diversification and enhanced service quality across Saudi Arabia.



Service Offerings

Integrated Hospitality Service Spectrum



Railway



B&I Catering



Remote Sites



Health Care



Hajj & Umrah



Events and
Functions



Comprehensive
Facilities
Management



Commercial
Laundry

Railway Services

CATRION's Railway Services encompass a comprehensive suite of offerings designed to enhance the passenger experience across major rail networks.

On-board meals feature tailored menus crafted for comfort and convenience during long-haul journeys. Station lounges provide a welcoming environment with top-notch hospitality and streamlined equipment management. In-transit cafeterias offer quick-service options, ensuring travelers have access to refreshments and light meals throughout their journey.



On-board Meals



Station Lounges



In-Transit Cafeterias

Business and Industry (B&I) Catering

Serving corporate headquarters, government institutions, industrial and economic cities, and educational institutions, CATRION's B&I Catering adapts to diverse culinary needs, from efficient cafeteria services and coffee breaks to upscale banquets. This segment ensures large-scale operations can feed extensive workforces efficiently, optimizing meal planning and logistics for various business environments.



Corporate
Headquarters



Industrial &
Economic Cities



Government
Institutions



Education
Institutions

Remote Sites Catering

CATRION excels in providing full-service catering and accommodation management for up to 10,000 workers at oil, gas, mining, and construction sites. These services create a 'home away from home' experience in remote and often harsh environments, ensuring comfort and efficiency for all personnel onsite.



Oil, Gas &
Mining Rigs



Petrochemicals
and Construction
Sites

Healthcare Catering

In healthcare settings, CATRION offers nutrient-sensitive meal planning and specialized diets for patients across public and private hospitals, rehabilitation centers, and dialysis units. This service extends to providing staff meals, coffee shops, and integrated facilities management, ensuring a holistic approach to healthcare hospitality.

CATRION also provides facilities management for healthcare facilities, including laundry, portering, and procurement services integrated to optimize hospital operations.



Public & Private
Hospitals



Rehabilitation
Centers



Dialysis Units



Facilities
Management

Hajj & Umrah Support

Recognizing the unique needs of pilgrims, CATRION provides meals and full-service options during Hajj and Umrah, incorporating food trucks and comprehensive laundry services to ensure a seamless spiritual journey. Adhering to strict meal safety and timely distribution protocols, CATRION enhances the pilgrimage experience with hygienic, culturally appropriate food solutions.



Meal Provision



Food Trucks



Laundry



ZERO-Fault Experience

Events & Functions Catering

Whether it's sports events, corporate gatherings, or VIP events, CATRION delivers tailor-made catering solutions that cater to a wide array of functions. This segment is known for its ability to handle large-scale events, offering everything from menu planning to logistical support, ensuring each event is a resounding success.



Sports & Entertainment



Corporate Events



Lifestyle Events



VIP & Royal Events



Comprehensive Facilities Management

CATRION's Comprehensive Facilities Management provides robust solutions across technical services, housekeeping, and support services like reception and landscaping. By utilizing advanced Computer-Aided Facilities Management (CAFM) platforms, this service offers end-to-end maintenance solutions that ensure smooth operation and maintain high standards of facility care. With a reach extending to over 268 rigs and more than 60 locations, this business unit adeptly bridges the gap between industrial demands and personalized service, delivering efficiency and comfort across various government and private sector entities.



Technical Services



Multi-Industry Reach



Housekeeping



Support Services

Commercial Laundry Unit

A Key Differentiator

One of the fastest growing and most technically advanced segments within IH is the Laundry Business Unit,

a specialized unit that provides extensive laundry and linen services to hotels, hospitals, airline ground handlers, and industrial players. Operating from two large production plants and two remote distribution centers, including oversight of the new Red Sea Project Laundry and ensuring top-tier linen quality for high-end resorts, these facilities handle immense volumes, with achievements like processing up to 64 tons per day, far exceeding the theoretical capacity of 42.5 tons in our production unit in Jeddah, King Abdullah Economic City (KAEC).

Eco-Efficient Innovations

For water conservation, implementing state-of-the-art wash processes has shrunk consumption from 8L/kg to 3.5L/kg, dramatically reducing utility usage and environmental impact. The business unit also achieved an important milestone this year; through upgraded chemical dosing systems, laundry now runs at lower temperatures, cutting energy requirements while preserving garment quality and cleanliness. From rooftop solar arrays to improved plastic usage protocols, the laundry team continually pursues a lower carbon footprint and better waste management.

Laundry Sustainability Highlights

-4.5_L/KG
water savings per wash

30%
drop in energy costs via
low-temperature cycles

Rooftop Solar arrays reduce
dependency on fossil fuels

Segregated Waste for plastic, cloth, and
hazardous materials

Strategic Actions Taken

The Laundry business unit has implemented several strategic actions to optimize its operational focus and financial performance, with significant improvements in client management and cost efficiency:

Client Focus and Service Optimization

The Laundry business unit has strategically refined its client portfolio by prioritizing engagements with significant players in hospitality and healthcare. This approach involved discontinuing smaller, labor-intensive accounts to boost overall profitability and operational efficiency.

Cost Management and Efficiency

The business unit successfully reduced its average cost per kilogram in 2024. This improvement in cost management not only demonstrates enhanced operational control but also supports the ongoing delivery of high-quality service.

Operational Capacity and Record Processing

Demonstrating remarkable operational capability, the Laundry business unit in KAEC processed a record 64 tons in a single 24-hour period, surpassing its planned daily capacity of 42.5 tons. The average daily volume saw a substantial increase from 36.9 tons in 2023 to 46.6 tons in 2024, reflecting enhanced operational efficiency.



Laundry Operational Milestones

46.6T
average daily volume in 2024
(up from 36.9T)

3.5L/KG
water consumption (down from 8L/kg)

64T
processed in 24h (vs. 42.5T capacity)

Operational Excellence & Challenges

Although the business unit achieved a 12% top-line budget surplus, it also encountered challenges in forecasting demand surges, occasionally pushing capacity to 152% and driving up operational costs. **To mitigate these fluctuations, the laundry operation focuses on:**



Strategic Customer Selection

Prioritizing larger, stable accounts in hospitality and healthcare over smaller, labor-intensive clients.



Equipment Expansion

Ongoing phased installations slated to raise capacity to 55+ tons/day by year-end.

Operational Reach

Expanding its operational footprint significantly in 2024, CATRION's Integrated Hospitality Business Segment pursued strategic diversification to enhance service delivery and profitability across various sectors:

Remote Sites Expansion

The IH Business Segment launched operations on 11 new rigs, enhancing its presence in the remote mining, oil, and gas sectors. This strategic expansion focuses on selecting profitable projects and discontinuing operations that incur losses, aligning with CATRION's efficiency-driven approach.

Healthcare Segment Growth

A significant development in 2024 was securing 10 new contracts in the healthcare sector, including a noteworthy agreement with Saudi German Hospital set to commence in January 2025. This expansion marks a strategic milestone, establishing a strong foothold in both public and private healthcare facilities, reflecting the IH Business Segment's commitment to broadening its service spectrum.

Railway Service Enhancements

The Business Segment has fortified its collaboration with the Saudi Railways Organization (SRO) and other private rail carriers, achieving gains in on-board sales and enhancing station lounge services. These initiatives aim to improve passenger experiences and strengthen CATRION's position in the railway catering and hospitality market.

Laundry Services Expansion

The Integrated Hospitality Business Segment has overseen significant expansions at its existing laundry facilities and participated in the Red Sea Laundry Project. These developments are designed to support high-end hospitality needs while adhering to rigorous sustainability standards, demonstrating CATRION's commitment to environmental responsibility.

Strategic Restructuring

The year 2024 also brought its set of challenges, notably in managing and phasing out unprofitable contracts.

In response, Integrated Hospitality Business Segment undertook a strategic restructuring, introducing region-specific leadership to enhance market expertise and operational oversight.

This adjustment has proven effective, maintaining a high client satisfaction rate, with a 95% retention rate across key accounts, illustrating the Segment's resilience and strategic adaptability in a competitive market.

IH Reach in 2024

11

New rigs

10

Hospital Contracts

95%

client retention rate



Strategic Alignment

Moving Beyond IFC

The Integrated Hospitality Business Segment plays a pivotal role in CATRION's strategy to diversify beyond traditional in-flight catering.

By focusing on integrated facility management, housekeeping, and broad-based hospitality services, the IH Business Segment not only diversifies CATRION's revenue streams but also enhances its resilience against sector-specific risks. This strategic diversification stabilizes cash flow and opens up lucrative opportunities in high-growth sectors such as healthcare, major sporting events, and official summits. Such strategic expansion is vital for CATRION to mitigate risks associated with over-reliance on in-flight catering and to capture new market opportunities in emerging sectors.

Aligned with Vision 2030

The expansions and initiatives of the IH Business Segment are closely aligned with Saudi Arabia's Vision 2030, reflecting the national agenda to diversify the economy and foster sustainable development:

Workforce Localization

The IH Business Segment actively participates in Saudization, employing Saudi nationals in key roles within facilities management, hospitality, and culinary services. This initiative not only supports the national employment goals but also enhances the skill set within the local workforce.

Local Content Utilization

By prioritizing Saudi suppliers and subcontractors, the Integrated Hospitality Business Segment stimulates domestic economic activity, supporting local businesses and contributing to the economic resilience of the region.

Sustainability Initiatives

The IH Business Segment is committed to environmental sustainability, which is evident in its use of biodegradable materials during large events like UNCCP COP 16, and its implementation of advanced water-saving technologies in laundry operations, reducing water usage from 8 liters per kilogram to 3.5 liters. Furthermore, the integration of electric and hybrid vehicles into the fleet supports the national goal of reducing carbon emissions.

Sports & Events Business Segment

The newly established Sports & Events business unit within the Integrated Hospitality Business Segment underscores CATRION's capability to manage and execute large-scale events.

This unit specializes in providing comprehensive service solutions at major events such as the UNCCD COP 16 and Dakar Rally in regard to the F&B scope, ranging from on-site catering to comprehensive laundry services for event staff and spectators. Operating at these high-profile events not only enhances CATRION's visibility but also demonstrates its logistical prowess and ability to handle complex, multifaceted projects. This strategic exposure is instrumental in positioning CATRION as a versatile and reliable service provider capable of meeting diverse client needs on a large scale.

This expanded narrative provides a clearer and more detailed depiction of how the Integrated Hospitality Business Segment aligns with CATRION's broader strategic objectives and Saudi Arabia's Vision 2030, emphasizing both the economic and sustainability aspects of its operations.

Customer Engagement Initiatives

To elevate customer centricity and sustain profitable relationships, IH introduced a robust Key Account Management (KAM) system and refined feedback channels:

Survey Tools Implementation

IH has integrated platforms like SurveyMonkey to gather real-time feedback from clients efficiently. This system allows for immediate responses and data-driven enhancements to services, ensuring that client needs and concerns are promptly addressed.

Dedicated Experience Teams

To ensure exceptional service delivery and customer satisfaction, IH has established dedicated experience teams. These teams provide round-the-clock support, facilitating quick issue resolutions and clear escalation paths. This direct interaction fosters a deeper level of personalization and customer care.

Regional Expertise and Localized Management

Recognizing the importance of localized knowledge and connections, IH has appointed new management with specific regional expertise. This strategic move not only enhances the understanding of local market dynamics but also accelerates the trust-building process with regional clients, leading to stronger and more resilient business relationships.

These strategic enhancements in customer engagement and management have significantly bolstered IH's customer relations, as evidenced by:

High-Value Contract Retention

Successful retention of major contracts with key clients like Ma'aden, ADC, and SAR, demonstrating the effectiveness of the new customer engagement strategies.

Expansion and Growth

The onboarding of 11 new remote rigs in 2024, which highlights IH's expanding reach and ability to secure new projects, further reflecting its commitment to growth and customer-centric innovation.

IH in Numbers

Hospitality & Healthcare Growth

10
new hospital contracts including Saudi German Hospital, starting Jan 2025

+11
expansions in remote site operations (rigs)

Laundry Milestones

Capacity soared from a theoretical
42.5 tons/day
to peaks of
64 tons/day

Water usage dropped from 8L/kg to 3.5L/kg, enhancing ecological sustainability

Client Retention & Financial Resilience

95%
overall client retention rate

Exiting unprofitable deals and focusing on high-margin sectors boosted net profitability

Event & Sports Focus

UNCCD COP 16
fully operated with biodegradable materials, showcasing a synergy of top-tier service and environmental responsibility

Setup of a Sports & Events business unit to chase future mega-projects in KSA (Dakar Rally, etc.)

The Integrated Hospitality (IH) Business Segment stands at the forefront of CATRION's diversification strategy, spanning critical sectors from healthcare to remote site management, industrial laundry, and marquee events. By forging robust client relationships, targeting high-value contracts, and embedding innovations like online ordering for UNCCD COP 16 and biodegradable materials at large events,

IH not only demonstrates operational excellence but also a genuine commitment to environmental stewardship and Vision 2030 objectives.

2025 and Beyond

- **Further expansions** in Red Sea Projects (luxury resort laundry).
- **Complete IFM** offerings for government, corporate, and healthcare sectors.
- **AI & Tech Upgrades** in remote site management, facility optimization, and customer feedback loops.



04

OUR GOVERNANCE



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1. DIRECTOR, LEGAL AFFAIRS
& COMPLIANCE OVERVIEW

With renewed momentum, 2024 proved to be another remarkable year in the history of CATRION Catering Holding. The company witnessed transformative developments that reinforced its market leadership and elevated its stature in the sector. At the heart of these shifts, the Legal and Compliance Department played a pivotal role, affirming its leadership in supporting the company's strategy and achieving its ambitious objectives.

In response to the company's needs, and in line with both current and future expansions, the Legal and Compliance Department spared no effort in fortifying its essential role. This was accomplished by leveraging qualified talent and refining organizational frameworks, which included attracting top young professionals and implementing a contract management system, together boosting operational efficiency and ensuring effective compliance.

In recent years, the Kingdom has undergone an unprecedented legislative renaissance, rendering legal and regulatory compliance not merely a legal obligation but the cornerstone of safeguarding our company's interests and reputation. For us, compliance goes beyond averting penalties; it serves as a strategic approach that strengthens trust between ourselves, our clients, partners, and the wider community.

Driven by this responsibility, the Legal and Compliance Department promptly adapted to emerging changes, fostering awareness and reinforcing a culture of compliance throughout the organization, ensuring a smooth alignment with new laws and regulatory frameworks.

We firmly believe that adhering to regulations and standards is an investment in our future and a foundational element of achieving sustainability and success. By embedding compliance into our daily culture, we are building a work environment anchored in transparency, accountability, and trust, which are values that grant us a genuine competitive advantage in the marketplace.

In conclusion, we would like to extend our sincere gratitude to the Governance Team for their invaluable efforts in establishing best practices, enabling our company to meet and exceed global standards.

We hold full confidence in the ability of the Legal Affairs & Compliance Department to continue delivering success and bolstering our company's position as a robust entity that commands respect and credibility.

Thank you, and we look forward to a brighter, more prosperous future.

Legal Affairs & Compliance
Department
Abdulsalam Rezk
Intisar Mohamed

2. COMPANY'S MAIN ACTIVITIES

- In-Flight Catering
- Integrated Hospitality

| Activity | Revenue in SAR | Percentage |
|---------------------------|----------------|------------|
| In-Flight Catering | 1,824,032,861 | 79% |
| Integrated Hospitality | 475,226,840 | 21% |
| Total reportable segments | 2,299,259,701 | 100% |
| Other segments | - | - |
| Total | 2,299,259,701 | 100% |

3. AFFILIATES' MAIN ACTIVITIES

- Operating and managing duty free shops
- Providing catering and laundry services

| Activity | Revenue in SAR | Percentage |
|--|----------------|------------|
| Operating and managing duty free shops | 653,672,665 | 100% |
| Providing catering services | - | - |
| Providing Laundry services | - | - |
| Total | 653,672,665 | 100% |

4. COMPANY'S PLANS, MAIN DECISIONS, AND FUTURE EXPECTATIONS

The following schedule shows the Company's main decisions and events during 2024, which have been announced in the official webpage of the Capital Market Authority 'Tadawul'.

Main decisions:

| Date | Decision |
|------------|--|
| 12/12/2024 | The Board of Directors of CATRION Catering Holding Company Invites its Shareholders to Attend the Extraordinary General Assembly Meeting (First Meeting) through modern technology |
| 05/11/2024 | CATRION Catering Holding Co. announces its Interim Financial results for the Period Ending on 30/09/2024 (Nine Months) |
| 14/10/2024 | CATRION Catering Holding Co. announces the opening of the nomination period for the board of director's membership |
| 17/09/2024 | CATRION Catering Holding Company (the Company) announces the signing of Sharia-compliant credit facilities agreements through its fully owned subsidiary |
| 17/09/2024 | CATRION Catering Holding Company (the Company) announces the signing of Sharia-compliant credit facilities agreements through its fully owned subsidiary |
| 05/08/2024 | Correction announcement from CATRION Catering Holding Co. in regards to the announcement of its Interim Financial results for the Period Ending on 30/06/2024G (Six Months) |
| 04/08/2024 | CATRION Catering Holding Co. announces the board of director's resolution to distribute cash dividends for first half of the fiscal year 2024G |
| 04/08/2024 | CATRION Catering Holding Co. announces its Interim Financial results for the Period Ending on 30/06/2024 (Six Months) |
| 07/07/2024 | CATRION Catering Holding Co. announces signing of a Memorandum of Understanding with Mallaghan Engineering Ltd |
| 01/05/2024 | CATRION Catering Holding Co. Announces the Results of the Ordinary General Assembly Meeting, (First Meeting) |
| 30/04/2024 | CATRION Catering Holding Co. announces its Interim Financial results for the Period Ending on 31/03/2024 (Three Months) |

| Date | Decision |
|------------|--|
| 28/04/2024 | CATRION Catering Holding Co. announces to its shareholders the starting of the electronic voting on the Ordinary General Assembly meeting agenda (First Meeting) |
| 04/04/2024 | CATRION Catering Holding Company's Announcement to Invite its Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting) through modern technology |
| 24/03/2024 | CATRION Catering Holding Co. announces the Board of Director's resolution to distribute cash dividends for the second half of the fiscal year 2023G |
| 24/03/2024 | CATRION Catering Holding Co. announces its Annual Financial results for the period ending on 31/12/2023 |
| 14/02/2024 | CATRION Catering Holding Company announces the appointment of a Board Director member to the vacant seat on its Board of Directors |

5. THE COMPANY'S BUSINESS RESULTS, ASSETS, AND LIABILITIES

In Saudi Arabian Riyals ('SAR')

| Declaration | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Current Assets | 1,279,061,306 | 1,061,948,216 | 1,360,930,282 | 1,472,221,481 | 1,593,084,408 |
| Non-current Assets | 1,027,939,300 | 868,682,866 | 670,264,547 | 772,670,550 | 1,094,753,946 |
| Total Assets | 2,307,000,606 | 1,930,631,082 | 2,031,194,829 | 2,194,892,031 | 2,687,838,354 |
| Current Liabilities | 869,087,478 | 571,570,358 | 562,603,584 | 582,019,118 | 739,369,787 |
| Non-current Liabilities | 577,836,243 | 486,541,980 | 348,665,066 | 326,804,449 | 496,652,904 |
| Total Liabilities | 1,446,923,721 | 1,058,112,338 | 911,268,650 | 908,823,567 | 1,236,022,691 |

6. BUSINESS COMPARISON (5 YEARS) SAR

| Declaration | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 926,573,642 | 1,212,507,870 | 1,818,006,368 | 2,133,762,298 | 2,299,259,701 |
| Cost of Revenue | 884,339,821 | 880,662,708 | 1,301,686,626 | 1,567,769,793 | 1,657,650,977 |
| Zakat and Income Tax | 18,844,869 | 19,712,588 | 28,717,827 | 33,880,036 | 22,943,053 |
| Gross Profit | 42,233,821 | 331,845,162 | 516,319,742 | 565,992,505 | 641,608,724 |
| Net Profit | (334,686,399) | 14,055,459 | 257,103,138 | 282,657,704 | 352,770,108 |

7. GEOGRAPHIC ANALYSIS OF REVENUE SAR

| Year 2024 | Geographic analysis for total income of the Company | | |
|--------------|---|------------|---------------|
| | Saudi Arabia | Egypt | Total |
| | 2,231,330,744 | 67,928,957 | 2,299,259,701 |

8. AFFILIATE'S GEOGRAPHIC ANALYSIS OF REVENUE SAR

| Year 2024 | Geographic analysis for total income of the Company | |
|---|---|-------------|
| | Saudi Arabia | Total |
| Saudi French Company for Operating and Managing Duty Free Shops | 653,672,665 | 653,672,665 |
| CATRION for Catering Services | - | - |
| CATRION Commercial Laundry | - | - |
| CATRION Laundry Operations and Maintenance | - | - |
| CATRION Operations and Maintenance | - | - |

9. SIGNIFICANT DIFFERENCES IN OPERATIONAL RESULTS, COMPARED TO PRIOR YEAR

| | 2023 SAR | 2024 SAR | Change (+) or (-) SAR | Percentage |
|--------------------------|-----------------|-----------------|--------------------------|------------|
| Revenue/sales | 2,299,259,701 | 2,133,762,298 | 165,497,403 | 7.8% |
| Cost of revenue | (1,657,650,977) | (1,567,769,793) | (89,881,184) | 5.7% |
| Gross profit | 641,608,724 | 565,992,505 | 75,616,219 | 13.4% |
| Other operating income | (300,239,115) | (291,118,308) | (9,120,807) | 3.1% |
| Other operating expenses | 19,146,907 | 29,494,363 | (10,347,456) | -35.1% |
| Operating income (loss) | 360,516,516 | 304,368,560 | 56,147,956 | 18.4% |

10. SUBSIDIARIES' DETAILS

| Name of the related company | Capital SAR | Ownership percentage | Main activity | Main operating country | Country of Incorporation |
|---|-------------|----------------------|--|-------------------------|--------------------------|
| Saudi French Company for Operating and Managing Duty Free Shops | 76,894,000 | 40% | Operating and managing Duty Free shops in airports | Kingdom of Saudi Arabia | Kingdom of Saudi Arabia |
| CATRION for Catering Services | 500,000 | 100% | Providing catering services | Kingdom of Saudi Arabia | Kingdom of Saudi Arabia |
| CATRION Commercial Laundry | 500,000 | 100% | Providing Landry services | Kingdom of Saudi Arabia | Kingdom of Saudi Arabia |
| CATRION Laundry Operations and Maintenance | 500,000 | 100% | Providing Landry services | Kingdom of Saudi Arabia | Kingdom of Saudi Arabia |
| CATRION Operations and Maintenance | 500,000 | 100% | Providing catering services | Kingdom of Saudi Arabia | Kingdom of Saudi Arabia |

11. COMPANY'S LOANS

During the year 2024, the company obtained the loans and bank facilities referred to below for the purpose of enhancing its cash flow in line with its operational requirements:

| Borrowing company | Lender name | Type of financing | Principal amount | Loan term | Repaid amount within the year | Remaining Amount by end of the year |
|--------------------------------------|-----------------|------------------------------|------------------|-----------|-------------------------------|-------------------------------------|
| CATRION For Catering Service Company | Saudi Awal Bank | Revolving facility agreement | 37,486,694 | 15 Years | - | 37,486,694 |
| CATRION Commercial Laundry Company | Saudi Awal Bank | Revolving facility agreement | 123,957,902 | 15 Years | | 123,957,902 |

12. BOARD OF DIRECTORS

Based on the Company's bylaws, the Board of Directors of CATRION Catering Holding Company is currently formed of nine members for a term of three Gregorian years commencing on January 26th, 2022 and ending on January 25th, 2025. These members were appointed through elections by the Extraordinary General Assembly during the meeting held on 09th January, 2022.

Mohammed Al Sarhan was appointed as the Chairman of the Board by the members of the Board of Directors during the meeting held on January 27th, 2022 and Raed Al Mudaiheem was appointed as the Vice-Chairman of the Board for the same term under the powers granted to the Board according to Article 21 from the Company's bylaws. The committees emanating from the Board were also formed during the Board meeting dated 27th January 2022, which are Nomination and Remuneration Committee and the Executive Committee, where the Audit Committee was formed by the AGM during the meeting which was held on 13th Feb 2022.

On 04/08/1445H corresponding to 14/02/2024G the Board of Directors issued his resolution by circulation regarding the approval to appoint Miss. Joza Abdulmohsen Al Rasheed as an independent board member, in the vacant seat on its Board of Directors. This appointment shall take effect from 05/08/1445H corresponding to 15/02/2024G throughout the remaining period of the current board term that ends on 25th January 2025.

12.1 Board of Directors Members



Mohammed Abdulaziz Al Sarhan

Chairman of the Board (Non-Executive), member of Nomination and Remuneration Committee, Chairman of Executive Committee

Current positions

- Chairman of the Board of Directors of the National Shipping (Al Bahri) Company
- Chairman of the Board of Directors of Al Muzaini Real Estate Development Company
- Member of the Board of Directors of Al Sharq Ready Mix Concrete Company
- Member of the Board of Directors of General Authority of Civil Aviation

Previous positions

- Chief Operating Officer of Al Faisaliah Holding Group
- Vice President for Distribution Affairs, The Saudi Arabian Marketing and Refining Company 'SMAREC'
- Member of the Board of Directors of Al Faisaliah Holding Group
- Chairman of the Board of Directors of Ikea Saudi Arabia and Bahrain
- Chairman of the Board of Directors of Goknur for Juice Company in Turkey
- Chairman of the Board of Directors of Riyadh Airport Company
- Chairman of the Board of Directors of Al Safi Danone Company Limited
- Vice Chairman of Venture Capital Bank in Bahrain

Academic qualifications

Bachelor of Science in Mathematics from Oregon State University, USA

Professional experience

Mohammed Al-Sarhan has extensive experience in management, energy, nutrition, and logistics sector for over 45 years in both the public and private sectors. Al-Sarhan worked at the beginning of his career in various activities in the sectors of the petroleum industry and the distribution of his products. He also participated in many conferences, training courses, seminars, and economic forums in various areas of management within the Kingdom of Saudi Arabia and in many countries of the world. He also worked in the nutrition sector, professional services, transportation and logistics services. He held several leadership positions at Al Faisaliah Holding Group and Al Safi Danone Ltd., the most recent of which was Vice President of Al Faisaliah Group. He currently chairs the Board of Directors of National Shipping (Al Bahri) Company and Al Muzaini Real Estate Development Company.



Raed Ibrahim Al Mudaiheem

Vice Chairman of the Board of Directors (Non-Executive), Chairman of Audit committee)

Current positions

- Vice-Chairman, Masdar Building Materials, KSA (JCC)
- Chairman of the Board of Directors, United Mining Industries, KSA (JCC)
- Vice-Chairman Bawan Company, KSA (Listed)
- Vice-Chairman, Al Badia cement Syria, Syria (JST)
- Board Member, SUEZ Cement Co, Egypt (JST)
- Vice-Chairman, Al Yamamah Steel, KSA (Listed)
- Board Member, Riyadh Cables Group Company, KSA (Ltd.)
- Chairman of the board, Jeddah Airport Company, KSA (Ltd.)

Previous positions

- Board Member, Arabian Pipes Co., KSA (Listed)
- Vice-Chairman of the Director of Northern Region Cement Co., KSA (Listed)

Academic qualifications

- Bachelor's in Electrical Engineering, King Saud University
- Masters' Degree in Electrical Engineering, King Saud University

Professional experience

Diversified Engineering & Managerial experience covering more than 35 years in both public and private sectors. In the beginning of his career Raed worked in diversified engineering activities within power and water sectors, then moved to the private sector and acquired vast experience in building materials (trading and manufacturing), namely steel, cement, timber, gypsum, pre-cast and electrical transformers manufacturing. He participated in tens of conferences, training courses, seminars, economic forums in Management, Finance, Strategy and Leadership in the Kingdom of Saudi Arabia and in many countries in the world.



Yousef Hamad Al Yousefi

Board member (Independent), Chairman of Nomination and Remuneration Committee

Current positions

- Chief Executive Officer of Joa Capital Company

Previous positions

- Founding partner at Marco Partners (Jeel Al Mustaqbal Investment Company)
- Founder and Chairman of the Board of Directors of Joa Energy Company
- Chief Investment Officer at Saudi Development and Technology Investment Company (TAQNIA)

Academic qualifications

- Master of Business Administration, Harvard University
- Bachelor's degree in Electronic Engineering, University of Colorado Boulder

Professional experience

Al-Yousefi has extensive experience in the field of energy and investment spanning more than 15 years, during which he served as the Director of Investments and the founder of the Riyadh Fund for Technology, the Saudi Company for Development and Technical Investment (TAQNIA), Analyst at Passport Capital, California, USA, adviser to the King Abdullah Center for Petroleum Studies and Research, Co-official in the ownership department of Jadwa Investment Company, Adviser at Strategy & Co. previously known as CO & BOOZ in the USA, Oilfield Engineer at Schlumberger, USA. Communications Engineer at Saudi Arabian Oil Company (Saudi Aramco). Al-Yousefi also participates in the membership of several companies, such as member of the risk committee in the Saudi Fransi Capital Company, a member of the nominations committee and a member of the investment committee of Medgulf Insurance Company, a member of the board of directors of Sada Investment Company.



Fadi Majdalani

Board member (Independent), member of the Nomination and Remuneration Committee, member of the Executive Committee

Current positions

- Managing Partner, Excelsa Holding, Lebanon
- Board Member, Ghassan Ahmad Al Sulaiman Furniture Trading Company, KSA
- Chairman of the Board of Directors, Endeavor
- Member of the Executive Committee and the Nomination and Remuneration Committee at CATRION Catering Holding Co.

Previous positions

- Board Member and Senior Partner, Strategy& (formerly Booz & Co.), UAE
- Founder and Managing Partner, Delta Capital, Lebanon

Academic qualifications

- Bachelor of Engineering, American University of Beirut
- Master of Science in Civil Engineering, MIT
- MBA, Harvard Business School

Professional experience

Fadi has more than 30 years of experience in the consulting and private equity sectors focusing on the transportation, logistics and real estate industries. Since 2018, Fadi Majdalani has been the Managing Partner of Excelsa, an asset management and private equity firm focusing mainly on income generating real estate investments in the United States. Prior to this, Fadi was a senior partner with Strategy& (formerly Booz & Company), a leading global management consulting firm where he served some of the largest Middle East private and publicly owned corporations. Over a -20year period, he led the firm's practices covering the transportation, logistics, real estate and construction industries.



Fahad Abdullah Moussa

Board member (Non-Executive), Executive Committee member

Current positions

- EVP, Investment – Saudia Arabian Airlines Corporation

Previous positions

- EVP, Head of Financial Institutions Department - National Commercial Bank.
- Executive Vice President, Head of Financial Institutions, at The National Commercial Bank, a Saudi publicly listed joint stock company operating in the banking sector, from 2015G to 2021G.
- Senior Vice President and Regional Manager - Financial Institutions - Europe, America, Middle East, and North Africa, at The National Commercial Bank, a joint-stock company operating in the banking sector, from 2012G to 2015G.
- Vice President and Team Leader - Private Banking Division, at The National Commercial Bank, a joint-stock company operating in the banking sector, from 2006G to 2012G.
- Strategic Business Unit Head - Treasury Group, at The National Commercial Bank, a joint-stock company operating in the banking sector, from 2005G to 2006G.
- Senior Marketing Officer - Treasury Group, at The National Commercial Bank, a joint-stock company operating in the banking sector, from 2004G to 2005G.
- Sales & Distribution Dealer for Treasury at Samba Financial Group, a joint-stock company operating in the banking sector, from 2000G to 2004G.

Academic qualifications

- Bachelor's degree - Finance - King Fahad University of Petroleum and Minerals

Professional experience

Mr. Fahad Moussa is an executive leader with over two decades of experience in investment management, corporate banking, and board-level leadership. He holds a bachelor's degree in finance from King Fahd University of Petroleum and Minerals. With advanced management training programs from multiple business schools such as Columbia, Stanford, INSEAD and Esade. Currently, he is the Executive Vice President for Investments at Saudi Arabian Airlines Corporation and serves on multiple boards in logistics, aviation, and investment services. His roles usually include driving growth, aligning investment strategies with organizational goals, and establishing governance frameworks for financial sustainability.



Abdulwahab Abdulaziz Al Betari

Board member (Independent), member of the Audit Committee and Executive Committee

Current positions

- Watar Partners for Trading Co., -Co-Founder & Managing Partner
- Pinnacle Capital – Co-Founder. &CEO

Previous positions

- The Family Office – Founding Partner & Member of the Executive Committee
- Saudi American Bank (Samba) – Portfolio dealer & Investment dealer.

Academic qualifications

- Bachelor's degree in Finance with second honours – King Fahad University of Petroleum and Minerals.
- Masters degree in Business administration from London Business School (LBS)

Professional experience

Abdulwahab Al Betari is a distinguished finance professional with over 25 years of experience in the financial services industry. He is the Co-Founder and Managing Partner of Watar Partners, an independent financial services firm specializing in tailored advisory solutions for private investment offices. Additionally, he serves as the CEO of Pinnacle Capital, a Capital Market Authority (CMA)-licensed investment firm, where he leads strategic initiatives and drives sustainable growth.

Abdulwahab began his career at Saudi American Bank (Citibank) before becoming a founding member of The Family Office Co. BSc, a leading multi-family office based in the Kingdom of Bahrain.

Beyond his corporate leadership, he has played an active role in non-profit and professional organizations, serving on various committees, including the National Young Businessmen Committee, part of the National Chamber of Commerce in Saudi Arabia. He currently leads the Saudi Chapter of the London Business School Alumni Association and is a member of YPO in both the Saudi Arabia and Bahrain Chapters. Abdulwahab also holds board positions in several local companies, contributing his expertise in financial strategy, investment management, and corporate governance. He holds an MBA and a bachelor's degree in finance, along with CME1-, CME4- and CME5- certifications from the Capital Market Authority.



Dilip Nijhawan

Board member (Independent), member of the Audit Committee

Current positions

- Consultant Inflight Catering, Airlines and Hotels.

Previous positions

- CEO & Board Director of Kaelis FZC AMEA
- CEO & Board Director of Emirates Flight Catering
- Inflight Catering Consultant Emirates Airline - reporting to the President
- Consultant at Oman Air & Flight Catering & Hotels
- CEO & Board Director of Sri Lankan Catering Co
- GM Oberoi Trident, Jeddah, Saudi Arabia
- GM Oberoi Flight Services & Oberoi Airport Services Mumbai, Delhi, Kolkatta and Chennai
- GM Oberoi Bogmallo Beach Resort, India

Academic qualifications

- ISC Science /English, from Senior Cambridge
- Bachelor of Commerce with Honours in Business management, Accounting, Finance from Calcutta university
- Postgraduate - Hotel management, Essec Cornell, Paris France

Professional experience

CEO, CCO, MD, EVP, Executive Board Director and Management Consultant leadership expertise with 40 + years' experience in leading Global Airline Catering units, Inflight services, Food Services & Retail Operations, Airline Onboard Services & Amenities, Airport lounges, Event Operations Frozen meal facility, Laundry facilities and -5star Hotels and Hospitality companies globally. Track record of transforming companies via strategic leadership and implementing lean management principles such as Kaizen, Six Sigma, TPM, Kanban etc.; exponentially increasing Sales, Net Profits while spearheading operational excellence with enhanced employee productivity, retention and reduced costs. Led companies to yield over USD 900 million in annual revenue whilst simultaneously overseeing expansion projects of over USD 350 million.



Olivier Harnisch

Board member (Independent), member of the Nomination and Remuneration Committee

Current positions

Founder of Lunasole Hospitality

Previous positions

- Head of Hospitality Public Investment Fund and Chief Executive Officer PIF Hotel Management Company
- Chief Executive Officer at Emaar Hospitality Group LLC
- Chief Operating Officer at Radisson Hotel Group
- Managing Director, Northern and Central Europe, Hilton Worldwide

Academic qualifications

- Master Science (MSc) in Organisational Behaviour from University of London, United Kingdom
- Master Business Administration from Heriot-Watt University, Edinburgh, United Kingdom
- Certified Hotel Administrator (CHA) Hotel Administrator from The American Hotel and Lodging Association, East Lansing, USA
- SGB Degree in Hospitality Management from Berlin School of Hotel Administration, Germany

Professional experience

Olivier Harnisch is a hospitality veteran. He began his career in Nice, France, in 1986 and has worked across the globe since. He spent 14 years at Hilton Hotels where he was Managing Director for Northern and Central Europe. From 2012 until 2016 he was Chief Operating Officer of the Radisson Hotel Group. In 2016 he was appointed CEO of Emaar Hospitality Group in Dubai. From 2019 until 2021 Olivier Harnisch was Head of Hospitality of the Public Investment Fund and CEO of the PIF Hotel Management Company in Riyadh, Saudi Arabia.

Olivier serves on multiple Boards, among others the Gulf Hotels Group in Bahrain, PIF Saudi Hospitality Company and RAK Hospitality.



Joza Abdulmohsen Al Rasheed
Board member (Independent)

Current positions

- Managing Partner, Herbert Smith Freehills

Previous positions

- Managing partner at Herbert Smith Freehills in cooperation with Joza bint Abdul Mohsen Al Rasheed Advocates and Legal Consultants
- Partner at Herbert Smith Freehills in association with the law firm of Mohamed Al Tamami
- Senior Legal Counsel at Air Products, Dhahran
- Senior Associate at White & Case, Riyadh
- Associate at Baker & McKenzie (Dubai/ Riyadh)
- Internship Organization of the Petroleum Exporting Countries (OPEC),
- Internship at Baker & McKenzie (Riyadh)

Academic qualifications

- Master of Laws (LLM), in international business and economic law from Georgetown University Law Center, Washington, D.C
- Bachelor of Laws (LLB), from Prince Sultan University, Riyadh, Saudi Arabia

Professional experience

Joza has over ten years of experience in law, cross-border mergers and acquisitions, capital markets, competition law, and international trade (WTO). Joza holds Master’s degree in law from Georgetown University Law Center, Washington, D.C. and a Bachelor’s degree in Law from Prince Sultan University, Riyadh, Saudi Arabia. She currently holds the position of Managing Partner at Herbert Smith Freehills (International law firm), while also serving as a board member at Georgetown University MENA Law Alumni Advisory Board, and Arab Regional Forum Liaison Officer, International Bar Association (IBA). She was previously a Senior Legal Counsel at Air Products, Dhahran, In addition to other functional and consulting positions at White & Case, Riyadh and Baker & McKenzie (Dubai/Riyadh).

12.2 Board of Directors' meetings

| Total meetings (5) | | | | | | Total |
|----------------------|------------|------------|------------|------------|------------|-------|
| Name / Meeting date | 21/03/2024 | 30/04/2024 | 04/08/2024 | 05/11/2024 | 10/12/2024 | |
| Mohammed Al Sarhan | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Raid Al Mudaiheem | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Yousef Al Yousefi | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Joza Al Rasheed | ✓ | × | ✓ | ✓ | ✓ | 4 |
| Fadi Majdalani | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Fahad Moussa | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Abdulwahab Al Betari | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Dilip Nijhawan | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |
| Olivier Harnisch | ✓ | ✓ | ✓ | ✓ | ✓ | 5 |

12.3 Current and Previous Memberships of Boards of Directors and/or their Membership of Executive

Management in Other Companies (local or international)



Mohammed Abdulaziz Al Sarhan

Current Board and Management memberships

- Chairman of the Board of Directors of the National Shipping Company of Saudi Arabia, KSA (Listed)
- Chairman of the Board of Directors of Al Muzaini Real Estate Development Company, KSA (JCC)
- Member of the Board of Directors of Al Sharq Ready Mix Concrete, KSA (JCC)
- Member of the Board of Directors of General Authority of Civil Aviation, Government Entity, KSA

Previous Board and Management memberships

- Chief Operating Officer of Al Faisaliah Holding Group, KSA (JCC)
- Vice President for Distribution Affairs, The Saudi Arabian Marketing and Refining Company 'SMAREC', KSA public establishment
- Executive Vice President of Al Faisaliah Holding Group, KSA (JCC)
- Chairman of the Board of Directors of Ikea Saudi Arabia and Bahrain, KSA (JCC)
- Chairman of the Board of Directors of Goknur for Juice Company in Turkey, Turkey (JCC)
- Chairman of the Board of Directors of Jeddah Airport Company, KSA (Ltd.)
- Chairman of the Board of Directors of Al Safi Danone Company Limited, KSA (Ltd.)
- Vice Chairman of Venture Capital Bank in Bahrain, Bahrain (JCC)



Raed Al Mudaiheem

Current Board and Management memberships

- Vice-Chairman, Masdar Building Materials, KSA (JCC)
- Chairman of the Board of Directors, United Mining Industries, KSA (JCC)
- Vice-Chairman Bawan Company, KSA (Listed)
- Vice-Chairman, Al Badia cement Syria, Syria (JST)
- Vice-Chairman, Al Yamamah Steel, KSA (Listed)
- Board Member, Riyadh Cables Group Company, KSA (Ltd.)
- Chairman of the board, Jeddah Airport Company, KSA (Ltd.)

Previous Board and Management memberships

- Board Member, Arabian Pipes Co., KSA (Listed)
- Vice-Chairman, Northern Region Cement Co., KSA (Listed)
- Board Member, Northern Region Cement Co Jordan, Jordan (JST)

**Yousef Al Yousefi****Current Board and Management memberships**

- Chief Executive Officer, Member of the Board of Joa Capital Company (JS non-listed)
- Member of the Board, Chairman of Nomination and Remuneration Committee and member of the Investment Committee of Medgulf Insurance Company, KSA (Listed)
- Member of the Board of Directors, Chairman of Nomination and Remuneration Committee at CATRION Catering Holding Co., KSA (Listed)
- Member of the Board of Directors and member of the Executive Committee of the Saudi Postal Corporation, a Saudi governmental institution
- Member of the Board of Directors of Saudi Postal and logistics Company (SPL), KSA (Listed).
- Member of the Board of Directors of the Saudi Automotive Services and Equipment Company (SASCO), KSA (Listed)

Previous Board and Management memberships

- Member of the Board of Directors of Pawame Company, a company licensed by the Capital Market Authority specializing in alternative investments in the Kingdom of Saudi Arabia
- Member of the investment committee of Saudi Venture Capital (SVC), KSA
- Member of the Board of Directors, Chairman of Nomination and Remuneration Committee of Saudi Fransi Capital Company, KSA (Listed)
- Partner in Marco Strategic Advisors, KSA (Ltd.)
- Member of the Board of Directors of Jawa Energy Company and Head of shareholder, KSA (Ltd.)
- Member of the Board and audit committee of Leejam Sports Company, KSA (Listed)
- Chief Investment Officer at Saudi Development and Technical Investment Company (TAQNIA), KSA (Ltd.)
- Sector Analyst at Passport Capital, USA (JCC)
- Project Lead and Senior Research Associate at King Abdullah Petroleum Studies and Research Center (KAPSRC), KSA independent and non-profit centre
- Associate at Jadwa Investment Co., KSA (JCC)
- Consultant at Booz & Company, USA (JCC)
- Wireline Field Engineer/Project Manager at Schlumberger Co., USA (JCC)
- Communications Engineer at Saudi Aramco, KSA (Listed)

**Fadi Majdalani****Current Board and Management memberships**

- Managing Partner, Excelsa Holding, Lebanon (JCC)
- Board Member, Ghassan Ahmad Al Sulaiman Furniture Trading Company, KSA (JCC)
- Chairman of the Board of Directors, Endeavor Lebanon, (Government Sector.)
- Excom Member at CATRION Catering Holding Co., KSA (Listed)

Previous Board and Management memberships

- Board Member and Senior Partner, Strategy& (formerly Booz & Co.), UAE (JCC)
- Founder and Managing Partner, Delta Capital, Lebanon (JCC)

**Fahad Moussa****Current Board and Management memberships**

- Vice Chairman board member, Executive Committee member & NRC member at CATRION Catering Holding, KSA (Listed).
- Board Member, Board Executive Committee Member, Board & NRC Chairman at Cargo Company, KSA (JCC).
- Board Member, Board Executive Committee Member, Board Audit Committee Member at SAL Saudi Logistics Services, KSA (JCC).
- Board Member, Board Nomination and Remuneration Committee of Alinma Investment Company, KSA (Closed joint stock company).
- Board Member, Board Nomination and Remuneration Committee of the Fourth Milling Company, a listed joint stock company operating in the Kingdom.
- Board Member of Trustees and Audit Committee of The Royal Institute of Traditional Arts, KSA independent government entity.
- Member of the Nominations and Remuneration Committee of the Board of Directors of Al-Lujain Holding Company, KSA (Listed).
- Board Member and Chairman of the Audit and Risk Committee of the Founding Board of the Western Health Sector, which operates under the Health Holding Company, overseeing health clusters in the Western Region

Previous Board and Management memberships

- Board Member and Audit Committee Member at Aircraft Accessories and Components Company, KSA (Ltd.)
- Board Member at Alsalam Aerospace Industries Company, KSA (Ltd.)
- Board Member of Saudi Airlines Aerospace Engineering Industries Company (Saudia Technic)
- Member of the Nomination and Remuneration Committee at National Petrochemical Industrial Company (Natpet), KSA (JCC)

**Abdulwahab Al Betari****Current Board and Management memberships**

- Chairman at Tarabut Gateway Holding Limited, KSA (Ltd.)
- Board Member at CATRION Catering Holding Company, KSA (Listed)
- Vice Chairman of The National Petrochemical Industrial Co. (NATPET), KSA (Listed)
- Board Member at Riyadh Cables Group, KSA (JCC)
- Vice Chairman of Alujain Corportion, KSA (Listed)
- Board Member at Sunbulah Group, KSA (JCC)
- Board Member at Al Himmah Consortium, KSA (Ltd.)
- Board Member at Manafeth Ambulance & Handicap Vehicles, KSA (Ltd.)
- Board Member at Alhoshan Group (Ltd.)
- Board Member at Saudi Investment Company, Subsidiary of SIDF
- Vice Chairman & Board of the Executive Cimmitte at United International Transportation Co. (Budget Saudi), (Joint stock company)

Previous Board and Management memberships

- Chairman of Future Ceramics Co., KSA (JCC)
- Vice Chairman of the Advisory Committee at Capital Market Authority (CMA), KSA Legal Entity
- Board Member at Jahez International, KSA (JCC)
- Chairman of Osool & Bakheet Investment Company (OBIC), KSA (Listed)
- Board & Risk Committee Member at Bank Aljazira, KSA (Listed)



Dilip Nijhawan

Current Board and Management memberships

- Board Member at Kailis World SL, Madrid (AMEA), An unlisted company operating outside the Kingdom
- Board of Directors Emirates Flight Catering, Food Point, LinenCraft.
- Board of Directors International Travel Catering Association UK
- Board of Director International Food Service Association, USA
- Board of Directors International Food Service Association, Asia Pacific
- Jury and Panel member, Mercury Awards, Asia Pacific IFSA and APOT



Olivier Harnisch

Current Board and Management memberships

- Non-executive member at Hotel Management Company, PIF, KSA (Non-Listed)
- Non-executive member at Bahrain Gulf Hotels Group, Bahrain (Listed)
- Non-executive member RAK Hospitality Co., UAE (Non-Listed)
- Non-executive member at EGIS-ESEC, KSA (Non-Listed)



Joza Al Rasheed

Current Board and Management memberships

- Board Member at Georgetown University MENA Law Alumni Advisory Board

12.4 Board Members' Benefits

Description of the interests, contractual securities or rights issue of the Board members and their relatives in the Company's shares

| Board name | Beginning of year | End of year | Net change | Percentage change | Relative ownership |
|----------------------|-------------------|------------------|------------|-------------------|--------------------|
| | Number of shares | Number of shares | | | |
| Mohammed Al Sarhan | 33,720 | 33,720 | 0 | 0 | 0 |
| Raed Al Mudaiheem | 1,000 | 1,000 | 0 | 0 | 0 |
| Yousef Al Yousefi | 0 | 0 | 0 | 0 | 0 |
| Joza Al Rasheed | 0 | 10 | 10 | 100% | 0 |
| Fadi Majdalani | 0 | 0 | 0 | 0 | 0 |
| Fahad Moussa | 0 | 0 | 0 | 0 | 0 |
| Abdulwahab Al Betari | 0 | 0 | 0 | 0 | 0 |
| Dilip Nijhawan | 0 | 0 | 0 | 0 | 0 |
| Olivier Harnisch | 0 | 0 | 0 | 0 | 0 |

12.5 Forming the Board of Directors & Membership Type

| Member of Board of Directors | Type of membership |
|------------------------------|---|
| Mohammed Al Sarhan | Non-Executive member (Chairman of the Board, Nomination & Remuneration Committee member, Chairman of the Executive Committee) |
| Raed Al Mudaiheem | Non-Executive member (Vice Chairman of the Board, Chairman of the Audit Committee) |
| Yousef Al Yousefi | Independent member (Charman of Nomination & Remuneration Committee) |
| Joza Al Rasheed | Independent member |
| Fadi Majdalani | Independent member (Member Nomination & Remuneration Committee, Executive Committee member) |
| Fahad Moussa | Non-Executive member (Executive Committee Member) |
| Abdulwahab Al Betari | Non-Executive member (Audit Committee, Executive Committee Member) |
| Dilip Nijhawan | Independent member (Audit Committee Member) |
| Olivier Harnisch | Independent member (Nomination & Remuneration Committee Member) |

12.6 Remuneration of Board Members

Pursuant Company’s Law and as per article 22 of the Company's bylaws, the Board of Directors shall be entitled to remuneration in their capacity as members of the Board of Directors pursuant to the terms and conditions determined by the Ordinary General Assembly.

The company’s Board of Directors remuneration policy was updated to comply with the legislative amendments, as the amendments were approved by the General Assembly at its meeting held on 12/10/2023.

Policy of Board of Directors' members remunerations:

- A- In accordance with the Companies Regulations and in accordance with the Company's Bylaws (Article 22), the Company's bylaws shall specify the manner of remunerating Directors. Such remuneration may consist of specified salary, or of a certain percentage of the profit, or of a combination of two or more of these benefits.
- B- The Chairman of the Board shall be entitled to annual remuneration not exceeding (SR. 500,000) five hundred thousand Riyal, and each Chairman of the committees shall be entitled to annual remuneration not exceeding (SR.150,000) one hundred fifty thousand Riyal.
- C- The Vice Chairman and each member of the Board of Directors shall be entitled to annual remunerations not exceeding (SR. 350,000) three hundred fifty thousand Riyals per member. However, each committee member shall be entitled to annual remuneration not exceeding (SR 125,000) one hundred twenty-five thousand Riyals.
- D- At all event, total of remunerations for the Chairman of the Board of Director should not exceed (SR.850,000) eight hundred and fifty thousand Riyals for his presidency of the Board of Directors in addition to his presidency or membership in the Board's committees, in addition to that, the total remunerations of the Vice-Chairman of the Board of Directors, any member of the Board of Directors, any Chairman or member of the committees should not exceed the amount of (SR.700,000) seven hundred thousand Riyals for deputizing the chairman of the Board of Directors or for membership in the Board of Directors or chairing or membership of the committees.
- E- The Chairman of the Board, the Vice Chairman of the Board, members of the Board, Chairman and members the committees shall be entitled of attendance allowance not exceeding the amount of (SR.5,000) five thousand Riyals per meeting attended.
- F- Chairman of the Board of Directors or Vice-Chairman of the Board of Directors and members of the Board of Directors may chair a maximum of two committees.
- G- In the remuneration of Board members, certain criteria related to the performance should be taken in consideration, such as board's meetings attendance.
- H- Directors who are employees of the Company shall not receive any compensation for their services as Directors. Directors who are not employees of the Company cannot enter into any consulting arrangements with the Company without the prior approval of the Board. Directors who serve on the Audit Committee shall not directly or indirectly provide or receive compensation for providing accounting, consulting, legal, investment or inancial advisory services to the Company. Further, the Company shall not contribute to charitable organizations with which a Director is affiliated.
- I - Any violation of the determination of wages is null and void.

Relationship between compensation and policy

Based on the remuneration policy of the Board of Directors, its committees and the executive management, which was referred to in this report, and in light of the remuneration paid to the board, committees and executive management, it is clear that this is consistent with the approved policy of the company without any fundamental deviation from the aforementioned policy.

The table below shows the remunerations of the Board of Directors members during the year 2024:

| Fixed Compensation | | | | | | | | | | Varied Compensation | | | | | | | | | | |
|----------------------------------|---------------------|-----------------|--|--|--|---|--|---|------------------|---------------------|---------------------------|------------------------|----------------------------|---------------------------|----------------|-----------|-----------|-----------------------|------------------|--------------------|
| Board members | Annual remuneration | Specific amount | Total allowance for attending Board meetings | Total allowance for attending committee meetings | Total allowance for attending General Assemblies | Remunerations for technical, managerial and consultative work | Remuneration for technical, managerial and consultative work | Remuneration of the Chairman, Managing Director or Secretary, if a member | In-kind benefits | Total | Percentage of the profits | Periodic remunerations | Short-term incentive plans | Long-term incentive plans | Granted shares | Expenses* | Total | End of service reward | Aggregate amount | Expenses allowance |
| | | | | | | | | | | | | | | | | | | | | |
| First: Independent Board Members | | | | | | | | | | | | | | | | | | | | |
| Yousef Al Yousefi | 500,000 | 25,000 | 40,000 | - | - | - | - | - | - | 565,000 | - | - | - | - | - | 37,229 | 602,229 | - | - | - |
| Fadi Majdalani | 600,000 | 25,000 | 60,000 | - | - | - | - | - | - | 685,000 | - | - | - | - | - | 52,585 | 737,585 | - | - | - |
| Olivier Harnisch | 475,000 | 25,000 | 40,000 | - | - | - | - | - | - | 540,000 | - | - | - | - | - | 91,099 | 631,099 | - | - | - |
| Dilip Nijhawan | 475,000 | 25,000 | 20,000 | - | - | - | - | - | - | 520,000 | - | - | - | - | - | 72,099 | 592,099 | - | - | - |
| Joza Al Rasheed | 306.849 | 20,000 | 0,00 | - | - | - | - | - | - | 326,849 | - | - | - | - | - | 4,110 | 330,959 | - | - | - |
| Total | 2,356.849 | - | 120,000 | 160,000 | - | - | - | - | - | 2,636,849 | - | - | - | - | - | 257,122 | 2,893,971 | - | 0 | - |

*Expenses and fees incurred by the company to enable the Board Director member to perform his duties.

| Fixed Compensation | | | | | | | | | | Varied Compensation | | | | | | | | | | |
|---------------------------------|---------------------|-----------------|--|--|--|---|--|---|------------------|---------------------|---------------------------|------------------------|----------------------------|---------------------------|----------------|-----------|-----------|-----------------------|------------------|--------------------|
| Board members | Annual remuneration | Specific amount | Total allowance for attending Board meetings | Total allowance for attending committee meetings | Total allowance for attending General Assemblies | Remunerations for technical, managerial and consultative work | Remuneration for technical, managerial and consultative work | Remuneration of the Chairman, Managing Director or Secretary, if a member | In-kind benefits | Total | Percentage of the profits | Periodic remunerations | Short-term incentive plans | Long-term incentive plans | Granted shares | Expenses* | Total | End of service reward | Aggregate amount | Expenses allowance |
| | | | | | | | | | | | | | | | | | | | | |
| Second: Non-Executive Directors | | | | | | | | | | | | | | | | | | | | |
| Mohammed Al Sarhan | 765,000 | 25,000 | 60,000 | - | - | - | - | - | - | 850,000 | - | - | - | - | - | 128,511 | 978,511 | - | - | - |
| Abdulwahab Al Betairi | 600,000 | 25,000 | 40,000 | - | - | - | - | - | - | 665,000 | - | - | - | - | - | 8,494 | 673,494 | - | - | - |
| Fahad Moussa | 475,000 | 25,000 | 20,000 | - | - | - | - | - | - | 520,000 | - | - | - | - | - | 13,450 | 533,450 | - | - | - |
| Raed Al Mudaiheem | 500,000 | 25,000 | 20,000 | - | - | - | - | - | - | 545,000 | - | - | - | - | - | 11,421 | 556,421 | - | - | - |
| Total | 2,340,000 | 100,000 | 140,000 | - | - | - | - | - | - | 2,580,000 | - | - | - | - | - | 161,876 | 2,741,876 | - | - | - |
| Total | 4,696,849 | 220,000 | 300,000 | | | | | | | 5,216,849 | | | | | | 418,999 | 5,635,848 | | | |

*Expenses and fees incurred by the company to enable the Board Director member to perform his duties.

13. BOARD OF DIRECTORS' COMMITTEES

Based on the Company's Governance Manual and its bylaws, the Board has three main subcommittees: Audit Committee, Nomination and Remuneration Committee and Executive Committee.

13.1 Audit Committee

The Audit Committee is composed of five non-executive members, three of which are non-executive board directors' members and two of which are an external party competent in financial and accounting affairs. The duties and responsibilities of this Committee include the study of the internal control systems, accounting policies, external auditor review and financial statements review, supervision of the Internal Audit Department, compliance, information technology supervision, reporting, and other responsibilities. The supervision on the Internal Audit department is to verify how efficient it is in the implementation of work and tasks determined by the Board of Directors.

It also studies the Internal Audit reports and follows up on the corrective actions in connection with the reported observations. The Committee also makes recommendations to the Board of Directors with regard to the appointment and removal of external auditors; determination of their remuneration; verification of their independence; follow-up of their duties; and studying the audit plan with the Internal Audit Department. The Committee studies the external auditors' notes to the Company's Financial Statements and follows up presenting them to the Board, expresses opinion thereon and makes recommendations to the Board of Directors in this regard.

The Committee further studies the accounting policies of the Company, expresses opinions thereon and makes recommendations to the Board of Directors in their regard; and assesses the Company's estimation of material risks and the procedures taken by the Company's management to control and address such risks. The Audit Committee also prepares an Annual Report that is presented to the shareholders in the Annual General Assembly.

During 2024, there was no recommendation to appoint an Internal Auditor for the Company, as it already has an Internal Audit Division. In addition, there are no recommendations of the Audit Committee that conflict with the Board's decisions, nor did the Board refuse to take any of the Audit Committee's recommendations into consideration regarding the appointment, dismissal, assessment, or determining the remuneration of the external auditor. Due to the fact that the new Saudi Arabian Companies Law came by virtue of the need for prior approval of the General Assembly regarding the appointment of members of the Audit Committee and the fact that the Committee was appointed before the new law came into effect, appointment of the new members of the Committee was approved during the Extraordinary General Assembly meeting on 13th February 2022.

13.1.1. Members of the Audit Committee

Raed Al Mudaiheem Chairman

(To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 233)

Abdulwahab Al Betari Member

(To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 237)

Dilip Nijhawan Member

(To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 238)

Saleh Al Fadhel Member

Current position: Group CFO - Savvy Games Group

Previous positions

- Group CFO, Saudi Arabian Airlines Co.
- VP – Senior Finance Manager, Al Rajhi Capital.
- Senior Private Equity Manager, Manafea holding.
- CFA/CPA Part-time Instructor, Morgan International
- Investment Analyst / On Jon bespoke training, Goldman Sachs Asset Management.
- Investment Analyst, Saudi Arabian Monetary Agency.
- Selected Highlights Banking Examiner.

Academic qualifications

- Strategic Financial Leadership Program from Stanford University.
- Master of Science in Accountancy from University of Illinois at Urbana-Champaign.
- Master of Science in Finance from University of Illinois at Urbana-Champaign.
- Bachelor of Business Administration from King Saud University.
- Passed All CPA exams with 1st attempt from American Institute of CPA's.
- Passed All CPA exams with 1st attempt from Saudi Organization of CPA's.
- The General Securities Qualification Examination, CME-1, from Capital Market Authority (CMA).

Professional experience:

He has wide experience in the field of financial management. He held many positions in his career. He was the Executive Assistant Director General for Financial and Administrative Affairs of the Saudi Airlines. The national carrier and one of the largest airlines in the Middle East. He also worked as a member in many areas of management, audit committees and airline companies, including closed ones. Including Riyadh Airports Company, AXA Insurance Company, and Fly deal.

Faisal Sabbagh

Member

| | |
|--------------------------|--|
| Current position: | <div><ul style="list-style-type: none">EVP. SAUDIA Group- Saudi Arabian Airlines Corporation.Board of Directors Member at SAUDIA Technic CompanyBoard of Directors Member at Flyadeal CompanyAudit and Review Committee Member at Saudi Airlines Cargo Company</div> |
| Previous positions | <div><ul style="list-style-type: none">CFO- Gulf International Bank- KSA.CFO- Abdul Latif Jameel United Finance Company.Chief Accounting Officer- Bank Al-Jazira.Financial Controller- Saudi National Bank (SNB).Financial analyst and internal auditor- Saudi Arabian Oil Company (Saudia Aramco)</div> |
| Academic qualifications | <div><ul style="list-style-type: none">Master of Business Administration (MBA) King Fahd University of Petroleum and Minerals.Certified Internal Auditor Institute of Internal Auditing (IIA)</div> |
| Professional experience: | An experienced senior executive with more than 25 years of solid experience in Strategic Planning, Finance, Treasury, Financial/Regulatory Reporting, Risk Management, Financial Analysis and Process Automation gained from working in several multinational corporations. |

13.1.2. Table of Audit Committee's

| | | Total meetings (5) | | | | |
|----------------------|--------------------------|--------------------|------------|------------|------------|-------|
| Name / Meeting date | Nature of Membership | 14/03/2024 | 28/04/2024 | 01/08/2014 | 03/11/2024 | Total |
| Raed Al-Mudaiheem | Chairman (Non-Executive) | ✓ | ✓ | ✓ | ✓ | 4 |
| Abdulwahab Al Betari | Member (Non-Executive) | ✓ | ✓ | ✓ | ✓ | 4 |
| Dilip Nijhawan | Member (Independent) | ✓ | ✓ | ✓ | ✓ | 4 |
| Saleh AL Fadhel | Member (External) | ✓ | ✓ | ✓ | ✓ | 4 |
| Faisal Sabbagh | Member (External) | ✓ | ✓ | ✓ | ✓ | 4 |

13.1.3. Remuneration of the Audit Committee members SAR

| Name | Fixed Remuneration | Allowance for attending the meeting | Total |
|----------------------|--------------------|-------------------------------------|---------|
| Raed Al-Mudaiheem | 150,000 | 20,000 | 170,000 |
| Abdulwahab Al Betari | 125,000 | 20,000 | 145,000 |
| Dilip Nijhawan | 125,000 | 20,000 | 145,000 |
| Saleh AL Fadhel | 125,000 | 20,000 | 145,000 |
| Faisal Sabbagh | 125,000 | 20,000 | 145,000 |
| Total | 650,000 | 100,000 | 750.000 |

13.1.4 The Audit Committee report for the year 2024

| | |
|---|--|
| The Audit Committee confirms that the works performed during 2024 assures the adequacy of the internal and financial control system and risk management which achieves the system’s ability to protect the company's assets and ensures the efficiency and integrity of the financial and non-financial procedures and processes which attains its goals, and the commitment of the administrative authorities and their employees to the regulations issued by different governmental agencies and related regulatory authorities. | During the year 2024, the audit committee did not recommend the appointment of an internal auditor for the company due to the presence of the internal audit department, and the committee acknowledges that there are no recommendations that exist between the committee and the board directors’ decisions that conflict or refuse the board to take them with regard to appointing and dismissing the company’s auditor and determining his fees and assessing his performance or appointing the internal auditor. |
|---|--|

13.2 Nomination and Remuneration Committee

The Committee is composed of four non-executive members of the Board of Directors, three of which are an independent Board member. The duties and responsibilities of the Committee include: making recommendations to the Board of Directors with regard to nominations to the membership of the Board, its sub-committees and Executive Management in accordance with the approved policies and standards, provided that no person may be nominated if previously convicted in a felony involving moral turpitude; undertaking the annual review of the skill requirements for the Board of Directors; preparing the description of skills and qualifications required for Board membership including determination of the time that the Board member should dedicate to the business of the Board; and determination of the compensation and remuneration of Board members, its sub-committees and Executive Management.

The Committee also reviews the structure and formation of the Board, makes recommendations concerning changes that can be made and identifies the weaknesses and strengths of the Board with recommendations on how to address them to serve the interests of the Company. On an annual basis, the Committee ensures the independence of the independent members and that there are no conflicts of interest if the member holds membership of the Board of Directors of another company. It develops clear policies for the compensation and remuneration of Board members and senior executives, taking into consideration performance-related standards.

Lastly, the Committee prepares periodic and annual reports on the Committee's activities and the annual disclosure report according to the by-laws. These reports are presented to the Board of Directors.

13.2.1. Members of Nomination and Remuneration Committee

| | |
|-------------------------------------|--|
| Yousef Hamad Al Yousefi | Chairman |
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 234) |
| Mohammed Abdulaziz Al Sarhan | Member |
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 232) |
| Fadi Majdalani | Member |
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 235) |
| Olivier Harnisch | Member |
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 238) |

13.2.2. Schedule of Nomination and Remuneration Committee meetings

| Name | Nature of Membership | Number of Meetings (8) | | | | | | | | | | Total |
|--------------------|------------------------|------------------------|------------|------------|--|--|------------|------------|------------|------------|------------|-------|
| | | 02/01/2024 | 25/01/2025 | 06/03/2024 | | | 28/08/2024 | 01/07/2024 | 29/07/2024 | 02/10/2024 | 02/12/2024 | |
| Yousef Al Yousefi | Chairman (Independent) | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Mohammed Al Sarhan | Member (Non-Executive) | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Fadi Majdalani | Member (Independent) | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Olivier Harnisch | Member (Independent) | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |

13.2.3. Remuneration of the Nomination and Remuneration Committee's members SAR

| Name | Fixed Remuneration | Allowance for attending the meeting | Total |
|--------------------|--------------------|-------------------------------------|----------------|
| Yousef Al Yousefi | 150,000 | 40,000 | 190,000 |
| Mohammed Al Sarhan | 125,000 | 40,000 | 165,000 |
| Fadi Majdalani | 125,000 | 40,000 | 165,000 |
| Olivier Harnisch | 125,000 | 40,000 | 165,000 |
| Total | 525,000 | 160,000 | 685,000 |

13.2 Nomination and Remuneration Committee

13.3 The Executive Committee

The Committee is composed of four non-executive members, one of them is an independent member of the Board of Directors. The duties and responsibilities of the Committee include: assisting the Board in conducting responsibilities and duties in determining the Company's mission, vision, and direction of business; assisting the Board in determining the strategic and investment goals of the Company; assist in determining the vision and duties of the Board; determining main and strategic goals to assist the Company in achieving the required results; assisting the Board in the periodic strategic evaluation of the Company's performance; participating in the evaluation and review of the main investment decisions; form and reform partnerships and their budgets; develop Company investments; develop and enhance information technology; manage relationships with main suppliers; responsible for the

main commercial transactions, policies, and executive procedures of commercial day-to-day transactions; finding development methods; coordinate between Executive Management and other main functions' managers; supervise the performance of the CEO and Executive Management Members; review the ability of the commercial partner (if any); determine the investment strategy and policies; periodic review of potential investments' feasibility; review and approve measures and indicators to evaluate investments; review Zakat and Tax matters in relation to investment transactions in coordination with the Audit Committee; review and disclose accounting procedures and methods of all investment transactions based on the approved accounting standards; continuous review of investment consultants of the Company and determine if they should continue their service; review and report investment results to the Board; and any other tasks related to investments, Company policies, and other matters.

13.3.1. Members of the Executive Committee

Mohammed Abdulaziz Al Sarhan Chairman

| | |
|--|--|
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 238) |
|--|--|

Abdulwahab Al Betari Member

| | |
|--|--|
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 237) |
|--|--|

Fahad Moussa Member

| | |
|--|--|
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 236) |
|--|--|

Fadi Majdalani Member

| | |
|--|--|
| | (To view the biography of the member, his previous and current positions, in addition to his experiences and qualifications, please refer to section No. 12.3 on page 235) |
|--|--|

13.3.2. Schedule of meetings of the Executive Committee

| | | Number of meetings (4) | | | | Total |
|----------------------|--------------------------|------------------------|------------|------------|------------|-------|
| Name / Meeting date | Nature of Membership | 14/01/2024 | 18/04/2024 | 13/06/2024 | 31/10/2024 | |
| Mohammed AL Sarhan | Chairman (Non-Executive) | ✓ | ✓ | ✓ | ✓ | 4 |
| Abdulwahab Al Betari | Member (Non-Executive) | ✓ | ✓ | ✓ | ✓ | 4 |
| Fahad Moussa | Member (Non-Executive) | ✓ | ✓ | ✓ | ✓ | 4 |
| Fadi Majdalani | Member (Independent) | ✓ | ✓ | ✓ | ✓ | 4 |

13.3.3. Remuneration of members of the Executive Committee SAR

| Name | Fixed Remuneration | Allowance for attending the meeting | Total |
|----------------------|--------------------|-------------------------------------|---------|
| Mohammed AL Sarhan | 150,000 | 20,000 | 170,000 |
| Abdulwahab Al Betari | 125,000 | 20,000 | 145,000 |
| Fahad Moussa | 125,000 | 20,000 | 145,000 |
| Fadi Majdalani | 125,000 | 20,000 | 145,000 |
| Total | 525,000 | 80,000 | 605,000 |

14. EXECUTIVE MANAGEMENT

14.1 Company's Executive Management members



Wajdy M. Al-Ghabban

Current positions

- Managing Director at CATRION Catering Holding Company
- General Manager of CATRION Catering Services Company
- General Manager of CATRION Commercial Laundry Company
- General Manager of CATRION Laundry Operations and Maintenance Company
- General Manager of CATRION Operations and Maintenance Company
- Board of Directors member at Saudi French Duty-Free Company "Lagardere"
- Board of Directors member at SAL Saudi Logistics Services Company
- Member, Logistics Private Sector Engagement Council
- Member, Saudi-Emirati Business Council
- Member, Executive Committee, Saudi-Emirati Business Council
- Chairman, Board of Directors, Eight Solutions for Trade Company
- Member, Advisory Board, Faculty of Tourism, King Abdulaziz University
- Member, International Aviation Services Association

Previous positions

- Chief Executive Officer of CATRION Catering Holding Company
- Deputy Chief Executive Officer – CEO at CATRION Catering Holding Company
- Chief Operating Officer – COO at CATRION Catering Holding Company
- General Manager Riyadh Region - GM at CATRION Catering Holding Company
- Head of Catering Unit at Cairo at CATRION Catering Holding Company

Academic qualifications

MBA, Business Management from University of Wales, UK

Professional experience

With more than 36 years of work experience at CATRION Catering Holding Co., in which he held various positions within the company until he assumed the position of Managing Director of the Board of Directors in 2025. Wajdy displays expertise in the fields of airline & non-airline catering. In addition, his interests include software development for airline catering use, automation of production and ware wash systems, catering unit project design and execution, real estate development (construction/renovation of hotel and labor housing projects), and budgeting and contract negotiation.

Al-Ghabban also participates in several Boards of Directors including SAL Saudi Logistics Services Company, and Saudi French Company for Operating and Managing Duty Free Shops. In addition to that he is the Registered Manager of CATRION Catering Services Co., CATRION Commercial Laundry Co., CATRION Laundry Operations & Maintenance Co., CATRION Operations & Maintenance Co..

**Mahmoud Masoud****Current positions**

- Chief Financial Officer of CATRION, based out of Jeddah
- Board member at Saudi French Company for Operating and Managing Duty Free Shops

Previous positions

- Chief Financial Officer Europe Middle East & Africa of CWT, based out of London & Paris
- Chief Financial Officer, United Kingdom of Carlson Wagonlit Travel, based out of London
- Chief Financial Officer of Mannai Corporation, based out of Doha
- Chief Financial Officer of DHL United Kingdom, based out of London
- Vice President Global Controller of DHL based out Brussels
- Chief Financial Officer of DHL Nordics, based out of Helsinki

Academic qualifications

Bachelor of Accounting and Financial Management from Cairo, Egypt

Professional experience

Mahmoud has over 35 years' experience as an International Executive in Logistics, Hospitality, Travel and guest experience with excellent Publicly Listed and Private Equity Backed knowledge. Equipped with a commanding track record of driving success, expertise in driving growth, turnaround and restructuring, coupled with a wide range of responsibilities including M&A, Investment and Financial transformation.

**Tarek Tharwat****Current positions**

- VP- Chief Audit Executive

Previous positions

- Chief Internal Auditor at Saudi Binladin Group – Public Buildings and Airports Division 'PBAD'
- Corporate Internal Audit Manager at Orascom Construction Industries 'OCI' in Egypt, responsible for the cement division in Egypt and the overseas network
- Internal Audit Manager for North Africa and the overseas network of Abdul Latif Jameel 'ALJ'; based in Algeria
- Internal audit supervisor at Abdul Latif Jameel 'ALJ', the dealer of Toyota in KSA
- Credit Manager at 'Rhodia', French chemical group in Egypt
- Chief Accountant at 'Rhodia', French chemical group in Egypt
- Supervisor Deloitte & Touche Egypt (External Audit Firm)

Academic qualifications

- MBA in International Business from the University of Liverpool in UK
- BSc. in accounting from Alexandria University in Egypt
- Chartered Accountant
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (CISA) from the Information Systems Audit and Control Association (ISACA)
- Certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors (IIA) in USA
- Certified Financial Consultant (CFC) from the Institute of Financial Consultants (IFC)
- Certified Fraud Examiner (CFE) from the Association of Certified Fraud Examiners (ACFE).

Professional experience

Tarek Tharwat holds an MBA in International Business from the University of Liverpool and a BSc in Accounting from Alexandria University in Egypt, and is a registered Chartered Accountant. Tarek also holds the Certified Internal Auditor (CIA) and the Certification in Risk Management Assurance (CRMA) both from the Institute of Internal Auditors (IIA), the Certified Financial Consultant (CFC) from the Institute of Financial Consultants (IFC) and the Certified Information Systems Auditor (CISA) from the Information Systems Audit and Control Association (ISACA), Certified Fraud Examiner (CFE) from the Association of Certified Fraud Examiners (ACFE) in addition to other audit and internal control professional certificates. Tarek has over 30 years of professional experience in Internal Control, Risk Management Inspection & both operational and financial audit. Worked as external auditors in Deloitte & Touche Egypt then moved to the French chemical group 'Rhodia' in Egypt as a group Chief Accountant then promoted to the Group Credit Manager. In 2003, Tarek joined Abdul Latif Jameel 'ALJ', the dealer of Toyota in KSA, as internal audit supervisor then transferred to Algeria as Internal Audit Manager where he set up the Internal Audit function for North Africa and the overseas network. Tarek also joined Orascom Construction Industries 'OCI' in Egypt as Corporate Internal Audit Manager responsible for the cement division, then joined Saudi Binladin Group as Chief Internal Auditor for the Public Buildings and Airports Division 'PBAD'. Currently Tarek is the VP Chief Audit Executive at CATRION Catering Holding Co..

**Obaidah AL Saggar****Current positions**

VP Procurement and Strategic Sourcing

Previous positions

- Supply Chain Director @ DAA a DEDCO JV Company
- Corporate Supply Chain Senior Manager @ Basamh Trading Company

Academic qualifications

- MBA from Maastricht School of Management (Distinguished Grade) in Strategic Management
- BS of Industrial Engineering from King Fahad University of Petroleum and Minerals (Honor Grade)

Professional experience

- Certified Project Management Professional, PMP
- Certified Supply Chain Management Professional, CSCP
- Certified in Logistics, Transportation and Distribution, CLTD
- Certified Supply Chain Manager
- Qualified Trainer
- Disruptive Strategy - Harvard Business School
- Advanced Leadership and Persuasion skills - Columbia Business School
- Finance for Executives - London Business School
- PRISM - Management Leadership

Visionary and Strategic professional with more than 16 years of experience in supply chain, logistics, planning, operational cost optimization, procurement, supply & demand planning, Sales & operation planning. experienced in the industries of FMCG, Retail Business, Wholesale, Catering & Food Service, HoReCa, Clothing and Fashion, Sales and Distribution.

Demonstrated achievement and experience in strategic management of supply chain, procurement and logistics operations, implementing highly reliable systems to control cost and supporting known future business needs in diverse industries.

Resourceful, analytical, and strategically inclined Supply Chain Seasoned leader experienced in designing, implementing and measuring integrated supply chain performance turnaround strategies, automating business processes and controls, and setting up businesses and new departments. Regularly delivered highly successful strategy transformations, operational realignment and streamlining, staff re-engagement, and major contract negotiation. Instrumental in creating synergies enabling business growth through accelerated throughput, reducing cost and lead times, and increasing capacity in both stable and unstable environments. Successful in implementing Procurement Module, Inventory Management Module, Distribution Planning Requirements Module in SAP, Oracle and other ERPs with integration with other modules. Achieved many efficiencies and cost reduction projects that led to improve the profitability and optimize the working capital. Realized supply chain strategic objectives and plans/executes operational and technology programs and projects to provide clear views of the flow of products, services, and information. Managed complex distributed projects and teams with focus on team development, encouraging out of the box approaches and leading transformation and automation projects. Extensive experience with process improvement initiatives and techniques including transformation, process mapping, and gap analysis across multiple business domains. Achieved many leadership and excellence awards.

**Dr. Rashed Abdulrahman Alarfaj****Current positions**

EVP In-Flight Catering

Previous positions

- Vice President of Health, Safety, and Standards Control
- Executive Director of Monitoring and Risk Assessment (SFDA)
- Acting executive Director of Risk Assessment (SFDA)
- Chief food industry specialist (SFDA)

Academic qualifications

- Doctor of Philosophy (PhD), Food Science and Technology, University of Reading
- Master of Science (MSc), Food Technology and Quality Assurance, King Saud University
- Bachelor of Science (BSc), Biochemistry

Professional experience

Dr. Rashed Alarfaj is the Executive Vice President of Inflight Catering at CATRION Catering Holding Company since April 2023. He oversees, leading and managing the company's in-flight catering operations across multiple geographies, overseeing the development and execution of operational and sales strategies for this business segment while ensuring optimal efficiency and service excellence. Additionally, accountable for budget management, financial performance enhancement, and resource optimization, driving sustainable growth and maximizing value for the company. implementation of policies and procedures for aircraft catering, manages daily operations, enhances customer experience, and ensures compliance with international and local standards in the sector.

Previously, he served as Vice President of Health, Safety, and Standards Control at CATRION from July 2021 to March 2023. In this role, he led initiatives related to food safety, laboratory management, quality assurance, occupational health and safety, security, institutional risk management, business continuity, and sustainability.

Dr. Alarfaj is a distinguished leader with extensive expertise in food safety, risk analysis, and sustainability. During his tenure at the Saudi Food and Drug Authority (SFDA), he held key roles, including Executive Director of Monitoring and Risk Assessment, where he significantly contributed to establishing the International Advisory Committee for Risk Assessment and co-founding the International Forum of Heads of Food Regulatory Agencies.

He has chaired multiple local, regional, and international committees, including:

Chairman of the National Committee for Health and Phytosanitary Measures (2021–2018), representing Saudi Arabia at the World Trade Organization (WTO).

Chairman of the Gulf Food Safety Committee (2021–2017), representing Saudi Arabia in the Gulf Cooperation Council (GCC).

In 2019, he was appointed as a Peer Reviewer for the Food Control journal. In 2020, he was elected as a Board Member of the International Association for Regulatory Food Science.



Mohammed Aliy Yahya Al-Awi

Current positions

VP, Health, Security & Standards Control.

Previous positions

- Asir Municipality General Manager of Licenses and Inspection.
- Khamis Mushyite Municipality Deputy Mayor for Services.
- Khamis Mushyite Municipality Environmental Health.
- Khamis Mushyite Municipality Municipal Inspector.

Academic qualifications

- Future Leader Program – Harvard University, 2023.
- Executive Master of Business Administration – University of Northampton, UK.
- Doctor of Philosophy in Food Safety & Health – Heriot-Watt University, UK, 2016.
- Master of Science in Food Safety & Health – Heriot-Watt University, UK, 2011.
- Diploma in English Language, UK, 2010.
- Veterinary Medicine, King Faisal University, 2003.

Professional experience

Experienced manager with a demonstrated history of working in government and private sectors for over 22 years. I have gained considerable experience in leadership, initiatives, and risk analysis. I have delivered high-end consulting services to the municipal sector through developing operating systems, corporate strategy, and strategic planning.



Ashraf M. Nadeem

Current positions

VP, Chief Information Technology Officer

Previous positions

SVP- Head IT Services – Saudi Nation Bank

Academic qualifications

BS- Computer Engineer King Fahad University for Petroleum & Minerals

Professional experience

With a strong academic background in Computer Engineering from King Fahad University of Petroleum and Minerals, Dhahran, 25 years of experience to the role. Specialized in various sectors, including banking and retail, demonstrating expertise in IT and digital transformation, robotics and automation and strategic planning. At CATRION, has successfully modernized infrastructure and application landscapes, while introducing in-house digitization and automation technologies. With strategic approach ensures the delivery of cost-effective and cutting-edge technology solution



Thomas Andreas Gugler

Current positions

VP Culinary

Previous positions

- President Worldchefs 2016-2024
- (World Association of Chefs Societies)
- (Running a multimillion dollar organization and 12 million professional chefs globally)
- CEO OF TAG

Academic qualifications

Certified master degree in culinary arts

Professional experience

A proactive, focused and committed professional, with extensive expertise gained within the hotel/resort/restaurant/catering/competition and hospitality sector. Commercially astute, with the ability to identify business opportunities and implement effective trainings, novelty in food art, creativity in menu development and menu concepts, excellent leadership, HACCP and ISO certified and skilled, able to raise corporate profiles and consolidate year on year expansion. An accomplished time manager, organizer and change manager, capable of introducing and integrating innovative strategies, streamlining resources to maximize performance and quality standards to ensure the ongoing provision of the highest output of customer satisfaction. A well-presented, confident and articulate communicator and negotiator at all levels, who commands respect and credibility through the projection of a professional image.



Saeed Ahmed Al-Mufadali

Current positions

Vice President of Human Resources.

Previous positions

- Director, Human Resources at CATRION (formerly Saudi Airlines Catering Company - SACC).
- Senior Manager, Strategy, Business Planning & Performance Control at Maaden.
- Manager, Human Resources at Maaden.

Academic qualifications

- Master of Business Administration (MBA) in Human Resources.
- Bachelor of Science (BS) in Public Administration.
- HR Executive Suite Connection Program - Harvard Business School.
- Organizational Leadership: Driving Culture & Performance - IMD
- Adapting & Harnessing the Power of AI in HR - Merck
- Strategic Planning and Operational Planning | American Institute of Professional Studies – AIPS
- Senior Leadership Program (SLDP) - INSEAD
- • Change Management Professional - PROSCI
- Job Evaluation - Korn Ferry

Experience

Seasoned Executive with over 25 years of experience in Human Resources, steering multinational corporations through transformative growth and operational excellence in diverse sectors including aviation, catering, retail, hospitality, petrochemical, and mining. Spearheaded HR strategies that aligned with organizational goals, elevated governance frameworks, and championed sustainable business practices through a rigorous integration of Environmental, Social, and Governance (ESG) standards. Pioneered talent development and succession planning initiatives, significantly enhancing global talent retention and organizational resilience. Led comprehensive risk management efforts, ensuring regulatory compliance and safeguarding corporate interests. Trusted advisor to boards and executive committees, proficient in optimizing board dynamics and compliance standards.



Frederic Huet

Current positions

Vice President - Integrated Hospitality

Previous positions

- Investor & Operator of Restaurants at FMH Holding, FMH Journey
- COO / Regional Segment director South East Asia & Hong Kong, at Sodexo
- Country General Manager, at Sodexo Indonesia
- President & CEO, at Sodexo New Caledonia
- Chief Operating Officer, at Sodexo Thailand
- Operations Director, at Sodexo France
- General Manager, 3 stars Hotel
- Food and Beverage Director, 3 stars Hotel-Spa
- Deputy Director, De Luxe" Hotel Restaurant

Academic qualifications

- BTS Hotellerie, ECOLE HOTELIERE DU TOUQUET PARIS PLAGE
- A-Levels (BAC), Hotel and Catering, Lycee Hotelier Avesnes/helps

Experience

More than 26 years in catering services and hospitality.

14.2. Remunerations of Top Senior Executives

| Fixed Compensation | | | | |
|--------------------|-----------|------------|------------------|-----------|
| Item | Salaries | Allowances | In-kind benefits | Total |
| Total | 4,563,233 | 1,781,938 | - | 6,345,171 |

| Varied Compensation | | | | | | | | | |
|---------------------|------------------------|---------|----------------------------|---------------------------|------------------------|---------|-----------------------|------------------------------------|-----------|
| Item | Periodic Remunerations | Profits | Short-term incentive plans | Long-term incentive plans | Granted Shares (value) | Total | End of service reward | Remuneration for Board Memberships | Total |
| Total | 734,400 | - | - | - | - | 743,400 | 361,439 | - | 7,450,010 |

Based on the company's organization chart, the CEO and CFO are among the top executives as their compensation are included in the above Executive Management's compensation. The company has committed the disclosure of the Executives remuneration, in accordance with the statutory requirements contained in Article 93 of the Corporate Governance Regulations. The Company has addressed the Capital Market Authority (CMA) a letter registered under reference No. (2021033001/GCO/1067) concerning the optimal detail for the disclosure of the Executives' remuneration, as contained in Appendix No. (1) of the Corporate Governance Regulations and in accordance with Article (60) of the Rules for Offering Securities and Continuing Obligations.

The Company's request is still under discussion with CMA where the Company aspires to reach an agreement with CMA regarding such disclosure in order to avoid any unjustified harm, and to give a correct impression on the mechanism of compensation procedures, which depends on the competitiveness of Human Capital. The Company will be committed to disclose according to the direction of CMA, in a way that serves the interests of investors and the stability of the Stock Market's disclosures.

14.3 Executive Management's Compensation Policy

- a. The Board of Directors shall determine the compensation of the Chief Executive Officer in their appointment resolution and shall be stated in the contract with that Chief Executive Officer.

b. The Executive Management members' compensation shall be in accordance with the Company's internal policies, and shall be determined based on the employment grade of each member. This shall exclude the Chief Audit Executive who will have his compensation determined by the Board of Directors based on the Audit Committee's recommendation.

c. In determining compensations of the Executive Management, the size of the responsibilities, tasks, and duties and the expertise, qualifications, skills, and performance should be taken into account.

d. The Company should immediately stop a compensation of an Executive Management Member, upon its knowledge of any misleading information given by the Executive Management member to misuse his employment status to gain undeserved compensations. The Company reserves its right of claiming all undeserved compensation that was awarded to that member either internally, or externally by the responsible authorities.
- e. The Nomination and Remuneration Committee should review the compensations of the Executive Management periodically to ensure its reasonable sufficiency to attract and retain members of merit and experience and motivate them to develop the Company on a long-term basis.

f. Indicators relating to performance should be taken into account when determining the remuneration of Executive Management members.

14.4 Relationship between Compensation and Policy

- a. The Chief Executive Officer's compensation was determined by the Board of Directors and is reflected in his employment contract.

b. The Executive Management members' compensations were determined by the Company's internal policies, except for the Chief Audit Executive whose compensation was determined by the Board based on the Audit Committee's recommendation.

c. The compensations were based on a performance indicator that Executive Management members are evaluated against annually.

15. RELATED PARTY TRANSACTIONS

Saudi Airlines Establishment (Saudia) is the largest Shareholder in the Company. A large portion of the Company's business is conducted with Saudia, such as providing meals to passengers and crew on board Saudia flights, as well as other services such as producing and preparing menus, ground services that are mainly meals for the employees of this sector.

All contracts signed with related parties were approved during the meeting of the Company's General Assembly authorized for 2024. These related parties include Saudi Arabian Airlines Establishment, Saudi Airlines Cargo, Saudi Airlines Ground Services, Saudi Airlines Real Estate Development Company, Flyadeal, Jeddah Airport Company, Al Sunbulah Group, Al Sunbulah Group, United International Transportation Co. (Budget Saudi), Watar Partners Co. and Saudi French Company for Operating and Managing Duty Free Markets.

15.1. SUMMARY OF THE TRANSACTIONS WITH THE RELATED PARTIES

| Related party | Its relation with the Company | Transaction/ purchase Type | Its duration | Its value |
|--------------------------------------|--|--|---|-----------------------------|
| Saudi Arabian Airlines Establishment | One of major shareholders in the Company who owns more than (5%) of the total company's capital and due to the membership of CATRION Board Director Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi | In-flight catering services | This contract took effect on 31/12/2019 and ends on 31/12/2029 | Provisional based on orders |
| | | Catering and hospitality services for Al Forsan Lounge Terminal 5 in King Khaled International Airport | Ten Gregorian years from the date of receipt of the Lounge on 08/01/2016 and ending on 31/07/2026 | Provisional based on orders |
| | | Catering services in Al Forsan Lounge in Egypt International Airport | This contract is for five Gregorian years which began on 16/01/2017, and was renewed for a similar current period starting on 17/01/2022 and ending on 01/16/2027 | Provisional based on orders |
| | | Lease agreement in (AM1) building in King Khaled International Airport | Two Gregorian years, which began on 01/03/2016 and is automatically renewed for a similar period, the current renewed period ends on 28/02/2026. | Saudi Riyal 5,205,200 |
| | | Services in (AM1) building in King Khaled International Airport | Two Gregorian years, which began on 01/03/2016 and is automatically renewed for a similar period, the current renewed period ends on 28/02/2026. | Provisional based on orders |
| | | Catering and Hospitality services for (Welcome) lounge in Prince Mohammed Bin Abdulaziz International Airport in Madinnah Monawara | One Gregorian year automatically renewed and took effect on 22/02/2017 and the current renewed period ends on 22/02/2025 | Provisional based on orders |
| | | Design, constructing and operating Alfursan Domestic lounge at the New King Abdulaziz International Airport in Jeddah | The term of the contract shall be for a term of (10) Gregorian years starting from the actual operation date on 30/05/2018 and ends on 29/05/2028 | Provisional based on orders |
| | | Design, constructing and operating Alfursan International lounge at the New King Abdulaziz International Airport in Jeddah | The term of the contract shall be for a term of (10) Gregorian years starting from the actual operation date on 24/11/2021 and ends on 23/11/2031 | Provisional based on orders |
| | | IT Service Level agreement with Saudia | The contract entered into force 01/01/2018 | Provisional based on orders |
| | | Equipment supply services agreement | Three Gregorian years, effective on 01/01/2022 and ending on 31/12/2024 | Provisional based on orders |

| Related party | Its relation with the Company | Transaction/ purchase Type | Its duration | Its value |
|--------------------------------------|--|---|---|-----------------------------|
| Saudi Arabian Airlines Establishment | One of major shareholders in the Company who owns more than (5%) of the total company's capital and due to the membership of CATRION Board Director Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi | Catering service for delay flights | Two Gregorian years, effective on 27/12/2023 and ending on 26/12/2025 | Provisional based on orders |
| | | Providing customer satisfaction survey for external stations | Based on purchase orders | Provisional based on orders |
| | | In flight Catering service to Saudi Royal Fleet | Three Gregorian years, effective on 01/04/2022 and ending on 31/03/2025 | Provisional based on orders |
| | | Other Services to Saudi Arabian Airlines Establishment | Based on purchase orders | Provisional based on orders |
| | | Catering and Hospitality services provided to Fursan lounges in Dammam | The contract entered into force 01/01/2023 and ending on 31/08/2024 | Provisional based on orders |
| | | Catering and Hospitality services to Saudi Arabian Airlines Establishment for (Welcome) lounge Dammam | Based on purchase orders | Provisional based on orders |
| | | Lab Services to Saudi Arabian Airlines Establishment | Based on purchase orders | Provisional based on orders |
| Saudi Ground Services SGS | A subsidiary of Saudi Arabian Airlines Establishment | Catering services in Jeddah, Riyadh, Dammam and Madinnah Al Monawarah | Based on purchase orders | Provisional based on orders |
| | | Transport services agreement with SGS in King Fahad International Airport in Dammam | Two Gregorian years, automatically renewed for a similar period, which began on 28/11/2015, and the current renewed period ends on 27/11/2025 | Provisional based on orders |

| Related party | Its relation with the Company | Transaction/ purchase Type | Its duration | Its value |
|--|---|---|---|-----------------------------|
| Saudi Ground Services SGS | A subsidiary of Saudi Arabian Airlines Establishment | Laundry services to SGS in, Jeddah, Riyadh, Dammam and Madinnah Al Monawarah | Based on purchase orders | Provisional based on orders |
| | | Fuel services | One Gregorian year, automatically renewed for a similar period that began on 01/06/2023 and the current renewed period ends on 31/05/2025 | Provisional based on orders |
| | | Accommodation services agreement with SGS in King Fahad International Airport in Dammam | Two Gregorian years, automatically renewed for a similar period, which began on 28/11/2015, and ends on 27/11/2025 | Provisional based on orders |
| | | Laboratory services | Based on purchase orders | Provisional based on orders |
| | | Other Services | Based on purchase orders | Provisional based on orders |
| Saudi Airlines Cargo | A subsidiary of Saudi Arabian Airlines Establishment and with regard to the membership of Mr. Fahad Moussa in his capacity as a member of the Board of Directors and Chairman of the Nominations and Remuneration Committee of Saudi Airlines Cargo Company | Inflight Catering services | Based on purchase orders | Provisional based on orders |
| Saudi Airlines Real Estate & Development Company "SARED" | A subsidiary of Saudi Arabian Airlines Establishment | Lease agreement for commercial shops in Saudi City compound | This contract took effect on 01/07/2017 and ends on 31/12/2024 | Saudi Riyal 57,000 |
| | | Lease agreement for commercial shops in King Abdulaziz International Airport | Gregorian year, automatically renewed that began on 19/01/2022. The current renewed period ends on 18/01/2025 | Saudi Riyal 136,000 |
| | | Other Services | Based on purchase orders | Provisional based on orders |

| Related party | Its relation with the Company | Transaction/ purchase Type | Its duration | Its value |
|---|---|--|---|--|
| Flyadeal | A subsidiary of Saudi Arabian Airlines Establishment | Inflight Catering services and Skysales Services | Four Gregorian years began on 01/03/2021 and ends on 28/02/2027 | Provisional based on orders |
| | | Inflight Catering services for delayed flights | Based on purchase orders | Provisional based on orders |
| | | Lease agreement in (AM1) building in King Khaled International Airport | Based on purchase orders | Provisional based on orders |
| | | Others services | Based on purchase orders | Provisional based on orders |
| Saudi Royal Fleet | A subsidiary of Saudi Arabian Airlines Establishment | In flight Catering service | Three Gregorian years, effective on 01/04/2022 and ending on 31/03/2025 | A subsidiary of Saudi Arabian Airlines Establishment |
| | | Other Services | Based on purchase orders | A subsidiary of Saudi Arabian Airlines Establishment |
| | | Laboratory services | Based on purchase orders | Provisional based on orders |
| Saudi Airlines Private Aviation Company | A subsidiary of Saudi Arabian Airlines Establishment | In flight Catering service | This contract took effect | Provisional based on orders |
| | | Other services | on 01/01/2010 | Provisional based on orders |
| Prince Sultan Aviation Academy Company | A subsidiary of Saudi Arabian Airlines Establishment | Catering services | Based on purchase orders | |
| Saudi Aerospace Engineering | A subsidiary of Saudi Arabian Airlines Establishment | Other services | Based on purchase orders | Provisional based on orders |
| SAL Saudi Logistics .Services Co | A subsidiary of Saudi Arabian Airlines Establishment and with regard to the membership of Mr. Fahad Moussa in his capacity as a member of the Board of Directors and member of the Audit Committee of SAL | Cargo services | Three Gregorian years, effective on 01/01/2024 and ending on 31/12/2026 | Provisional based on orders |

| Related party | Its relation with the Company | Transaction/ purchase Type | Its duration | Its value |
|---|--|--|--|--|
| Saudi French Company for Operating and Managing Duty Free Shops | An affiliate company, which CATRION Catering Holding Co. owns 40% of the company's capital and also according to membership of Mr. Wajdy Al Ghabban and Mr. Mahmoud Masoud | Managing and Operating Duty Free Shops in the Airports. The transactions are administrative fees and some logistical services related to the management and operation of duty free shops | This contract took effect on November 23rd, 2016 and continues for 25 years and the Shareholders agreement stipulates that the services will continue throughout the duration of the Company | Provisional based on orders |
| Al Sunbulah Group | | Supply of foodstuffs, pastries and baked goods | One Gregorian year, automatically renewed for a similar period | Provisional based on orders |
| United International Transportation Co. (Budget Saudi) | With regard to the membership of Mr. Abdulwahab Al Betairi | Transportation and logistics services | One Gregorian year, automatically renewed for a similar period | Provisional based on orders |
| Watar Partners Co. | | Investment relations | NA | 510,000 USD |
| Jeddah Airport Company | With regard to the membership of Eng. Raed AL Mudaiheem as he holding the position of Chairman of the Board of Directors of Jeddah Airport Company | Lease agreement for CATRION's catering "203" unite located in Jeddah | The novation agreement began on 01/01/2022 The contract entered into force on 01/06/1433H corresponding to 04/22/2012G, and was renewed for several periods ending on 12/31/2024G. | annually 24,500,000 .SAR |
| | | Lease contract for office space at King Abdulaziz International Airport in Jeddah | The contract started on 18/09/2022G and will be extended on a monthly basis after its expiration | annually 912,173.25 .SAR |
| | | Lease contract for Wellcome Lounge at King Abdulaziz International Airport in Jeddah | The agreement will automatically renew every month, starting from 01/04/2023 | A percentage deducted from the lounge's revenues |

15.2. Income and expenses in SAR from related parties during 2024

| Related party | Income | Expenses |
|--|---------------|--------------|
| Flyadeal Airlines Company | 19,629,392 | - |
| Prince Sultan Aviation Academy | 54,686 | - |
| SAL Saudi Logistics Services Company | 37,637 | 146,765.54 |
| Saudi Airlines Cargo Company | 6,095,856 | - |
| Saudi Airlines Real Estate Development Company | 37,260 | 1,989,829.71 |
| Saudi Arabian Airlines Corporation | 1,793,045,730 | 745,814.04 |
| Saudi French Company for Duty Free Operations and Management | 7,526,852 | - |
| Saudi Ground Services Company | 58,123,140 | 4,407,387.92 |
| Saudi Private Aviation | 24,147,781 | - |
| Saudia Aerospace Engineering Industries | 7,452,755 | - |
| Saudia Royal Fleet | 36,897,380 | - |
| Jeddah Airport Company | - | 30,049,873 |
| Al Sunbulah Group | - | 5,261,308 |
| United International Transportation Co. (Budget Saudi) | - | 3,877,951 |
| Watar Partners Co. | - | - |

15.3. Accounts payable and receivable in SAR from related parties during 2024

| Related party | Receivables | Payables |
|--|-------------|----------|
| Saudi Arabian Airlines Corporation | 397,202,113 | - |
| Saudia Aerospace Engineering Industries | 17,384,088 | - |
| Saudi Ground Services Company | 16,458,008 | - |
| Saudia Royal Fleet | 8,175,350 | - |
| Flyadeal Airlines Company | 4,548,140 | - |
| Saudi Private Aviation | 3,711,951 | - |
| Saudi Airlines Cargo Company | 1,307,660 | - |
| Saudi French Company for Duty Free Operations and Management | 647,035 | - |
| Prince Sultan Aviation Academy | 72,789 | - |
| Saudi Airlines Real Estate Development Company | 37,260 | 195,500 |
| SAL Saudi Logistics Services Company | 7,651 | - |
| Jeddah Airport Group | - | - |
| Al Sunbulah Group | - | 837,731 |
| United International Transportation Co. (Budget Saudi) | - | 80,322 |
| Watar Partners Co. | - | - |

16. BUSINESS AND CONTRACTS THAT THE COMPANY IS A PARTY IN, AND IN IT OR HAS AN INTEREST OF ONE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY’S EXECUTIVES OR ANY PERSON RELATED TO ANY OF THEM

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|--|-----------------------------|---|---|--|
| In-flight catering services to Saudi Arabian Airlines Establishment | Provisional based on orders | This contract took effect on 31/12/2019 and ends on 31/12/2029 | No preferential conditions compared to local market | |
| Catering and hospitality services to Saudi Arabian Airlines Establishment for Al Forsan Lounge Terminal 5 in King Khaled International Airport | Provisional based on orders | Ten Gregorian years from the date of receipt of the Lounge on 08/01/2016 and ending on 31/07/2026 | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Catering services to Saudi Arabian Airlines Establishment in Al Forsan Lounge in Egypt International Airport | Provisional based on orders | This contract is for five Gregorian years which began on 16/01/2017, and was renewed for a similar current period starting on 17/01/2022 and ending on 01/16/2027 | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|--|-----------------------------|--|---|--|
| Lease agreement with Saudi Arabian Airlines Establishment in (AM1) building in King Khaled International Airport | 5,205,200 Saudi Riyal | Two Gregorian years, which began on 01/03/2016 and is automatically renewed for a similar period, the current renewed period ends on 28/02/2026. | No preferential conditions compared to local market | |
| Catering services to Saudi Arabian Airlines Establishment in (AM1) building in King Khaled International Airport | Provisional based on orders | Two Gregorian years, which began on 01/03/2016 and is automatically renewed for a similar period, the current renewed period ends on 28/02/2026. | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Catering and Hospitality services to Saudi Arabian Airlines Establishment for (Welcome) lounge in Prince Mohammed Bin Abdulaziz International Airport in Madinnah Monawara | Provisional based on orders | One Gregorian year automatically renewed and took effect on 22/02/2017 and the current renewed period ends on 22/02/2025 | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|---|-----------------------------|---|---|--|
| Design, constructing and operating agreement with Saudi Arabian Airlines Establishment Alfursan Domestic lounge at the New King Abdulaziz International Airport in Jeddah | Provisional based on orders | The term of the contract shall be for a term of (10) Gregorian years starting from the actual operation date on 30/05/2018 and ends on 29/05/2028 | No preferential conditions compared to local market | |
| Design, constructing and operating with Saudi Arabian Airlines Establishment for Alfursan International lounge at the New King Abdulaziz International Airport in Jeddah | Provisional based on orders | The term of the contract shall be for a term of (10) Gregorian years starting from the actual operation date on 24/11/2021 and ends on 23/11/2031 | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| IT Service Level agreement with Saudi Arabian Airlines Establishment | Provisional based on orders | The contract entered into force 01/01/2018 | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|--|-----------------------------|---|---|--|
| Equipment Supply services agreement with Saudi Arabian Airlines Establishment | Provisional based on orders | Three Gregorian years, effective on 01/01/2022 and ending on 31/12/2024 | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Catering service to Saudi Arabian Airlines Establishment for delay flights | Provisional based on orders | Two Gregorian years, effective on 27/12/2023 and ending on 26/12/2025 | No preferential conditions compared to local market | |
| Providing customer satisfaction survey for external stations to Saudi Arabian Airlines Establishment | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |
| Other Services to Saudi Arabian Airlines Establishment | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|---|-----------------------------|---|---|--|
| Catering and Hospitality services provided to Al Forsan lounges in Dammam | Provisional based on orders | The contract entered into force 01/01/2023 and ending on 31/085/2024 | No preferential conditions compared to local market | |
| Catering and Hospitality services to Saudi Arabian Airlines Establishment for (Welcome) lounge Dammam | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Lab Services to Saudi Arabian Airlines Establishment | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |
| In flight Catering service to Saudi Royal Fleet | Provisional based on orders | Three Gregorian years, effective on 01/04/2022 and ending on 31/03/2025 | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|---|-----------------------------|---|---|--|
| Other Services to Saudi Royal Fleet | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |
| Catering services to Saudi Ground Services SGS in Jeddah, Riyadh, Dammam and Madinnah Al Monawarah | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Transport services agreement with Saudi Ground Services SGS in King Fahad International Airport in Dammam | Provisional based on orders | Two Gregorian years, automatically renewed for a similar period, which began on 28/11/2015, and the current renewed period ends on 27/11/2025 | No preferential conditions compared to local market | |
| Laundry services to Saudi Ground Services SGS in, Jeddah, Riyadh, Dammam and Madinnah Al Monawarah | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|---|-----------------------------|---|---|--|
| Fuel services agreement with Saudi Ground Services SGS | Provisional based on orders | One Gregorian year, automatically renewed for a similar period that began on 01/06/2023 and the current renewed period ends on 31/05/2025 | No preferential conditions compared to local market | |
| Accommodation services agreement with Saudi Ground Services SGS in King Fahad International Airport in Dammam | Provisional based on orders | Two Gregorian years, automatically renewed for a similar period, which began on 28/11/2015, and ends on 27/11/2025 | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Laboratory services to Saudi Ground Services SGS | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |
| Other Services to Saudi Ground Services SGS | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|--|-----------------------------|---|---|--|
| Inflight Catering services to Saudi Airlines Cargo | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |
| Lease agreement with Saudi Airlines Real Estate & Development Company "SARED" for commercial shops in Saudi City compound | 57,000 Saudi Riyal | This contract took effect on 01/07/2017 and ends on 31/12/2024 | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Lease agreement with Saudi Airlines Real Estate & Development Company "SARED" for commercial shops in King Abdulaziz International Airport | 136,000 Saudi Riyal | Gregorian year, automatically renewed that began on 19/01/2022. The current renewed period ends on 18/01/2025 | No preferential conditions compared to local market | |
| Other Services from SARED | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|---|-----------------------------|---|---|--|
| Inflight Catering services and Skysales Services to Flyadeal | Provisional based on orders | Four Gregorian years began on 01/03/2021 and ends on 28/02/2027 | No preferential conditions compared to local market | |
| Inflight Catering services for delayed flights to Flyadeal | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Lease agreement with Flyadeal for (AM1) building in King Khaled International Airport | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |
| Others services to Flyadeal | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|--|-----------------------------|--|---|--|
| Laboratory services to Saudi Airlines Private Aviation Company | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | |
| Catering services to Prince Sultan Aviation Academy Company | Provisional based on orders | Based on purchase orders | No preferential conditions compared to local market | Mr. Mohammed Al Sarhan, Mr. Fahad Moussa and Mr. Abdulwahab Al Betairi |
| Cargo services to SAL Saudi Logistics Services Co. | Provisional based on orders | Three Gregorian years, effective on 01/01/2024 and ending on 31/12/2026 | No preferential conditions compared to local market | |
| Managing and Operating Duty Free Shops in the Airports. The transactions are administrative fees and some logistical services related to the management and operation of duty free shops | Provisional based on orders | This contract took effect on November 23rd, 2016 and continues for 25 years and the Shareholders agreement stipulates that the services will continue throughout the duration of the Company | No preferential conditions compared to local market | Wajdy Al Ghabban and Mahmoud Masoud |
| Supply of foodstuffs, pastries and baked goods from AlSunbulah Group | Provisional based on orders | One Gregorian year, automatically renewed for a similar period | No preferential conditions compared to local market | Abdulwahab Al Betairi |
| Transportation and logistics services from United International Transportation Co. (Budget Saudi) | Provisional based on orders | One Gregorian year, automatically renewed for a similar period | No preferential conditions compared to local market | |

| Nature of work or act | Value of work or act | Duration of work or act | Conditions of work or act | Name of BM, EM, or their related party |
|--|--|---|---|--|
| Investment relations with Watar Partners Co. | USD 510,000 | NA | No preferential conditions compared to local market | Abdulwahab Al Betairi |
| Lease agreement with Jeddah Airport Company for CATRION's catering unite located in Jeddah "203" | SAR. 24,5000,000 annually | The novation agreement began on 01/01/2022 The contract entered into force on 01/06/1433H corresponding to 04/22/2012G, and was renewed for several periods ending on 12/31/2024G. | No preferential conditions compared to local market | |
| Lease contract with Jeddah Airport Company for office space at King Abdulaziz International Airport in Jeddah | SAR. 912,173.25 annually | The contract started on 18/09/2022G and will be extended on a monthly basis after its expiration | No preferential conditions compared to local market | Raed AL Mudaiheem |
| Lease contract for Wellcome Lounge at King Abdulaziz International Airport in Jeddah | A percentage deducted from the lounge's revenues | The agreement will automatically renew every month, starting from 01/04/2023 | No preferential conditions compared to local market | |
| Administrative fees and related logistical services for managing and operating duty-free markets in collaboration with the Saudi-French Company for the Operation and Management of Duty-Free Markets. | A percentage of the profits based on the number of ownership shares held by the company. | The contract started on 23/11/2016 and will remain in effect for 25 years throughout the company's duration. | No preferential conditions compared to local market | Wajdy Al-Ghabban, in his capacity as Managing Director of CATRION Catering Holding, and Mr. Mahmoud Masoud, in his capacity as Deputy Chief Executive Officer for Financial Affairs of CATRION Catering Holding. |

17. SUMMARY OF PAYMENTS MADE TO THE GOVERNMENT DURING 2024

| Declaration | Amount paid | Amount due | Summary | Reasons |
|-----------------------------------|-------------|------------|----------------------------|--|
| GOSI | 40,169,524 | 3,475,396 | - | December 2024 GOSI was paid in January 2025 as per the requirement |
| Customs | 24,318,138 | - | - | All Actual Payments to Customs in FY2024 |
| Visas/Passports/Labor Office Fees | 40,438,062 | - | - | All Actual Payments to Ministry of Labor & Ministry of Interior |
| Zakat | 30,802,248 | 24,796,532 | Fiscal year 2024 provision | Payable in April 2025 |

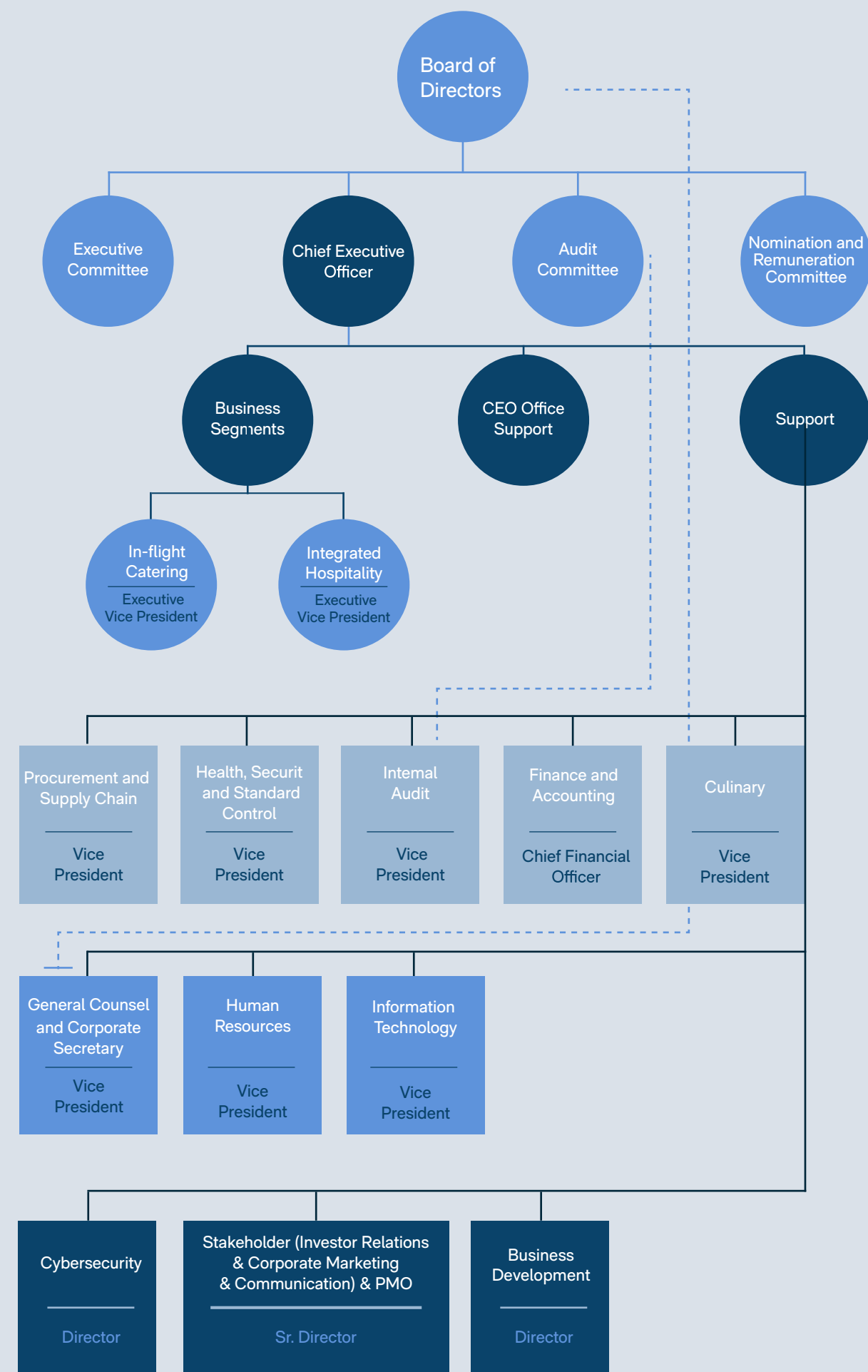
18. DUE PAYMENTS SAR 2024

| Year | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Employee payments | 31,759,710 | 37,721,263 | 38,226,625 | 45,433,737 | 53,181,238 |
| Expenses and other liabilities | 100,996,280 | 163,562,197 | 232,626,155 | 258,528,771 | 324,492,905 |
| Restructuring allowance | - | - | - | - | - |
| Zakat and income tax | 11,518,715 | 12,948,211 | 21,650,574 | 25,528,529 | 19,982,056 |
| Total | 144,274,705 | 214,231,671 | 322,503,354 | 329,491,037 | 397,656,199 |

19. ORGANIZATIONAL STRUCTURE

The Company retains the services of experienced specialists relating to key operational and supportive function activities. The Company maintains a high standard of knowledge and skills required to manage the Company's operations through several administrations, all of which are coordinated by the CEO.

The administration and supervision of the company's activities shall be undertaken by a distinguished elite of the Board of Directors' members and an efficient administrative staff with expertise and high calibre, whose tasks shall be distributed according to the following Organizational structure:



20. INTERNAL AUDIT AND ANNUAL AUDIT RESULTS OF INTERNAL CONTROL SYSTEMS

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of CATRION.

The internal audit vision is to act as a catalyst in improving the internal control environment through raising awareness and providing assurance, in addition to developing creative audit approaches in response to change.

On the other hand, the mission of the internal audit activity is to assist in the protection and enhancement of the Company's values and support the Company's mission and objectives by providing independent objective assurance and consulting services to the Board of Directors and the Audit Committee. The scope also includes the examination and evaluation of the validity and effectiveness of the governance systems, risk management and internal procedures of the company in addition to checking the quality of performance of the responsibilities assigned to managers in order to achieve the company's goals.

The Internal Audit activity is established by the Board of Directors and the Audit Committee. The Internal Audit activity's responsibilities are defined by the Board and Audit Committee. The internal audit activity is governing itself by adherence to 'The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (The Standards).

The internal audit activity is also adhering to relevant CATRION's policies and procedures. The Internal Audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of CATRION's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the Internal Audit activity in fulfilling its roles and responsibilities. The Internal Audit activity is also having free and unrestricted access to the Board and Audit Committee.

The VP – Chief Audit Executive is reporting functionally to the Audit Committee and administratively to the highest executive management officer.

The internal audit activity will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or reporting content to permit maintenance of a necessary independent and objective mental attitude.

The VP – Chief Audit Executive confirms to the Board, at least annually, the organizational independence of the internal audit activity. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.

On an annual basis, the VP – Chief Audit Executive submits to the Board and Audit Committee the internal audit plan for review and approval. The internal audit plan is developed based on a prioritization of the audit universe using a risk-based methodology, including input of Senior Management and the Board. A written report will be prepared and issued by the VP – Chief Audit Executive following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Board. This report may include management action plan to clear any reported findings. The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations.

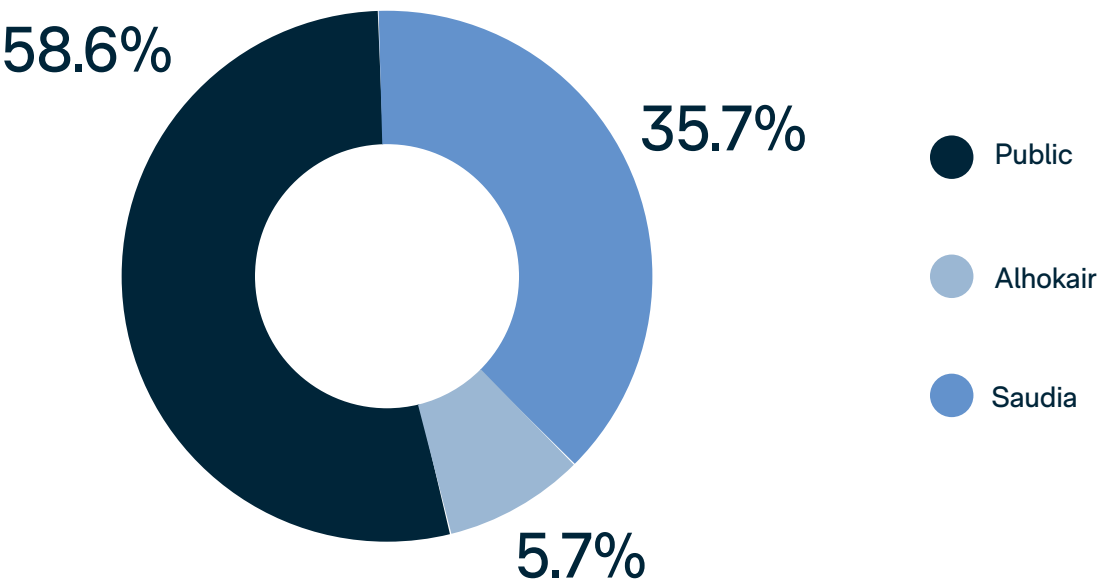
During 2024, the VP – Chief Audit Executive confirmed to the Audit Committee that CATRION management did not impose any scope limitation on the internal audit scope. In addition, the Audit Committee confirmed that there were no substantial findings related to the annual internal control effectiveness review or any material departure to the Company's policies and internal regulations. In addition, the Audit Committee did not discover any irregularities or any obvious weaknesses in the internal control system of the Company or in any of its various audited operations during 2024.

21. SHAREHOLDERS' CAPITAL SHARES RATIO

| The shareholder | The capital as in 01/01/2024 | Number of Shares | Percentage | The capital as in 31/12/2024 | Number of Shares | Percentage | Percentage Changes |
|---------------------------------------|---------------------------------|------------------|------------|---------------------------------|------------------|------------|--------------------|
| Saudi Airlines Establishment | 292,740,000 | 29,274,000 | 35.70 | 292,740,000 | 29,274,000 | 35.70 | 00.00 |
| Abdulmohsen Abdulaziz Al Hokair Group | 67,112,560 | 6,711,256 | 08.2 | 47,112,560 | 4,711,256 | 5.75 | -42,61% |
| The public | 460,147,440 | 46,014,744 | 56.1 | 480,147,440 | 48,014,744 | 58.55 | 4.17% |
| Total | 820,000,000 | 82,000,000 | 100 | 820,000,000 | 82,000,000 | 100 | 00.00 |

22. STRUCTURE OF DISTRIBUTION OF CAPITAL AND SHARES ON SHAREHOLDERS AS OF 31 DECEMBER 2024

Saudi Airlines Establishment – 35.7%
Abdulmohsen Abdulaziz Al-Hokair Holding Group – 5.7%
Public – 58.6%



23. DIVIDEND POLICY

- a. The Company may distribute interim dividends to its shareholders annually, semi-annually, or quarterly, according to the regulations set by the competent authorities.
- b. The distribution of the Company's net annual, semi-annual, or quarterly profits shall follow the following guidelines:
 1. The Ordinary General Assembly may authorize the Board of Directors to distribute interim dividends to its shareholders annually, semi-annually, or quarterly, based on a resolution from the Assembly renewed annually.
 2. The distributable profits shall consist of the net income of the financial year, less any amounts set aside to reserves constituted by the Ordinary General Assembly, if any, and added to the retained profits and distributable reserves composed of profits.
 3. The Ordinary General Assembly may, upon the proposal of the Board of Directors, allocate a certain percentage of the net profits to create a contractual reserve to be dedicated to specific purposes, as decided by the Ordinary General Assembly.
 4. The Ordinary General Assembly may decide to create other reserves to the extent that serves the interest of the Company or ensures the distribution of fixed dividends to shareholders, as much as possible. The said Assembly may also set aside amounts from the net profits to establish non-profit institutions for the benefit of the Company's employees or to assist existing institutions.
 5. The Ordinary General Assembly may use the retained profits and distributable contractual reserves to pay the remaining amount of the share's value or part of it, ensuring equality among shareholders.

The Ordinary General Assembly may also decide, based on the Board of Directors' proposal, to allocate the reserves that have been set aside according to any regulatory requirements preceding the date of adopting these Articles, if it benefits the Company or the shareholders.

On November 6, 2023, corresponding to Rabi' Al-Thani 23, 1445H, the Board of Directors approved setting a cap on dividend distribution not exceeding 70% of net profit. It was also recommended by the board of directors to distributing future dividends on a semi-annual or quarterly basis.

The following table shows the profits distributed during the year 2024:

| Announcement Date | Eligibility date | Distribution date | Share of distribution | The distribution percentage | The total amount distributed |
|-------------------|------------------|-------------------|-----------------------|-----------------------------|------------------------------|
| 24/03/2024 | 03/04/2024 | 24/04/2024 | SR.1.1 | 1.1% | SR. 90,200,000 |
| 04/08/2024 | 29/08/2024 | 15/09/2024 | SR.1.5 | 1.15% | SR. 94,300,000 |

24. GENERAL ASSEMBLY

24.1. General Assembly meetings

CATRION Catering Holding Company held one successful meeting of the General Assembly on Tuesday 21/10/1445H corresponding to 30/04/2024G. The company has announced the dates of these assemblies on the "Tadawul" website and other platforms as required by the relevant laws and regulations and within the statutory period required by the relevant laws and regulations

The announcements highlighted the meeting's time, place and agenda as well as the proxy template. In addition, the Company allowed the shareholders to effectively participate and vote on topics listed on the agenda and informed them on the meeting's rules and voting procedures through the invitation for the General Assembly meeting. In addition, the Company facilitated for shareholders to vote electronically through the means provided by Tadawul. It also distributed well-prepared files containin

24.1. General Assembly meetings (Continued)

The following are the resolutions that were approved during this meeting:

1. Approval on the Board of Directors' report for the fiscal year ending on 31/12/2023.
2. Approval on the financial statements for the fiscal year ending on 31/12/2023.
3. Approval on the auditor's report on the Company's accounts for the fiscal year ending on 31/12/2023.
4. Approval on the discharge of the Board of Directors from the liability for their activities for the year ending on 31/12/2023.
5. Approval on delegating the Board of Directors to distribute interim dividends on a biannual/quarterly basis for the fiscal year 2024G.
6. Approval on paying an amount of (SAR 3,909,795) as remuneration to the Board members for the fiscal year ending on 31/12/2023G.
7. Approval on the Board of Directors' resolution to appoint Miss. Joza Abdulmohsen Al-Rasheed (independent) member of the Board of Directors, starting from the date of her appointment on 05/08/1445, corresponding to 15/02/2024, to complete the Board's session until the end of the current session ending on 01/25/2025, to succeed the resigned Board Director member Mr. Sami Abdulmohsen Al Hokair (non-executive).
8. Approval on the Competing Business Standards and Procedures.
9. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the proving inflight catering and other service to Saudia, with a total amount of SR 955,312,226 for the year 2023, without any preferential conditions compared to the local market.
10. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the providing of catering and hospitality services for Al Forsan Lounge Terminal (5) in King Khaled International Airport, with a total amount of SR 46,609,221 for the year 2023, without any preferential conditions compared to the local market.
11. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the providing of catering services in Al Forsan Lounge in Egypt International Airport, with a total amount of SR 8,688,654 for the year 2023, without any preferential conditions compared to the local market.
12. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the lease agreement with Saudia in (AM1) building in King Khaled International Airport, with a total amount of SR 11,677,964 for the year 2023, without any preferential conditions compared to the local market.
13. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the catering and Hospitality services to Saudia for (Welcome) lounge in Prince Mohammed Bin Abdulaziz International Airport in Madinnah Monawara, with a total amount of SR 2,054,653 for the year 2023, without any preferential conditions compared to the local market.
14. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the design, constructing and operating Alfursan Domestic lounge at the New King Abdulaziz International Airport in Jeddah, with a total amount of SR 27,026,589 for the year 2023, without any preferential conditions compared to the local market.
15. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the catering Service to Saudia Reservations Diplomatic Quarter, with a total amount of SR 102,350 for the year 2023, without any preferential conditions compared to the local market.
16. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the catering service to Saudia Ticketing & Reservation office, Al Murooj, with a total amount of SR 624,711 for the year 2023, without any preferential conditions compared to the local market.
17. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the IT Service Level agreement with Saudia, with a total amount of SR 1,415,952 for the year 2023, without any preferential conditions compared to the local market.

24.1. General Assembly meetings (Continued)

18. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the design, constructing and operating Alfursan International lounge at the New King Abdulaziz International Airport in Jeddah, with a total amount of SR 64,222,110 for the year 2023, without any preferential conditions compared to the local market.
19. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the MOU with Saudia for Al Fursan lounge in King Fahd International Airport in Dammam, with a total amount of SR 8,599,470 for the year 2023, without any preferential conditions compared to the local market.
20. Approval on transactions and contracts concluded with Saudi Ground Services Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the catering services to Saudi Ground Services Co. in Jeddah, Riyadh, Dammam and Madinnah Al Monawarah, with a total amount of SR 42,375,007 for the year 2023, without any preferential conditions compared to the local market.
21. Approval on transactions and contracts concluded with Saudi Ground Services Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the transport services agreement with SGS in King Fahad International Airport in Dammam, with a total amount of SR 298,043 for the year 2023, without any preferential conditions compared to the local market.
22. Approval on transactions and contracts concluded with Saudi Ground Services Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect, the nature of those transactions evolve around the laundry services to Saudi Ground Services Co. in Jeddah, Riyadh, Dammam and Madinnah Al Monawarah, with a total amount of SR 13,713,961 for the year 2023, without any preferential conditions compared to the local market.
23. Approval on transactions and contracts concluded with Saudi Ground Services Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around fuel supply, with a total amount of SR 4,349,479 for the year 2023, without any preferential conditions compared to the local market.
24. Approval on transactions and contracts concluded with Saudi Ground Services Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the accommodation services to Saudi Ground Services Co. in King Fahad International Airport in Dammam, with a total amount of SR 2,553,309 for the year 2023, without any preferential conditions compared to the local market.
25. Approval on transactions and contracts concluded with Saudi Airlines Cargo, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the Cargo services from Saudi Airlines Cargo, with a total amount of SR 1,325,888 for the year 2023, without any preferential conditions compared to the local market.
26. Approval on transactions and contracts concluded with Saudi Airlines Cargo, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the catering services to Saudi Airlines Cargo, with a total amount of SR 5,963,682 for the year 2023, without any preferential conditions compared to the local market.
27. Approval on transactions and contracts concluded with Saudi Airlines Real Estate & Development Company SARED, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the Lease agreement with Saudi Airlines Real Estate & Development Company SARED for commercial shops in Saudi City compound, with a total amount of SR 50,000 for the year 2023, without any preferential conditions compared to the local market.
28. Approval on transactions and contracts concluded with Flyadeal Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the Inflight Catering services, Equipment and Skysales Services to Flyadeal Co, with a total amount of SR 14,395,925 for the year 2023, without any preferential conditions compared to the local market.
29. Approval on transactions and contracts concluded with Flyadeal Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the inflight catering services for delayed flights to Flyadeal Co., with a total amount of SR 1,211,896 for the year 2023, without any preferential conditions compared to the local market.

24.1. General Assembly meetings (Continued)

30. Approval on transactions and contracts concluded with Al-Salam Aviation Industry Company, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the inflight catering services to Al-Salam Aviation Industry Company, with a total amount of SR 147,552 for the year 2023, without any preferential conditions compared to the local market.

31. Approval on transactions and contracts concluded with Saudi Private Aviation Company, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the Inflight Catering services and equipment supply services to Saudi Private Aviation Company, with a total amount of SR 24,598,028 for the year 2023, without any preferential conditions compared to the local market.

32. Approval on transactions and contracts concluded with Saudia Aerospace Engineering Industries Company, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect, the nature of those transactions evolve around the Catering services to Saudia Aerospace Engineering Industries Company, with a total amount of SR 2,438,520 for the year 2023, without any preferential conditions compared to the local market.

33. Approval on transactions and contracts concluded with Prince Sultan Aviation Academy, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around the Catering services to Saudia Aerospace Engineering Industries Company, with a total amount of SR 12,133 for the year 2023, without any preferential conditions compared to the local market.

34. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around Airlines Equipment agreement, with a total amount of SR 434,029,999 for the year 2023, without any preferential conditions compared to the local market.

35. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around Delayed flights catering service to Saudi Airlines Est., with a total amount of SR 2,671,972 for the year 2023, without any preferential conditions compared to the local market.

36. Approval on transactions and contracts concluded with Saudi Airlines Establishment "Saudia", within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around Other services rendered to Saudi Airlines Est., with a total amount of SR 19,023,924 for the year 2023, without any preferential conditions compared to the local market.

37. Approval on transactions and contracts concluded with Saudi Ground Services Co., within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around Lab services to Saudi Ground Services Co., with a total amount of SR 343,241 for the year 2023, without any preferential conditions compared to the local market.

38. Approval on transactions and contracts concluded with Saudi Logistics Services Co. SAL, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around Cargo services, with a total amount of SR 669,143 for the year 2023, without any preferential conditions compared to the local market.

39. Approval on transactions and contracts concluded with Saudi Airlines Real Estate & Development Company SARED, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around Other services to Saudi Airlines Real Estate & Development Co. "SARED", with a total amount of SR 1,724,230 for the year 2023, without any preferential conditions compared to the local market.

40. Approval on transactions and contracts concluded with Saudi Airlines Real Estate & Development Company SARED, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around lease contract Saudi Airlines Real Estate & Development Co. "SARED" for Trip a Bite and Skysales shop located at Flight operation's new building, with a total amount of SR 195,500 for the year 2023, without any preferential conditions compared to the local market.

41. Approval on transactions and contracts concluded with Saudi Airlines Real Estate & Development Company SARED, within which CATRION's Board of Directors member Mr. Fahad Abdullah Moussa holds indirect interest, the nature of those transactions evolve around Others lease and service contract Saudi Airlines Real Estate & Development Co. "SARED", with a total amount of SR 3,126,477 for the year 2023, without any preferential conditions compared to the local market.

24.1. General Assembly meetings (Continued)

42. Approval on transactions and contracts concluded with Jeddah Airport Company, within which CATRION's Board of Directors member Eng. Raed AL Mudaiheem holds indirect interest, the nature of those transactions evolve around lease contract for retail shop at the Aircraft Maintenance Hangar and the Operations Building at King Abdulaziz International Airport, with a total amount of SR 48,210 for the year 2023, without any preferential conditions compared to the local market.
43. Approval on transactions and contracts concluded with Jeddah Airport Company, within which CATRION's Board of Directors member Eng. Raed AL Mudaiheem holds indirect interest, the nature of those transactions evolve around Lease contract for retail shop in International lounge Terminal (1) at King Abdulaziz International Airport, with a total amount of SR 368,000 for the year 2023, without any preferential conditions compared to the local market.
44. Approval on transactions and contracts concluded with Jeddah Airport Company, within which CATRION's Board of Directors member Eng. Raed AL Mudaiheem holds indirect interest, the nature of those transactions evolve around Lease agreement with Jeddah Airport Co. for catering unite (203), with a total amount of SR 28,175,000 for the year 2023, without any preferential conditions compared to the local market.
45. Approval on transactions and contracts concluded with Jeddah Airport Company, within which CATRION's Board of Directors member Eng. Raed AL Mudaiheem holds indirect interest, the nature of those transactions evolve around Lease contract with Jeddah Airport Co. for office space at King Abdulaziz International Airport in Jeddah, with a total amount of SR 434,673 for the year 2023, without any preferential conditions compared to the local market.
46. Approval on transactions and contracts concluded with Jeddah Airport Company, within which CATRION's Board of Directors member Eng. Raed AL Mudaiheem holds indirect interest, the nature of those transactions evolve around Lease contract with Jeddah Airport Co. for "Wellcome" Lounges at King Abdulaziz International Airport in Jeddah, with a total amount of SR 218,458 for the year 2023, without any preferential conditions compared to the local market.
47. Approval on transactions and contracts concluded with Jeddah Airport Company, within which CATRION's Board of Directors member Eng. Raed AL Mudaiheem holds indirect interest, the nature of those transactions evolve around Catering services to Jeddah Airport Co., with a total amount of SR 70,036 for the year 2023, without any preferential conditions compared to the local market.

24.2. Attendance of the General Assembly by the Board of Directors' members and the Committees' members and Executive Management's members

| Name | General Assembly | | |
|-----------------------|---|--------------------|------------|
| | Membership | Type of membership | 30/04/2024 |
| Mohammed Al Sarhan | Chairman of the Board Directors, Member of the Nomination and Remuneration Committee, Chairman of the Executive Committee | Non-Executive | ✓ |
| Raed Al Mudaiheem | Vice Chairman of Board of Directors, Chairman of the Audit Committee | Non-Executive | ✓ |
| Yousef Al Yousefi | Member of Board of Directors, Chairman of the Nomination and Remuneration Committee | Independent | ✓ |
| Joza Al Rasheed | Member of the Board of Directors, Member of the Executive Committee | Independent | ✓ |
| Fahad Moussa | Member of the Board of Directors, Member of the Executive Committee | Non-Executive | ✓ |
| Abdulwahab AL Butairi | Member of the Board of Directors, Member of the Executive and Audit Committee | Non-Executive | ✗ |
| Fadi Majdalani | Member of Board of Directors, Nomination and Remuneration Committee member, Member of the Executive Committee | Independent | ✓ |
| Dilip Nijhawan | Member of the Board of Directors, Audit Committee member | Independent | ✓ |
| Olivier Harnisch | Member of Board of Directors, Nomination and Remuneration Committee member | Independent | ✓ |
| Wajdy Al Ghabban | Chief Executive Officer | Executive | ✓ |

25. COMPLIANCE WITH LAWS AND REGULATIONS

The Company is committed to maintaining the best standards of quality and performance in all its activities. This commitment extends to include the rules provided for in the Corporate Governance Regulations, Rules on the Offer of Securities and Continuous Obligations, Listing Rules, and any other relevant law and regulation. The Company is fully committed to applying its best efforts towards the rules included in the Corporate Governance Regulations and Listing Rules in all its operations. The Company has a comprehensive policy on the implementation of Corporate Governance Regulations through the continuous update of the Corporate Governance Manual of the Company based on the updates in the laws, regulations and international best practices to be adhered to by stakeholders such as directors, managers and employees, in order to protect the interests of the Company and other relevant parties. The Board of Directors, with help from its sub-committees such as the Audit Committee, Nomination and Remuneration Committee, and the Executive Committee, provides continuous support to promote compliance with Corporate Governance Regulations while ensuring continuous review and effective implementation.

On 10/12/2023, the company's General Assembly approved amending the company's bylaw and the governance manual to be consistent with the Companies Law, the Amended Corporate Governance Law, and other relevant regulations.

The company applies all provisions of the Corporate Governance Regulation issued by the Capital Market Authority. The following highlights are the articles of the Corporate Governance Regulations that have not been implemented, and the reasons:

Fifth chapter:

Article 67:

The Company's Board shall, by resolution therefrom, form a committee to be named the 'risk management committee'. The Chairman and the majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.

Article 68:

The competencies of the risk management committee shall include the following:

- developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors;
- determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level;
- ensuring the feasibility of the Company's continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months;
- overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein;
- regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example);
- preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board;
- providing recommendations to the Board on matters related to risk management;

- ensuring the availability of adequate resources and systems for risk management;
- reviewing the organisational structure for risk management and providing recommendations regarding the same before approval by the Board;
- verifying the independence of the risk management employees from activities that may expose the Company to risk;
- ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk; and
- reviewing any issues raised by the audit committee that may affect the Company's risk management.

Article 69: Meetings of the Risk Management Committee

- The risk management committee shall convene periodically at least once every six months, and as may be necessary.

Reason:

The Board did not form a risk committee because the formation of this type of committee is optional. However, the tasks of the company's risk committee are entrusted to the audit committee, the company's external and internal auditor, and also the company Risk Management Department.

Article 84:

The Ordinary General Assembly, based on the Board's recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for the purpose of developing the social and economic conditions of the community.

Reason:

This is an optional article. However, the company has a policy that guarantees a balance between its objectives and those of the community for the purpose of developing the social and economic conditions of the community, and in line with the plans and future visions set by the state.

Article 85:

The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include:

- establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities;
- disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility;
- disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company; and
- establishing awareness programs to the community to familiarize them with the Company's social responsibility.

Reason:

This is an optional article.

Claude No.4 - Article 90:

Provide the necessary details regarding bonuses and compensation paid for each of the following apart:

A. Board of Director members.

B. Top Five Executive Managers including Chief Executive Officer and Chief Financial Officer.

Reason:

The company has committed the disclosure of the Executives remuneration, in accordance with the statutory requirements contained in Article 90 of the Corporate Governance Regulations. The Company has addressed the Capital Market Authority (CMA) a letter registered under reference No. (2021033001/GCO/1067) concerning the optimal detail for the disclosure of the Executives' remuneration, as contained in Appendix No. (1) of the Corporate Governance Regulations and in accordance with Article (63) of the Rules for Offering Securities and Continuing Obligations. The Company's request is still under discussion with CMA where the Company aspires to reach an agreement with CMA regarding such disclosure in order to avoid any unjustified harm, and to give a correct impression on the mechanism of compensation procedures, which depends on the competitiveness of Human Capital. The Company will be committed to disclose according to the direction of CMA, in a way that serves the interests of investors and the stability of the Stock Market's disclosures.

Article 92:

If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.

Reason:

This is an optional article.

26. ROLE OF THE SHAREHOLDERS

CATRION's General Assembly is the platform where shareholders exercise their voting rights. Shareholders' consent is required for key decisions such as the approval of the financial statements, Board of Directors Annual Report, the review and approval of the Board of Directors' recommendation on dividend payments, the election of Board members, amendments to the bylaws, appointment of external auditors and raising registered capital. Each shareholder is entitled to attend the General Assembly and is entitled to one vote per share; and may delegate his attendance and voting power to any other person (other than employees of the Company and Board members).

27. INVESTOR RELATIONS

At CATRION Investor Relations, we strive to be a world-class investor relations team. Our commitment as a key resource to the financial community and CATRION leadership is to be a reliable, responsive and transparent source of valuable information. We are dedicated to upholding our core values of integrity and high ethical standards in our relationships with our stakeholders. Our investor relations program ensures transparency in all communications while complying fully with the continuous and consistent disclosure obligations stipulated by the Kingdom's Capital Market Authority. We also ensure timely flow of information through various channels such as the website, Tadawul announcements and conference attendance. In addition, we offer access to our Investor Relations team by phone and email, and host special events for analysts and investors including an Investor Day and earnings calls.

We follow a policy of proactive communication with the market and informing our stakeholders of all key developments that will have an impact on the business. We hold dialogs with the investor community and advise the Company's Senior Management about market perceptions. Our dialogs with shareholders have become increasingly important as our individual and institutional investors are always looking for up-to-date information on Company developments, our business plans, achievements and challenges.

28. REQUESTS TO OBTAIN SHAREHOLDER RECORDS

| Number | Request date | Request Period | Request reasons |
|--------|--------------|----------------|--------------------------|
| 1 | 31/12/2024 | 30/12/2024 | Company's affairs |
| 2 | 08/12/2024 | 05/12/2024 | Company's affairs |
| 3 | 21/11/2024 | 20/11/2024 | Company's affairs |
| 4 | 17/11/2024 | 14/11/2024 | Company's affairs |
| 5 | 05/11/2024 | 04/11/2024 | Company's affairs |
| 6 | 21/10/2024 | 20/10/2024 | Company's affairs |
| 7 | 03/10/2024 | 30/09/2024 | Company's affairs |
| 8 | 02/09/2024 | 02/09/2024 | Dividends distribution |
| 9 | 21/07/2024 | 30/06/2024 | Company's affairs |
| 10 | 29/04/2024 | 30/04/2024 | General assembly meeting |
| 11 | 15/04/2024 | 14/04/2024 | Dividends distribution |
| 12 | 03/04/2024 | 03/04/2024 | Company's affairs |
| 13 | 03/04/2024 | 02/04/2024 | Company's affairs |

29. COMMUNICATION WITH SHAREHOLDERS

CATRION maintains regular communications with the shareholders. The Company has taken a series of measures to ensure their rights of access to information through Tadawul website and CATRION website, www.catrion.com. CATRION provides full and comprehensive information about its activities and businesses through its Annual Report, periodic financial statements and dividends procedures.

The Company also endeavors to maintain links with its shareholders, answer their queries and provide them with the required information on a timely basis.

30. INITIATIVES PLANNED TO IMPROVE TRANSPARENCY OR COMMUNICATIONS WITH INVESTORS IN 2024

We provide potential and current investors with maximal knowledge and access to the Company's financial updates. Focusing on accuracy, we provide investors with a comprehensive outline of what they can expect for the upcoming financial year.

The company also allocates a specialized team to respond to the inquiries and concerns of shareholders and related parties by phone or by e-mail (investors@catrion.com).

31. PROCEDURE TO INFORM THE BOARD MEMBERS OF THE SHAREHOLDERS' SUGGESTIONS AND NOTES ON THE COMPANY AND ITS PERFORMANCE

Keeping the Board members informed of the shareholders' proposals and comments on the Company and its performance through the following procedures:

1. Presenting the shareholders' proposals and comments (if any) to the Board members at the nearest meeting or any other effective means of communication to achieve the purpose on an ongoing basis.
2. Organizing continuous meetings with investors (Investor Relation Programs) and briefing the Board on the substantive proposals they make.
3. The Board members are attending the General Assembly meetings where shareholders raise their suggestions to the Board during the meeting and the Board responds to these suggestions during the meeting.

In addition, the Chairman of the Board discusses the shareholders' suggestions (if any) and the performance without the presence of any of the executives (whenever deemed necessary).

32. THE COMPANY'S SOCIAL CONTRIBUTIONS DURING 2024

Our 2024 corporate social responsibility initiatives, which include providing employment opportunities to people with disability and offering internships to students, are driven by a deep sense of compassion and a desire to contribute positively to society. We believe that our efforts will make a difference in the lives of those we touch and help create a brighter future for all.

- 2 months internship training in collaboration King Abdulaziz University to train one female student in the lab from the period of Jun to Aug 2024.
 - 10 students from King Saud University were trained across three batches for a total of 36 weeks.
 - trained 50 inspectors from Makkah Municipality across three batches. The course focused on the fundamentals of hygiene and food safety and received positive feedback from the participants.
 - conducted a 3-day training session for 5 inspectors from Aseer Municipality, providing them with valuable knowledge and skills in their field.
- 51 people with disability FTE employed.
 - 1 training session for 18 members of Manasik Airline.
 - 3 training session for 39 trainees from Makkah Municipality.
 - 1 training Session for 10 trainees from KAUST.
 - 1 training session for 9 trainees from Modan.
 - 2 training sessions for 28 trainees for SRA (Saudi royal aviation).
 - 2 student conducted internship for 12 weeks from Jeddah university.

33. PENALTIES, SANCTIONS, PRECAUTIONARY MEASURES OR PRECAUTIONARY RESTRICTIONS IMPOSED ON THE COMPANY BY THE CAPITAL MARKET AUTHORITY OR ANY OTHER SUPERVISORY, REGULATORY OR JUDICIAL AUTHORITY

| Penalties, sanctions, prudential measures | Reasons of violation | The Authority issuing the violation | How to solve and avoid it |
|---|--|-------------------------------------|---|
| A fine of 500 riyals | Lack of a land transport license (transportation of goods for private account) | General Authority of Transport | A land transport license was issued to transport goods for private account and an account was opened on the Logistics platform. |
| A fine of 3,000 riyals | The driver's license type does not match the size and type of vehicle. | General Authority of Transport | A driver's card has been issued to all company drivers through the Transport Authority. Driving licenses are issued according to vehicle type and size as follows: 1- Heavy public transport license for public transport vehicles weighing 3.5 tons or more 2- Medium public transport license for vehicles weighing less than 3.5 tons 3- Specialized transport license for buses with more than 10 passengers 4- Specialized transport license for buses with fewer than 10 passengers |
| A fine of 4,000 riyals | Mixing raw food materials with a final product (ready-to-eat meals) in the same location (cheese storage refrigerator) | General Authority for Food and Drug | The food system and its executive regulations have been followed |
| A fine of 1,000 riyals | Rust on meat cutting saw | General Authority for Food and Drug | The food system and its executive regulations have been followed |
| A fine of 2,000 riyals | Failure to comply with food transportation requirements | General Authority for Food and Drug | The food system and its executive regulations have been followed |
| A fine of 1,000 riyals | Improper food handling | General Authority for Food and Drug | The food system and its executive regulations have been followed |

34. THE BOARD OF DIRECTORS DECLARATIONS

The Board of Directors approved and declares the following, based on the Corporate Governance Regulations and the Listing Rules:

- The accounting records were properly and correctly prepared.
- The internal control system was properly designed and effectively implemented.
- There was no doubt about the Company's ability to continue the business.
- Consolidated financial statements were prepared in accordance with international financial standards, and in accordance with the Company's bylaws and Articles of Association with respect to the preparation and publishing of financial statements.
- There were no redemptions, purchases or cancellations by the Company of any of recoverable debt instruments.
- The Company did not issue or grant any debt instruments convertible to shares, contractual based securities, option rights, subscription right notes or similar rights.
- The Company does not have any conversion or subscription rights under any convertible debt instrument, contractually based securities, warrants, or similar rights; both issued or granted.
- There are no differences from the standards approved by the Saudi Organization for Certified Public Accountants (SOCPA), which are the IFRS Standards.
- Apart from the disclosures in the section related to related parties' transactions, there were no contracts in which the Company was a party nor was there any material interest for any Board member, Executive Management Member, their relatives or any other related person.
- Except what was disclosed earlier in this report, there are no interests, contractually based securities, and subscription rights of the issuer's directors, senior executives, and their relatives in the shares or debt instruments of the issuer or any of its subsidiaries; nor was there any change in those interests or rights during 2024, except what was disclosed earlier in this report.
- There were no arrangements or agreements through which any Board member or any executive to waive any salary or compensation.
- There are no arrangements or agreements through which any of the Company's shareholders to waive the rights to profits.
- Except what was disclosed of shares owned by the Board and Executive Management, there are no other interests in the shares of eligibility of voting that are owned by any person (other than the Board, Executive Management, and their relatives and any other contractual interests and any changes in those interests in line with Article 45 of the Listing Rules.
- There were no comments received by the shareholders regarding the Company and its performance.
- The external Auditor's Report doesn't contain any reservations on the relevant annual financial statements.
- There are no arrangement or recommendation by the Board to change the Company's external auditor.
- There was no recommendation to appoint an Internal Auditor for the Company, as it already has an Internal Audit Division.
- There are no recommendations of the Audit Committee that conflict with the Board's decisions, nor did the Board refuse to take any of the Audit Committee's recommendation into consideration regarding the appointment, dismissal, assessment, or determining the remuneration of the external auditor.
- The Company does not have any investments for the benefit of its employees.
- The Company has no treasury shares.
- There are no Board members, who are directly or indirectly involved in any competing business with the Company or any of its activities.

05

FINANCIAL STATEMENTS

Auditor's Report

Consolidated Financial Statement



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CATRION CATERING HOLDING COMPANY (A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CATRION Catering Holding Company (A Saudi Joint Stock Company) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profits or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of CATRION CATERING HOLDING COMPANY (A Saudi Joint Stock Company)

Key Audit Matters (Continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| <p>Allowance for expected credit losses on trade and unbilled receivables</p> <p>As at 31 December 2024, the gross balance of trade and unbilled receivables amounted to 848 million (2023: 749 million), against which an allowance for expected credit losses of 132 million (2023: 149 million) was maintained.</p> <p>The Group assesses at each reporting date whether the trade and unbilled receivables carried at amortized cost are credit impaired. The management determines and recognizes expected credit losses allowance ('ECL') as required by International Financial Reporting Standard 9 (Financial Instruments) ('IFRS 9'). Significant judgments, estimates and assumptions have been made by the management in the calculation of ECL impact.</p> <p>We have considered the determination of the ECL as a key audit matter, as this determination requires management to apply significant judgments and make significant estimates. The key areas of judgments and estimates includes Assumptions used in the ECL model for determining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), and incorporating forward looking assumptions, macro-economic factors and the associated scenarios and expected probability weightages.</p> <p>Refer to note 3.13 to the financial statements for the material accounting policy, note 2.1 for the accounting estimates and judgements and note 13 which details the disclosure of impairment against trade and unbilled receivable.</p> | <p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none">• Obtained understanding of the Group's process around the trade and unbilled receivable allowance for expected credit losses.• On a sample basis, we tested the accuracy of trade and unbilled receivables ageing generated by the accounting system which is used in the preparation of ECL model as at 31 December 2024.• Involved our internal specialist to assess the reasonableness of significant judgements, estimates and assumptions made by the management with reference to the calculation of ECL including the Group's assessment of the probability of default, incorporation of forward-looking and loss given default parameters used in ECL model.• Evaluated the Group's accounting policy for ECL allowance in accordance with the requirement of IFRS 9.• Tested the arithmetical accuracy of the ECL model.• Assessed the adequacy and appropriateness of the related disclosures in the accompanying consolidated financial statements. |

Other Information included in the Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2024 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2024 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e., the Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CATRION CATERING HOLDING COMPANY (A Saudi Joint Stock Company)

Other Information included in the Group's 2024 Annual Report (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
As at 31 December 2024

| Declaration | Note | 31 December 2024 | 31 December 2023 |
|--|------|----------------------|--------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 805,396,744 | 414,893,911 |
| Right-of-use assets | 14 | 211,222,337 | 234,981,152 |
| Leases receivables – non-current portion | 14 | - | 990,148 |
| Intangible assets | | - | 10,890 |
| Investment property | 8 | 26,775,735 | 28,734,575 |
| Advance against investment in shares | | 3,790,764 | 1,875,000 |
| Margin deposit | 10 | 4,230,000 | 4,230,000 |
| Investment in an associate | 9 | 43,338,366 | 36,954,874 |
| TOTAL NON-CURRENT ASSETS | | 1,094,753,946 | 722,670,550 |
| CURRENT ASSETS | | | |
| Inventories | 11 | 84,577,494 | 77,190,313 |
| Leases receivables – current portion | 14 | 5,241,092 | 4,777,598 |
| Trade and unbilled receivables | 12 | 716,109,290 | 601,498,527 |
| Prepayments and other receivables | 13 | 155,857,890 | 86,298,862 |
| Cash and cash equivalents | 15 | 631,298,642 | 702,456,181 |

| Declaration | Note | 31 December 2024 | 31 December 2023 |
|---|------|----------------------|----------------------|
| TOTAL CURRENT ASSETS | | 1,593,084,408 | 1,472,221,481 |
| TOTAL ASSETS | | 2,687,838,354 | 2,194,892,031 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 16 | 820,000,000 | 820,000,000 |
| Statutory reserve | 17 | 246,000,000 | 246,000,000 |
| Retained earnings | | 385,815,663 | 220,068,464 |
| TOTAL EQUITY | | 1,451,815,663 | 1,286,068,464 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Loan and borrowings – non-current portion | 19 | 157,290,378 | - |
| Lease liabilities – non-current portion | 14 | 165,477,645 | 150,255,896 |
| Employees' defined benefits obligation | 20 | 170,168,092 | 164,848,553 |
| Long-term bonus | 21 | 3,716,789 | 11,700,000 |
| TOTAL NON-CURRENT LIABILITIES | | 496,652,904 | 326,804,449 |
| CURRENT LIABILITIES | | | |
| Loan and borrowings – current portion | 19 | 4,154,218 | - |
| Trade and other payables | 22 | 663,151,680 | 462,043,182 |
| Lease liabilities – current portion | 14 | 52,081,833 | 94,447,407 |
| Zakat liabilities | 23 | 19,982,056 | 25,528,529 |
| TOTAL CURRENT LIABILITIES | | 739,369,787 | 582,019,118 |
| TOTAL LIABILITIES | | 1,236,022,691 | 908,823,567 |
| TOTAL EQUITY AND LIABILITIES | | 2,687,838,354 | 2,194,892,031 |

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT
OR LOSS AND COMPREHENSIVE INCOME
For the year ended 31 December 2024

| Declaration | Note | 31 December 2024 | 31 December 2023 |
|---|------|--------------------|------------------|
| Revenue | 25 | 2,299,259,701 | 2,133,762,298 |
| Cost of revenue | 26 | (1,657,650,977) | (1,567,769,793) |
| GROSS PROFIT | | 641,608,724 | 565,992,505 |
| General and administrative expenses | 28 | (298,493,156) | (288,423,268) |
| Reversal / (allowance) for expected credit losses | 12 | 98,697 | (1,274,113) |
| Other income | 27 | 19,146,907 | 29,494,363 |
| Other expenses | 29 | (1,844,656) | (1,420,927) |
| OPERATING PROFIT | | 360,516,516 | 304,368,560 |
| Share of results from investment in associate | 9 | 11,383,492 | 15,411,751 |
| Finance income | 30 | 23,949,174 | 16,855,560 |
| Finance costs | 31 | (20,136,021) | (20,098,131) |
| PROFIT BEFORE ZAKAT | | 375,713,161 | 316,537,740 |
| Zakat | 23 | (22,943,053) | (33,880,036) |
| NET PROFIT FOR THE YEAR | | 352,770,108 | 282,657,704 |

| Declaration | Note | 31 December 2024 | 31 December 2023 |
|--|------|--------------------|------------------|
| Other comprehensive (loss) / income for the year | | | |
| Items that will not be reclassified to profit or loss in subsequent years: | | | |
| Re-measurement (loss) / gain on employees' defined benefits obligation | 20 | (2,522,909) | 6,484,581 |
| Other comprehensive (loss) / income for the year | | (2,522,909) | 6,484,581 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 350,247,199 | 289,142,285 |
| EARNINGS PER SHARE: | | | |
| Basic and diluted earnings per share (per share) | 32 | 4.30 | 3.45 |

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
For the year ended 31 December 2024

| Declaration | Note | Share capital | Statutory reserve | Retained earnings | Total |
|---|------|--------------------|--------------------|--------------------|----------------------|
| At 1 January 2023 | | 820,000,000 | 246,000,000 | 53,926,179 | 1,119,926,179 |
| Net profit for the year | | - | - | 282,657,704 | 282,657,704 |
| Other comprehensive income | 20 | - | - | 6,484,581 | 6,484,581 |
| Total comprehensive income for the year | | - | - | 289,142,285 | 289,142,285 |
| Dividends | 18 | - | - | (123,000,000) | (123,000,000) |
| At 31 December 2023 | | 820,000,000 | 246,000,000 | 220,068,464 | 1,286,068,464 |
| Net profit for the year | | - | - | 352,770,108 | 352,770,108 |
| Other comprehensive loss | 20 | - | - | (2,522,909) | (2,522,909) |
| Total comprehensive income for the year | | - | - | 350,247,199 | 350,247,199 |
| Dividends | 18 | - | - | (184,500,000) | (184,500,000) |
| At 31 December 2024 | | 820,000,000 | 246,000,000 | 385,815,663 | 1,451,815,663 |

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF
CASH FLOWS
For the year ended 31 December 2024

| Declaration | Note | 31 December 2024 | 31 December 2023 |
|--|------|---------------------|---------------------|
| OPERATING ACTIVITIES | | | |
| Profit before zakat | | 375,713,161 | 316,537,740 |
| Adjustments for: | | | |
| Depreciation on property, plant and equipment | 7 | 55,182,653 | 61,258,738 |
| Depreciation on investment in property | 8 | 1,958,840 | 1,958,841 |
| Depreciation on right-of-use assets | 14 | 51,276,098 | 56,686,601 |
| Amortization of intangible assets | | 10,890 | 26,135 |
| Work in progress expensed during the year | 7 | 275,790 | 338,920 |
| (Reversal of provision) / provision for slow moving inventory, net | 11 | (2,901,586) | (5,362,980) |
| (Reversal)/ provision for expected credit losses | 12 | (98,697) | 1,274,113 |
| Finance income | 30 | (23,949,174) | (16,855,560) |
| Finance cost | 31 | 20,136,021 | 20,098,131 |
| Share of results in an associate | 9 | (11,383,492) | (15,411,751) |
| Loss / (gain) on disposal of property, plant and equipment | | 152,045 | (1,343,298) |
| Gain on termination and modification of leases | 27 | - | (16,066,644) |
| Modification on lease receivables | | - | 2,250,729 |
| Long-term bonus | 21 | 8,205,000 | 3,574,746 |
| Provision for employees' defined benefits obligation | 20 | 22,770,506 | 18,921,529 |

| Declaration | Note | 31 December 2024 | 31 December 2023 |
|---|-------|----------------------|---------------------|
| | | 497,348,055 | 427,885,990 |
| Working capital changes: | | | |
| Trade and unbilled receivables | | (114,512,066) | 196,144,832 |
| Inventories | | (4,485,595) | (10,304,927) |
| Prepayments and other receivables | | (69,559,028) | (18,509,219) |
| Trade and other payables | | 208,778,907 | 62,091,051 |
| Cash generated from operating activities | | 517,570,273 | 657,307,727 |
| Employees' defined benefits obligation paid | 20 | (27,206,891) | (19,299,201) |
| Zakat paid, net | 23 | (28,489,526) | (30,002,081) |
| Net cash flows from operating activities | | 461,873,856 | 608,006,445 |
| INVESTING ACTIVITIES: | | | |
| Payments received for lease receivables | 14 | 733,248 | 11,643,244 |
| Proceeds from disposal of property, plant and equipment | | 615,500 | 1,750,352 |
| Dividend received from associate | 9 (c) | 5,000,000 | - |
| Additions to property, plant and equipment | 7 | (446,728,821) | (135,946,943) |
| Advance against investment in shares | | (1,915,764) | - |
| Net cash flows used in investing activities | | (442,295,837) | (122,553,347) |

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF
CASH FLOWS
For the year ended 31 December 2024

| Declaration | Note | 31 December 2024 | 31 December 2023 |
|--|--------|------------------|------------------|
| FINANCING ACTIVITIES: | | | |
| Payments of lease liabilities | 14 (B) | (67,564,114) | (77,521,988) |
| Loan proceeds | | 161,444,596 | - |
| Dividends paid | | (184,616,040) | (122,716,957) |
| Net cash flows used in financing activities | | (90,735,558) | (200,238,945) |
| Change in cash and cash equivalents | | (71,157,539) | 285,214,153 |
| Cash and cash equivalents at the beginning of the year | | 702,456,181 | 417,242,028 |
| Cash and cash equivalents at the end of the year | 15 | 631,298,642 | 702,456,181 |
| SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION | | | |
| Additions to right-of-use assets and lease liabilities | 14 | 27,517,283 | 45,355,425 |
| Receivables balances written off during the year | 12 | 17,300,529 | 311,667 |

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
At 31 December 2024

1. CORPORATE INFORMATION

CATRION 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’s and its subsidiaries (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:

| Branch Location | Commercial registration number |
|-----------------|--------------------------------|
| 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 |

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
At 31 December 2024

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

| Subsidiary Name | Commercial registration number | Date of incorporation | Country on incorporation | The principal activity | Effective holding | | Share capital | |
|---|--------------------------------|-----------------------|--------------------------|---------------------------------------|-------------------|------|---------------|-----------|
| | | | | | 2024 | 2023 | 2024 | 2023 |
| CATRION Catering Services LLC | 4030371373 | 3 December 2019 | Kingdom of Saudi Arabia | Catering services | 100% | 100% | 500,000 | 5,000,000 |
| CATRION Commercial Laundry LLC | 4030515446 | 22 June 2023 | Kingdom of Saudi Arabia | Laundry, Washing and Drycleaning | 100% | 100% | 500,000 | 5,000,000 |
| CATRION Operations and Maintenance LLC | 400536143 | 18 December 2023 | Kingdom of Saudi Arabia | Catering Services Facility Management | 100% | 100% | 500,000 | 5,000,000 |
| CATRION Laundry Operation and Maintenance LLC | 4030536144 | 18 December 2023 | Kingdom of Saudi Arabia | Laundry, Washing and Drycleaning | 100% | 100% | 500,000 | 5,000,000 |

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

The registered head office of the Parent Company is located at the following address:
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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as “IFRSs” as endorsed in Kingdom of Saudi Arabia”). The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements are prepared under the historical cost convention using the accruals basis of accounting and going concern concept. The consolidated financial statements provide comparative information in respect of the previous year.

The consolidated financial statements are presented in Saudi Arabian Riyals, which is the functional currency of the Group.

2.1 Accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities,

and the accompanying disclosures, and the disclosure of contingent liabilities. However, in view of the current uncertainties, any change in these 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 years. As the situation is still evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Sensitivity analyses disclosures (note 20 and 35)
- Financial instruments risk management and policies (note 35)
- Capital management (note 36)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any years covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group assessed that one performance obligation is related to catering services can be measured reliably.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract, if any.

Going concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

2. BASIS OF PREPARATION
(Continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

Useful lives of property, plant and equipment/intangible asset

The Group's management determines the estimated useful lives of its property, plant and equipment/intangible asset for calculating depreciation/amortisation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation/amortisation charges are adjusted where the management believes the useful lives differ from previous estimates.

Allowance for slow moving inventory

The Group recognizes an allowance for inventory losses due to factors such as obsolescence, physical damage etc. The estimation of such losses includes the consideration of factors including but not limited to introduction of new products or technology by the competitors, expiry dates of products, past trends and both existing and emerging market conditions.

Provision for expected credit losses (ECLs) of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 35.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other intangibles with indefinite useful lives recognised by the Group.

2. BASIS OF PREPARATION
(Continued)

Employees' defined benefit obligation

The cost of the defined benefit plan and the present value of the obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the market yield on high quality Corporate/ Government bonds. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country. Further details about employee benefits obligations are provided in note 20.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Provisions

Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Zakat

The Group is subject to zakat in accordance with the Regulations of Zakat, Tax and Customs Authority (the "ZATCA") in the Kingdom of Saudi Arabia, and the provision is charged to the special purpose unconsolidated statement of comprehensive income. Additional zakat liabilities, if any, resulting from the final assessments raised by (the "ZATCA") for previous years are accounted for in the year in which these final assessments are issued.

3. MATERIAL ACCOUNTING
POLICIES

The accounting policies set out below have been applied consistently, except as mentioned in note 4, in the preparation of these consolidated financial statements:

3.1 Foreign currencies

Transactions in foreign currencies are initially recorded by the Group in its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.1 Foreign currencies (continued)

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item. In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3.2 Current versus non-current
classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

Assets

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting year; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

Liabilities

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.3 Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value. These consolidated financial statements comprising the financial statements the Group and its subsidiaries as set out in note 1. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Group.

3.4 Investment in associates

Associates are enterprises over which the Group exercises significant influence. Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting and are carried in the consolidated statement of financial position at the lower of the equity-accounted value or recoverable amount. Equity-accounted value represents the cost plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains/losses based on

latest available financial statements) less impairment, if any. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3.5 Segment reporting

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

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

The Board of Directors is the 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 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.

3.6 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of profit or loss.

Capital work in progress

Capital work-in-progress represents all costs relating directly and indirectly to the projects in progress and is capitalized as property, plant and equipment when the project is completed.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss as incurred.

3. MATERIAL OF ACCOUNTING POLICIES (continued)

3.6 Property, plant and equipment (continued)

Depreciation

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents carried amount of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Land and capital work in progress are not depreciated.

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required. For impairment assessment of property, plant and equipment, please refer note 3.10.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

| | |
|-----------------------------------|--|
| Buildings & leasehold improvement | 2 - 30 years (over shorter of useful life or lease term) |
| Equipment | 3 - 15 years |
| Motor vehicles | 3 - 13 years |

3.7 Investment Property

Subsequent to initiate recognition, properties are depreciated over the useful life or lease period whichever is shorter. The Group accounted for investment properties at cost less accumulated depreciation and any accumulated impairment losses.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

Depreciation on assets is charged to the statement of profit or loss and comprehensive income, using the straight-line method over the estimated useful life of investment property which is 18-22 years.

Gains and losses of disposals are determined by comparing proceeds with the carrying amount and are recognized in the statement of profit or loss and other comprehensive income.

The useful lives and methods of depreciation of investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of finance cost and other costs that an entity incurs in connection with the borrowing of funds.

3.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment, Refer to the accounting policies in section 'Impairment of non-financial assets'.

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.9 Leases (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the year in which they are earned.

3.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.10 Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated assets, is recognised in the consolidated statement of profit or loss as incurred.

Amortisation is calculated on a straight line basis over the estimated useful lives of the assets which is given below.

| Category of intangible assets | Useful lives |
|-------------------------------|--------------|
| Software | 2.5-5 years |

3.11 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

The management determines its allowance for inventory obsolescence based upon historical experience, current condition, and current and future expectations with respect to sales.

3.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand.

3.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, or fair value through other comprehensive income (OCI) or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a

financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers. Refer to the accounting policy in note 3.16.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.13 Financial instruments (continued)

i) Financial assets (continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments) category is relevant to the Group as mentioned below:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes cash and cash equivalents, trade and other receivables and other financial asset.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.13 Financial instruments (continued)

Impairment (continued)

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, lease liabilities, other liabilities, and short term borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost

Financial liabilities at amortised cost category is relevant to the Group as mentioned below:

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.14 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss, except for impairment losses relating to goodwill, is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future years.

Intangible assets, with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.15 Employees' defined benefits obligations

Short-term employee benefits

Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

The Group's obligation under employee end of service benefit is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior years and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee costs in the statement of profit or loss (refer to note 20).

3. MATERIAL OF
ACCOUNTING POLICIES
(continued)

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Cash dividend and non-cash
distribution to shareholders of the Group

The Group recognises a liability to pay a dividend when the distribution is authorised and no longer at the discretion of the Group. As per the by-laws of the Group, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit or loss.

3.18 Zakat and tax

Zakat

Zakat is provided for in accordance with Zakat, Tax and Customs Authority (“ZATCA”) regulations in the Kingdom of Saudi Arabia. Zakat provision is estimated and charged to the consolidated statement of profit or loss. Any differences in the estimations is recorded when the final assessment is approved at which time the provision is adjusted.

Value added tax (VAT)

Expenses, and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Withholding tax

The Group companies withhold taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations, which is not recognized as an expense being the obligation of the counter party on whose behalf the amounts are withheld.

3.19 Revenue recognition

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15 ‘Revenue from contract with customers:

- | | |
|--------|--|
| Step 1 | Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met. |
| Step 2 | Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. |

3. MATERIAL OF ACCOUNTING POLICIES (continued)

3.19 Revenue recognition (continued)

- Step 3 Determine the transaction price: the transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5 Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Catering revenue

Revenue from catering and other services is recognized when the services are rendered to the customer.

Airline equipment

Revenue from sale of airline equipment is recognized when the control over the equipment is transferred to the customer.

Business lounges

Revenue from business lounges is recognized upon rendering the service to the passengers.

Sales of goods - Retail

Revenue from the sale of goods is recognized when the Group satisfies the performance obligation by transferring the promised goods (asset) to the customer. An asset is transferred when the customer obtains control of that asset.

Non airlines

Revenue from non-airline catering and other services is recognized when the services are rendered to the customer.

Camp facility

The performance obligation may include catering, accommodation etc. The revenue was recognised when the service are rendered.

Medical ex-gratia

Income is recognized when the Group satisfies the performance obligation as defined in the agreement and is recorded over period of time.

All types of revenue are recorded net of returns, trade discounts and volume rebates (if any).

3.20 Expenses

Cost of revenue

Production costs and direct manufacturing expenses are classified as cost of revenue. This includes raw material, direct labour and other attributable overhead costs.

General and administrative expenses

These pertain to operation expenses which are not directly related to the production of any goods or services. These also include allocations of general overheads which are not specifically attributed to cost of revenue.

Allocation of overheads between cost of revenue and general and administrative expenses, where required, is made on a consistent basis.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Impact of new standards, interpretations and amendments adopted by the Company

The Group applied, for the first time, certain standards and amendments for the annual periods starting from 1 January 2024 or after that date. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4.1 Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

4.2 Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. and must be applied retrospectively. The amendments did not have a material impact on the Company as at the date of these financial statements.

4.3 Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are not expected to have a material impact on the Group's financial statements.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the reporting date of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretation, if applicable, when they become effective:

5.1 Amendments to IAS 21 - Lack of exchangeability

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

5.2 IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals.

Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

5.3 IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

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6. SEGMENT INFORMATION

Operating segments:

As the operations of the Group are conducted in the Kingdom of Saudi Arabia and Cairo. Business in other countries represent inflight catering and lounge in Cairo Airport which represent 3% of total revenue, accordingly, for management purposes, the Group is organized into business units based on its

products and services and has mainly two reportable segments. Information regarding the Group's reportable segments is presented below:

| 31 December 2024 | Inflight Catering | Integrated Hospitality | Total reportable segments | Overheads | Head office | Elimination | Total |
|--------------------------------------|-------------------|------------------------|---------------------------|---------------|-------------|---------------|---------------|
| External revenue | 1,824,032,861 | 475,226,840 | 2,299,259,701 | - | - | - | 2,299,259,701 |
| Inter-segment revenue | 243,074,077 | 141,695,424 | 384,769,501 | - | - | (384,769,501) | - |
| Segment revenue | 2,067,106,938 | 616,922,264 | 2,684,029,202 | - | - | (384,769,501) | 2,299,259,701 |
| Segment profit / (loss) before zakat | 557,887,193 | 34,061,348 | 591,948,541 | (216,235,380) | - | - | 375,713,161 |
| Depreciation and amortization | 64,107,139 | 8,806,652 | 72,913,791 | 35,514,690 | - | - | 108,428,481 |

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6. SEGMENT INFORMATION
(continued)

| 31 December 2024 | Inflight Catering | Integrated Hospitality | Total reportable segments | | Overheads | Head office | Elimination | Total |
|--------------------------|----------------------|------------------------|---------------------------|--|-----------|--------------------|-------------|----------------------|
| Assets: | | | | | | | | |
| Segment assets | 1,132,487,623 | 732,169,223 | 1,864,656,846 | | - | - | - | 1,864,656,846 |
| Other assets | - | - | - | | - | 823,181,508 | - | 823,181,508 |
| Total assets | 1,132,487,623 | 732,169,223 | 1,864,656,846 | | - | 823,181,508 | - | 2,687,838,354 |
| Liabilities: | | | | | | | | |
| Segment liabilities | 519,259,885 | 335,708,840 | 854,968,725 | | - | - | - | 854,968,725 |
| Other liabilities | - | - | - | | - | 381,053,966 | - | 381,053,966 |
| Total liabilities | 519,259,885 | 335,708,840 | 854,968,725 | | - | 381,053,966 | - | 1,236,022,691 |

Revenue from one customer of the Group represented approximately 56% (31 December 2023: 57%) of the Group's total revenue.

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6. SEGMENT INFORMATION
(continued)

| 31 December 2023 | Inflight Catering | Integrated Hospitality | Total reportable segments | Overheads | Head office | Elimination | Total |
|--------------------------------------|-------------------|------------------------|---------------------------|---------------|-------------|---------------|---------------|
| External revenue | 1,600,929,366 | 532,832,932 | 2,133,762,298 | - | - | - | 2,133,762,298 |
| Inter-segment revenue | 235,486,037 | 120,315,861 | 355,801,898 | - | - | (355,801,898) | - |
| Segment revenue | 1,836,415,403 | 653,148,793 | 2,489,564,196 | - | - | (355,801,898) | 2,133,762,298 |
| Segment profit / (loss) before zakat | 450,488,504 | 86,712,158 | 537,200,662 | (220,662,922) | - | - | 316,537,740 |
| Depreciation and amortization | 70,519,024 | 12,902,840 | 83,421,864 | 36,508,451 | - | - | 119,930,315 |

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6. SEGMENT INFORMATION
(continued)

| 31 December 2024 | Inflight Catering | Integrated Hospitality | Total reportable segments | Overheads | Head office | Elimination | Total |
|---------------------|-------------------|------------------------|---------------------------|-----------|-------------|-------------|---------------|
| Assets: | | | | | | | |
| Segment assets | 1,397,836,774 | 199,706,226 | 1,597,543,000 | - | - | - | 1,597,543,000 |
| Other assets | - | - | - | - | 597,349,031 | - | 597,349,031 |
| Total assets | 1,397,836,774 | 199,706,226 | 1,597,543,000 | - | 597,349,031 | - | 2,194,892,031 |
| Liabilities: | | | | | | | |
| Segment liabilities | 468,261,621 | 55,103,696 | 523,365,317 | - | - | - | 523,365,317 |
| Other liabilities | - | - | - | - | 385,458,250 | - | 385,458,250 |
| Total liabilities | 468,261,621 | 55,103,696 | 523,365,317 | - | 385,458,250 | - | 908,823,567 |

CATRION CATERING HOLDING COMPANY
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7. PROPERTY, PLANT AND
EQUIPMENT

| | Land | Building & leasehold improvements | Equipment | Motor vehicles | Capital work in progress (note (a)) | Total |
|--|------------|-----------------------------------|-------------|----------------|-------------------------------------|---------------|
| Cost: | | | | | | |
| At 1 January 2024 | 33,786,058 | 394,687,033 | 206,656,576 | 147,889,049 | 117,698,714 | 900,717,430 |
| Additions during the year | - | 5,925,779 | 11,111,862 | 6,259,440 | 423,431,740 | 446,728,821 |
| Disposals during the year | - | (337,538) | (8,611,755) | (290,650) | (891,290) | (10,131,233) |
| Transfer from capital work in progress | - | 10,061,893 | 14,475,107 | 515,626 | (25,052,626) | - |
| At 31 December 2024 | 33,786,058 | 410,337,167 | 223,631,790 | 154,373,465 | 515,186,538 | 1,337,315,018 |
| Accumulated depreciation: | | | | | | |
| At 1 January 2024 | - | 215,371,909 | 166,150,101 | 104,301,509 | - | 485,823,519 |
| Charge for the year | - | 24,164,190 | 18,859,535 | 12,158,928 | - | 55,182,653 |
| Disposals during the year | - | (326,336) | (8,470,912) | (290,650) | - | (9,087,898) |
| At 31 December 2024 | - | 239,209,763 | 176,538,724 | 116,169,787 | - | 531,918,274 |
| Net book value: | | | | | | |
| At 31 December 2024 | 33,786,058 | 171,127,404 | 47,093,066 | 38,203,678 | 515,186,538 | 805,396,744 |

CATRION CATERING HOLDING COMPANY
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7. PROPERTY, PLANT AND
EQUIPMENT (continued)

- a.

As of 31 December 2024, the total balance of construction work amounted to 515 million (31 December 2023: 118 million) which represents the construction of Red Sea Project, other civil works and renovations. During the year ended 31 December 2023, the Group signed a memorandum of understanding with Red Sea Group, to provide catering and laundry services for a period of 20 years against which the Group commenced the construction of the Laundry and Catering service units located at the Red Sea waterfront.
- b.

The amount of borrowing costs capitalized during the year ended 31 December 2024 was 2 million (2023:nil).

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At 31 December 2024

7. PROPERTY, PLANT AND
EQUIPMENT (continued)

| | Land | Building & leasehold improvements | Equipment | Motor vehicles | Capital work in progress (note (a)) | Total |
|--|------------|--------------------------------------|-------------|----------------|---|--------------|
| Cost: | | | | | | |
| At 1 January 2023 | 33,786,058 | 398,451,671 | 193,462,944 | 146,991,087 | 10,908,514 | 783,600,274 |
| Additions during the year | - | 3,637,710 | 7,969,438 | 1,946,927 | 122,392,868 | 135,946,943 |
| Disposals during the year | - | (16,033,924) | (1,368,754) | (1,088,189) | - | (18,490,867) |
| Expensed during the year | - | - | - | - | (338,920) | (338,920) |
| Transfer from capital work in progress | - | 8,631,576 | 6,592,948 | 39,224 | (15,263,748) | - |
| At 31 December 2023 | 33,786,058 | 394,687,033 | 206,656,576 | 147,889,049 | 117,698,714 | 900,717,430 |
| Accumulated depreciation: | | | | | | |
| At 1 January 2023 | - | 204,624,665 | 146,015,036 | 92,008,893 | - | 442,648,594 |
| Charge for the year | - | 26,720,022 | 21,157,911 | 13,380,805 | - | 61,258,738 |
| Disposals during the year | - | (15,972,778) | (1,022,846) | (1,088,189) | - | (18,083,813) |
| At 31 December 2023 | - | 215,371,909 | 166,150,101 | 104,301,509 | - | 485,823,519 |
| Net book value: | | | | | | |
| At 31 December 2023 | 33,786,058 | 179,315,124 | 40,506,475 | 43,587,540 | 117,698,714 | 414,893,911 |

7. PROPERTY, PLANT AND EQUIPMENT (continued)

- b. There are no restrictions on any asset neither any asset has been pledged as security to any party.
- c. Depreciation charge for the year has been allocated as follows:

| | 2024 | 2023 |
|--|------------|------------|
| Cost of revenue (note 26) | 46,672,225 | 53,825,795 |
| General and administrative expense (note 28) | 8,510,428 | 7,432,943 |
| | 55,182,653 | 61,258,738 |

8. INVESTMENT PROPERTY

- a. The Group's investment property comprises a part of a building owned by the Group which is being leased to a related party in King Fahd Airport, Dammam (note 15 (A “b”)).
- b. The movement of investment property at 31 December is as follows:

| | 2024 | 2023 |
|-------------------------------|------------|------------|
| Cost | | |
| At 1 January | 43,054,931 | 43,054,931 |
| At 31 December | 43,054,931 | 43,054,931 |
| Accumulated depreciation | | |
| At 1 January | 14,320,356 | 12,361,515 |
| Charge for the year (note 28) | 1,958,840 | 1,958,841 |
| Balance at 31 December | 16,279,196 | 14,320,356 |
| Net Book Value At 31 December | 26,775,735 | 28,734,575 |

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9. INVESTMENTS IN AN ASSOCIATE

The Group has a 40% interest in Saudi French Company for Duty Free Operations and Management ("SFDF"), which is involved in the operations of Duty-Free Concessions at the King Khalid International Airport, Riyadh, King Fahd International Airport, Dammam and King Abdul Aziz International Airport, Jeddah. Saudi French Company for Duty Free Operations and Management is a private entity that is not listed on any public exchange. The following table illustrates the summarised financial information of the Group's investment in SFDF:

a. The balances of the investment in associate as at 31 December 2024 and 31 December 2023 are as follows:

| Name | Country of incorporation | Effective ownership interest (%) | | Carrying value | |
|--|--------------------------|----------------------------------|------|----------------|------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Saudi French Company for Duty Free Operations and Management | Kingdom of Saudi Arabia | 40% | 40% | 43,338,366 | 36,954,874 |

b. Below is the summary of the financial information of the associate as at 31 December 2024 and 31 December 2023:

| i) Share in net assets | 2024 | 2023 |
|---------------------------------|-------------|-------------|
| Non-current assets | 281,392,626 | 40,659,145 |
| Current assets | 200,227,429 | 159,866,930 |
| Total assets | 481,620,055 | 200,526,075 |
| Non-current liabilities | 145,369,745 | 10,565,810 |
| Current liabilities | 230,823,574 | 100,492,258 |
| Total liabilities | 376,193,319 | 111,058,068 |
| Net assets | 105,426,736 | 89,468,007 |
| Group's share in net assets | 42,170,695 | 35,787,203 |
| Adjustment to acquisition price | 1,167,671 | 1,167,671 |
| | 43,338,366 | 36,954,874 |

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9. INVESTMENTS IN AN ASSOCIATE (continued)

| Share in profit | 2024 | 2023 |
|--|-------------------|-------------------|
| Revenue | 653,672,665 | 551,783,803 |
| Net income for the year | 29,146,729 | 39,784,378 |
| Other comprehensive loss | (688,000) | (1,255,000) |
| Group's share of net income for the year (at 40%) | 11,658,692 | 15,913,751 |
| Group's share of other comprehensive loss of an associate (at 40%) | (275,200) | (502,000) |
| Group's share of results for the year | 11,383,492 | 15,411,751 |

The associate had no contingent liabilities or capital commitments as at 31 December 2024 and 2023.

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

| | 2024 | 2023 |
|--|-------------------|-------------------|
| At 1 January | 36,954,874 | 21,543,123 |
| Group's share of results in an associate | 11,383,492 | 15,411,751 |
| Dividend received from associate | (5,000,000) | - |
| At 31 December | 43,338,366 | 36,954,874 |

10. MARGIN DEPOSIT

Margin deposit represents deposit at the banks to obtain letter of guarantees and promises from the banks to meet any financial obligations to the suppliers with a

term ending more than 12 months. As at 31 December 2024 and 31 December 2023 is as follows:

| | 2024 | 2023 |
|---|-----------|-----------|
| Margin deposits – non-current portion (note 33) | 4,230,000 | 4,230,000 |

CATRION CATERING HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
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11. INVENTORIES

| | 2024 | 2023 |
|--|---------------------|--------------|
| Catering items | 54,266,464 | 47,108,542 |
| Retail items | 37,050,550 | 41,748,503 |
| Spare parts | 12,306,587 | 10,199,261 |
| Packing and other materials | 11,938,831 | 12,020,531 |
| | 115,562,432 | 111,076,837 |
| Less: allowance for slow moving and obsolete inventories | (30,984,938) | (33,886,524) |
| | 84,577,494 | 77,190,313 |

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

| | 2024 | 2023 |
|--------------------------|--------------------|-------------|
| At 1 January | 33,886,524 | 39,249,504 |
| Reversed during the year | (2,901,586) | (5,362,980) |
| At 31 December | 30,984,938 | 33,886,524 |

Cost of inventories recognized in the consolidated statement of profit or loss and other comprehensive income for the

year ended 31 December 2024 amounted to 875,958,231 (31 December 2023: 756,818,145) (note 26).

12. TRADE AND UNBILLED RECEIVABLES

| | 2024 | 2023 |
|---|----------------------|---------------|
| Trade receivables - Due from related parties (note 24) | 449,552,045 | 299,683,331 |
| Trade receivables – Others | 326,063,045 | 401,794,012 |
| Unbilled receivables (note c below) | 72,471,244 | 49,397,454 |
| | 848,086,334 | 750,874,797 |
| Less: allowance for expected credit losses (note e below) | (131,977,044) | (149,376,270) |
| | 716,109,290 | 601,498,527 |

a. Trade receivables are non-interest bearing. The credit terms of the trade receivables vary across the business segments of the Group. It is not the practice of the Group to obtain collateral over receivables and the vast majority of these are, therefore, unsecured for terms and conditions with related parties please refer to (Note 24).

b. As at 31 December 2024, approximately 68% of the Group's trade receivable's balance was due from various governmental and semi-government entities (31 December 2023: 60%).

c. Unbilled receivables represent billing not yet approved by customers. As at 31 December 2024 and 31 December 2023 the unbilled receivables balances was having an aging of less than one year.

d. The ageing analysis of trade receivable is as follows:

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12. TRADE AND UNBILLED RECEIVABLES (continued)

| | Up to three months | Above three and up to six months | Above six months | Total |
|------------------|--------------------|----------------------------------|------------------|-------------|
| 31 December 2024 | 590,129,418 | 63,600,342 | 194,356,574 | 848,086,334 |
| 31 December 2023 | 488,770,396 | 61,127,620 | 200,976,781 | 750,874,797 |

e. The movements in allowance for expected credit losses for the year were given below:

| | 2024 | 2023 |
|-------------------------------------|--------------|-------------|
| At 1 January | 149,376,270 | 148,413,824 |
| (Reversal) / charge during the year | (98,697) | 1,274,113 |
| Written off during the year | (17,300,529) | (311,667) |
| At 31 December | 131,977,044 | 149,376,270 |

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

13. PREPAYMENTS AND OTHER RECEIVABLES

| | 2024 | 2023 |
|--|-------------|------------|
| Advances to suppliers | 81,447,950 | 45,903,161 |
| Prepayments | 42,636,725 | 29,240,906 |
| VAT input | 25,848,868 | 4,509,326 |
| Margin deposits with banks – current portion (note 33) | 2,774,208 | 2,827,100 |
| Advances to employees | 1,537,822 | 1,432,586 |
| Other receivable | 1,612,317 | 2,385,783 |
| | 155,857,890 | 86,298,862 |

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14. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for certain buildings used for the purpose of staff accommodation and operating clinics. The movement in right-of-use assets and lease liability for the year is as follows:

A. Group as a lessor

a. Operating Leases

The Group has entered into operating leases on its investment property consisting of accommodation building (see Note 8). The management has classified these leases as operating leases because they do not transfer substantially all the risks and rewards incidental to the ownership of the assets.

b. Leases receivables

The Group sub-leases asset, AM1 Building in King Khalid International Airport in Riyadh. The management has classified this lease as finance lease.

Movement in leases receivables during the year is as follows:

| | 2024 | 2023 |
|--|-------------|--------------|
| Net lease receivables at the beginning of the year | 5,767,746 | 19,248,835 |
| Finance income (note 30) | 206,594 | 412,884 |
| Modification | - | (2,250,729) |
| Payments received during the year | (733,248) | (11,643,244) |
| Net lease receivable at end of the year | 5,241,092 | 5,767,746 |
| Less: Current portion of net lease receivables | (5,241,092) | (4,777,598) |
| Non-Current portion of net lease receivables | - | 990,148 |

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14. RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

B. Group as a lessee

a. Right -of-use assets

The movements in right-of-use assets for the year is as follows:

| | Commercial Building Lease | Land Lease | Residential Lease | Vehicles Lease | Total |
|----------------------------------|------------------------------|-------------------|-------------------|-------------------|--------------------|
| Cost: | | | | | |
| 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 | 473,429,546 | 57,898,037 | 25,414,889 | 14,763,450 | 571,505,922 |
| Accumulated depreciation: | | | | | |
| 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 | 311,428,865 | 14,504,794 | 19,586,476 | 14,763,450 | 360,283,585 |
| Net book value: | | | | | |
| At 31 December 2024 | 162,000,681 | 43,393,243 | 5,828,413 | - | 211,222,337 |

(i) During the year ended on 31 December 2024, the company entered into new contracts for a New Office in Riyadh, an accommodatio lease in Dammam and a new lounge in Dammam Airport. The maturity analysis of lease liabilities is disclosed in note 35.

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14. RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

B. Group as a lessee (continued)

a. Right -of-use assets (continued)

| | Commercial Building Lease | Land Lease | Residential Lease | Vehicles Lease | Total |
|---------------------------|------------------------------|-------------|-------------------|----------------|--------------|
| Cost: | | | | | |
| At 1 January 2023 | 450,353,468 | 59,814,366 | 44,839,680 | 14,763,450 | 569,770,964 |
| Additions | 45,355,425 | - | - | - | 45,355,425 |
| Lease modifications | - | - | (12,399,971) | - | (12,399,971) |
| Terminations | (48,220,106) | (1,916,329) | (8,601,344) | - | (58,737,779) |
| At 31 December 2023 | 447,488,787 | 57,898,037 | 23,838,365 | 14,763,450 | 543,988,639 |
| Accumulated depreciation: | | | | | |
| At 1 January 2023 | 251,964,777 | 11,031,342 | 24,867,194 | 14,763,450 | 302,626,763 |
| Charge for the year | 49,621,358 | 2,672,743 | 4,392,500 | - | 56,686,601 |
| Lease modifications | - | - | (3,050,975) | - | (3,050,975) |
| Terminations | (38,202,999) | (1,616,757) | (7,435,146) | - | (47,254,902) |
| At 31 December 2023 | 263,383,136 | 12,087,328 | 18,773,573 | 14,763,450 | 309,007,487 |
| Net book value: | | | | | |
| At 31 December 2023 | 184,105,651 | 45,810,709 | 5,064,792 | - | 234,981,152 |

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14. RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

b. Lease Liabilities

The movements in lease liability for the year were as follows:

| | 2024 | 2023 |
|--|--------------|--------------|
| Lease liabilities | | |
| At the beginning of the year | 244,703,303 | 307,370,093 |
| Additions to lease liabilities during the year | 27,517,283 | 45,355,425 |
| Interest expense for the year (note 31) | 12,903,006 | 13,606,546 |
| Lease modification | - | (14,640,248) |
| Related to terminated contract | - | (29,466,525) |
| Payments made during the year | (67,564,114) | (77,521,988) |
| At the end of the year | 217,559,478 | 244,703,303 |
| Less: Current portion of lease liabilities | (52,081,833) | (94,447,407) |
| Non-Current portion of lease liabilities | 165,477,645 | 150,255,896 |

c. Depreciation charged on right of use assets have been allocated as follows:

| | 2024 | 2023 |
|--|------------|------------|
| Cost of revenue (note 26) | 45,790,953 | 51,382,392 |
| General and administrative expense (note 28) | 5,485,145 | 5,304,209 |
| | 51,276,098 | 56,686,601 |

d. The following are the amounts recognised in the statement of profit or loss and comprehensive income:

| | 2024 | 2023 |
|---|-------------|--------------|
| Depreciation on right of use assets | 51,276,098 | 56,686,601 |
| Interest expense on lease liabilities (note 32) | 12,903,006 | 13,606,546 |
| Expense relating to short term leases (included in cost of revenue) | 66,714,171 | 62,641,300 |
| Gain on de-recognition of lease liability | - | (16,066,644) |
| | 130,893,275 | 116,867,803 |

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15. CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|--------------------------------|-------------|-------------|
| Cash at bank | 311,244,325 | 325,449,311 |
| Mudarba deposit (note b below) | 320,000,000 | 376,577,500 |
| Cash on hand | 54,317 | 429,370 |
| | 631,298,642 | 702,456,181 |

- a. The cash is held in accounts with banks having sound credit ratings. The fair value of bank balances and cash equivalent approximates the carrying value at 31 December 2024 and 31 December 2023.
- b. Unrestricted Mudarba deposit represent deposit placed in Mudarba contracts with commercial banks having original maturity of three months and yielding profit at prevailing interest rates.
- c. Cash and cash equivalents as at 31 December 2024 include 2.61 million (31 December 2023: 2.73) earmarked in dividend accounts. Such accounts are subject to regulatory restrictions and are therefore not available for general use by the Group.

16. SHARE CAPITAL

As at the statement of financial position date, the authorized, issued and fully paid share capital is 820 million (2023: 820 million) which is divided into 82 million shares (2023: 82 million shares) of 10 par value each (2023: 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 are as follows:

31 December 2024:

| Name of Shareholders | Number of shares | Value in | Percentage Holding % |
|--|------------------|-------------|----------------------|
| 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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16. SHARE CAPITAL (continued)

31 December 2023:

| Name of Shareholders | Number of shares | Value in | Percentage Holding % |
|--|------------------|-------------|----------------------|
| Saudi Arabian Airlines Corporation | 29,274,000 | 292,740,000 | 35.7% |
| Abdulmohsen Alhokair Group for Tourism and Development | 6,711,256 | 67,112,560 | 8.2% |
| General public | 46,014,744 | 460,147,440 | 56.1% |
| | 82,000,000 | 820,000,000 | 100% |

17. 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.

18. DIVIDENDS

On 21 March 2024, and in its issued resolution, the Board of Directors recommended the distribution of cash dividends to the Company's shareholders for the second half of the fiscal year 2023 which amounted to 90.2 million at 1.1 per share for the period ended 31 March 2024. The distribution date was 24 April 2024 (22 March 2023: 41 million at 0.5 per share).

On 4 August 2024, the Company announces its Board of Directors resolution issued for approval of distribution of cash dividends to the shareholders for the first half of the fiscal year for the period ended 30 June 2024 amounting to 94.3 million at 1.15 per share. (1 August 2023: 82 million at 1 per share)

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19. 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 403 million, out of which 124 million is utilised, and CATRION Catering Services LLC has a total facility of 204 million, out of which 38 million is utilised.

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.

| | 2024 | 2023 |
|---------------------|-------------|------|
| Total loans drawn | 161,444,596 | - |
| Current portion | (4,154,218) | - |
| Non-current portion | 157,290,378 | - |

20. EMPLOYEES' DEFINED BENEFITS OBLIGATION

The Company operates an approved unfunded employees' end of service benefits scheme / plan for its permanent employees as required by the applicable local laws. The movement in defined benefits for the year ended is as follows:

| | 2024 | 2023 |
|--|--------------|--------------|
| Balance at the beginning of the year | 164,848,553 | 165,219,221 |
| Included in statement of profit or loss | | |
| Current service cost | 22,770,506 | 18,921,529 |
| Interest cost (included in employee cost) | 7,233,015 | 6,491,585 |
| | 30,003,521 | 25,413,114 |
| Included in statement of other comprehensive income | | |
| Re-measurement loss / (gain) on defined benefit obligation | 2,522,909 | (6,484,581) |
| Benefits paid | (27,206,891) | (19,299,201) |
| Balance at the end of the year | 170,168,092 | 164,848,553 |

The defined benefit plan is exposed to various actuarial risks, the most significant of which are final salary risk, discount / interest rate fluctuation risk, longevity risk and inflation risk.

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20. EMPLOYEES' DEFINED BENEFITS OBLIGATION (continued)

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

| | 2024 | 2023 |
|--|------------|------------|
| Discount rate | 6% | 5% |
| Future salary growth / expected rate of salary increases | 2.6% | 2% |
| Employee turnover / withdrawal rates | Moderate | Moderate |
| Retirement age | 60 years | 60 years |
| Average duration of defined benefit obligation | 7.56 years | 6.80 years |

Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability.

The quantitative sensitivity analysis for principal assumptions is as follows:

| 31 December 2024 | Change in assumption by | Increase to | Decrease to |
|--|-------------------------|-------------|-------------|
| Discount rate | 1% | 182,082,860 | 156,675,225 |
| Future salary growth / expected rate of salary increases | 1% | 183,286,120 | 155,449,670 |
| 31 December 2023 | | | |
| Discount rate | 1% | 176,612,148 | 154,538,472 |
| Future salary growth / expected rate of salary increases | 1% | 177,714,792 | 153,403,492 |

The following are the expected payments or contributions to the employees in future years:

| | 2024 | 2023 |
|--|-------------|------------|
| Within the next 12 months (next annual reporting year) | 31,612,921 | 28,344,542 |
| Between 2 and 5 years | 53,861,728 | 58,991,280 |
| Between 6 and 10 years | 55,767,129 | 57,135,725 |
| Beyond 10 years | 141,370,578 | 95,570,708 |

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21. LONG-TERM BONUS

Long term bonus includes bonus paid to the Key Management on a cycle of 3 years, and not paid on annual basis. The movement in long term bonus during 31 December 2024 and 31 December 2023 is as follows:

| | 2024 | 2023 |
|-----------------------------------|------------------|-------------------|
| Opening balance | 11,700,000 | 8,125,254 |
| Accrued during the year | 8,205,000 | 3,574,746 |
| Re-classified to short term bonus | (16,188,211) | - |
| Closing balance | 3,716,789 | 11,700,000 |

22. TRADE AND OTHER PAYABLES

| | 2024 | 2023 |
|--|--------------------|--------------------|
| Accrued expenses | 324,492,905 | 258,528,771 |
| Trade payables – third parties | 282,668,499 | 155,237,106 |
| Employee related accruals | 53,181,238 | 45,433,737 |
| Dividend payable | 2,613,538 | 2,729,578 |
| Trade payables – a related party (note 24) | 195,500 | 113,990 |
| | 663,151,680 | 462,043,182 |

23. ZAKAT

The Company and its subsidiaries files the zakat returns on an individual basis.

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Zakat payable | 24,796,532 | 32,655,727 |
| Advance income tax relating to foreign shareholding | (4,814,476) | (7,127,198) |
| Net zakat payable | 19,982,056 | 25,528,529 |

a) Zakat provision:

Movement in Zakat provision is as follows:

| | 2024 | 2023 |
|------------------------------------|-------------------|-------------------|
| Balance at beginning of the year | 32,655,727 | 28,777,772 |
| Charge for the year (note i below) | 22,943,053 | 33,880,036 |
| Payments during the year | (30,802,248) | (30,002,081) |
| Balance at 31 December | 24,796,532 | 32,655,727 |

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23. ZAKAT (continued)

a) Zakat provision (continued)

i) Charge of the year ended 31 December 2024, and 31 December 2023 is as follows:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Zakat charge for the year | 22,943,053 | 32,655,727 |
| Adjustments | - | 1,224,309 |
| Total Zakat charge for the year | 22,943,053 | 33,880,036 |

b) Zakat assessments status

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

The Parent Company:

From inception year to the year ended 31 December 2022:

The Zakat, Tax and Custom Authority ("ZATCA") has finalized its Zakat inspection on the Company's accounts from inception year to the year ended 31 December 2022. The Company has diligently fulfilled its obligations by successfully settling the corresponding invoices and cleared its Zakat position till the mentioned year.

For the year ended 31 December 2023:
The Company has filed its Zakat return for the fiscal year ended 31 December 2023 and obtained related Zakat certificate. ZATCA has finalized the study of the mentioned year and assessment was issued with no additional liability.

The Subsidiaries:

CATRION For Catering Company

The subsidiary has submitted its Zakat declarations up to the year ended 31 December 2023 and obtained the unrestricted Zakat certificate valid until 30 April 2025.

CATRION Laundry Trading Company

The subsidiary's first financial year is a short year, commencing on the inception date of 22 June 2023. The Company submitted its first Zakat declaration for the first period ended 31 December 2023 and obtained the unrestricted Zakat certificate valid until 30 April 2025

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. The Company 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 Company 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 Company.

| Related Parties: | Relationship |
|--|-------------------|
| Saudi Arabian Airlines Corporation | Major shareholder |
| Saudi Ground Services | Affiliate |
| Saudi Airlines Cargo Company | Affiliate |
| Saudi Airlines Real Estate Development Company | Affiliate |
| Saudi Private Aviation | Affiliate |
| Saudia Royal Fleet | Affiliate |
| Saudia Aerospace Engineering Industries | Affiliate |
| Flyadeal Airlines Company | Affiliate |
| Prince Sultan Aviation Academy | Affiliate |
| Al Salam Aircraft Company | Affiliate |
| SAL Saudi Logistics Services Company | Affiliate |
| Saudi French Company for Duty Free Operations and Management | Associate |

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

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

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

| Relationship | Nature of transactions | 2024 | 2023 |
|-------------------|----------------------------|----------------------|---------------|
| Major shareholder | Sale of goods and services | 1,793,045,730 | 1,579,498,796 |
| | Services provided | 745,814 | 2,040,663 |
| Affiliates | Sale of goods and services | 152,475,888 | 143,591,527 |
| | Services provided | 6,543,983 | 9,723,987 |
| Associate | Sale of goods and services | 7,526,852 | 7,131,112 |

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24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

| | 2024 | 2023 |
|---|-------------|-------------|
| Saudi Arabian Airlines Corporation | 397,202,113 | 231,652,733 |
| Saudia Aerospace Engineering Industries | 17,384,088 | 9,973,570 |
| Saudi Ground Services Company | 16,458,008 | 21,911,720 |
| Saudia Royal Fleet | 8,175,350 | 21,875,274 |
| Flyadeal Airlines Company | 4,548,140 | 2,835,303 |
| Saudi Private Aviation | 3,711,951 | 8,180,216 |
| Saudi Airlines Cargo Company | 1,307,660 | 1,822,441 |
| Saudi French Company for Duty Free Operations and Management | 647,035 | 699,030 |
| Prince Sultan Aviation Academy | 72,789 | 50,073 |
| Saudi Airlines Real Estate Development Company | 37,260 | - |
| SAL Saudi Logistics Services Company | 7,651 | - |
| Al Salam Aircraft Company | - | 682,971 |
| | 449,552,045 | 299,683,331 |

**iii) Due to a related party is as follows
(note 22):**

| | 2024 | 2023 |
|---|---------|---------|
| Saudi Arabian Airlines Corporation | - | 113,990 |
| Saudi Airlines Real Estate Development Company | 195,500 | - |
| | 195,500 | 113,990 |

**Terms and conditions of transactions with
related parties**

Outstanding balances at the year-end 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 year ended 31 December 2024 and 2023, the amounts owed by related parties are not impaired.

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24. 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:

| | 2024 | 2023 |
|--|------------|------------|
| Short-term employee benefits | 6,991,372 | 7,032,684 |
| Termination benefits | 97,200 | 89,100 |
| Employees' defined benefit liabilities | 361,439 | 548,989 |
| Key management bonus | 3,300,000 | 2,800,000 |
| | 10,750,011 | 10,470,773 |

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

25. REVENUE

| | 2024 | 2023 |
|--------------------------|---------------|---------------|
| In-flight catering | 1,501,065,980 | 1,329,486,159 |
| Non-airlines | 467,144,803 | 531,574,545 |
| Business lounge | 276,272,578 | 222,016,068 |
| Retail revenue | 39,662,647 | 45,723,220 |
| Other operating revenues | 15,113,693 | 4,962,306 |
| | 2,299,259,701 | 2,133,762,298 |

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26. COST OF REVENUE

| | 2024 | 2023 |
|--|---------------|---------------|
| Cost of materials and goods | 875,958,231 | 756,818,145 |
| Employees costs | 385,799,466 | 383,319,112 |
| Rent and maintenance of production units | 78,363,874 | 69,086,497 |
| Manpower and transportation cost | 69,259,750 | 66,596,225 |
| Supplies and expandable items | 60,007,202 | 60,608,647 |
| Depreciation on property, plant and equipment (note 7 (d)) | 46,672,225 | 53,825,795 |
| Depreciation on right-of-use assets (note 14 (B “c”)) | 45,790,953 | 51,382,392 |
| Communication and utilities | 21,861,614 | 26,311,670 |
| Other operational costs | 73,937,662 | 99,821,310 |
| | 1,657,650,977 | 1,567,769,793 |

27. OTHER INCOME

| | 2024 | 2023 |
|---|------------|------------|
| Foreign currency exchange gain | 5,580,689 | 2,721,517 |
| Management fee income | 6,545,089 | 6,200,968 |
| Medical ex-gratia income | 2,800,000 | 2,400,000 |
| Gain on de-recognition of lease liability | - | 16,066,644 |
| Scrap sales | 1,309,216 | - |
| Others | 2,911,913 | 2,105,234 |
| | 19,146,907 | 29,494,363 |

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28. GENERAL AND ADMINISTRATIVE EXPENSES

| | 2024 | 2023 |
|--|-------------|-------------|
| Employees costs | 195,926,967 | 175,393,767 |
| IT, maintenance and other services | 29,908,200 | 37,696,467 |
| Professional and technical fee | 10,087,670 | 7,106,941 |
| Travelling | 9,909,437 | 8,809,433 |
| Depreciation on property, plant and equipment (note 7 (d)) | 8,510,428 | 7,432,943 |
| Board of Directors' remuneration | 6,492,937 | 6,281,545 |
| Utilities | 6,490,118 | 5,656,300 |
| Depreciation on right-of-use assets (note 14 (B "c")) | 5,485,145 | 5,304,209 |
| Insurance | 3,982,305 | 4,127,648 |
| Marketing and promotional | 2,340,741 | 16,114,348 |
| Depreciation on investment property (note 8) | 1,958,840 | 1,958,841 |
| Amortization of intangible assets | 10,890 | 26,135 |
| Others | 17,389,478 | 12,514,691 |
| | 298,493,156 | 288,423,268 |

29. OTHER EXPENSES

| | 2024 | 2023 |
|---|-----------|-----------|
| Banks commission | 1,692,611 | 1,420,927 |
| Loss on disposal of property, plant and equipment | 152,045 | - |
| | 1,844,656 | 1,420,927 |

30. FINANCE INCOME

| | 2024 | 2023 |
|---|------------|------------|
| Finance income on Mudarba deposit | 23,742,580 | 16,442,676 |
| Finance income on lease receivables (note 14 (A "b")) | 206,594 | 412,884 |
| | 23,949,174 | 16,855,560 |

31. FINANCE COSTS

| | 2024 | 2023 |
|--|------------|------------|
| Interest from lease liabilities (note 14 (B "b")) | 12,903,006 | 13,606,546 |
| Interest on employees' end-of-service benefits (note 20) | 7,233,015 | 6,491,585 |
| | 20,136,021 | 20,098,131 |

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32. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the income for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the Group does not have any convertible securities or diluted instruments to exercise.

The following table reflects the income for the year attributable to ordinary equity holders and weighted average number of ordinary share outstanding during the year used in the basic and diluted EPS computations:

Basic and diluted earnings per share from total income.

| | 2024 | 2023 |
|--|-------------|-------------|
| Profit for the year attributable to the shareholders of the Group | 352,770,108 | 282,657,704 |
| Weighted average number of ordinary shares for the purposes of basic and diluted earnings | 82,000,000 | 82,000,000 |
| Basic and diluted earnings per share based on profit for the year attributable to shareholders of the Group (in) | 4.30 | 3.45 |

33. COMMITMENTS AND CONTINGENCIES

As at 31 December 2024 and 31 December 2023, the Group had the following commitments, letter of guarantees and contingencies:

| | 2024 | 2023 |
|--|-------------|------------|
| Capital commitments | 105,821,964 | 67,385,867 |
| Letter of guarantees (refer to note below) | 135,034,136 | 56,731,881 |

On 31 December 2024, the Group had outstanding letters of guarantee amounting to 135.0 million issued by banks on behalf of the Group to suppliers and promises to meet any financial obligations (31 December 2023: 56.7 million) with cash margin deposit amounting to 7.0 million (31 December 2023: 7.1 million).

Vendors and ex-employees have commenced an action against the Group in respect of individual and commercial claimed to be defective. If successful, the action could result in an estimated payable amount of 0.9 million.

34. FAIR VALUE OF ASSETS
AND LIABILITIES

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 year during which the change has occurred. During the year ended 31 December 2023, there were no movements between the levels.

As at 31 December 2024 and 31 December 2023, the fair values of the Group's financial instruments are estimated to approximate their carrying values.

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

The Group's principal financial assets include trade and other receivables, due from related parties and cash and bank balances.

The Group's principal financial liabilities comprise trade and other payables, lease liabilities and due to related parties. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

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 prices comprise three types of risk: commission rate risk, currency risk and other price risk. Financial instruments affected by market risk.

Commission rate risk

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. The Group's exposure to the risk of changes in market commission rates may relate primarily to The Group's bank borrowings with floating commission rates. The Group's manages the commission rate risk by regularly monitoring the commission rate profiles of its commission bearing financial instruments.

As at the reporting date, the Group has Mudarba term deposit with a bank at a fixed commission rate and does not have any Mudarba term deposits with banks at floating commission rates.

Currency risk

It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and US Dollars. As the Saudi Riyal is pegged to US Dollar, the Group does not have significant exposure to currency risk.

Credit risk

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentration of credit risk. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations.

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

| | 2024 | 2023 |
|----------------------------|----------------------|---------------|
| Financial assets | | |
| Balances with banks | 631,244,325 | 702,026,811 |
| Trade receivables | 326,063,045 | 401,794,012 |
| Due from related parties | 449,552,045 | 299,683,331 |
| Unbilled receivables | 72,471,244 | 49,397,454 |
| Margin deposits with banks | 7,004,208 | 7,057,100 |
| Leases receivables | 5,241,092 | 5,767,746 |
| | 1,491,575,959 | 1,465,726,454 |

35. FINANCIAL
INSTRUMENTS RISK
MANAGEMENT (continued)

Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound counter party risk rating ranging from B to A+ based on Fitch credit rating. All bank balances are held with banks within Saudi Arabia and Cairo.
- The Group currently does not obtain security / collateral from its customers.

Trade receivables

Credit risk is managed subject to the Group's established policy, procedures and control defined to mitigate the credit risk. Receivables of the Group comprise primarily of Government and its related ministries, and others companies. The Group seeks to manage its credit risk by setting credit limits, credit period by monitoring outstanding receivables and ensuring close follow-ups.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The credit terms are extended to customers where the Group does not expect any inability to pay.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. 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.

Short-term deposits with banks and cash at banks

Credit risk from balances with banks and financial institution is managed by the Group's treasury department in accordance with the Group's policy. The Group seeks to manage its credit risk with respect to banks by only dealing with reputable banks. At the reporting date, no significant concentration of credit risk were identified by the management.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realize financial assets quickly at an amount close to its fair value. The Group manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis.

The management has developed policies and practices to manage liquidity risk in accordance with the risk tolerance and to ensure that the Group maintains sufficient liquidity. Senior management continuously reviews information on the Group's liquidity developments.

The Group has established a robust mechanism for its cash management ensuring the best use of available cash resources. This requires organising the collection and disbursement systems in such a way as to maximise the investment of idle funds through time deposits and short-term deposits while limiting the borrowings of funds and ensuring availability of the facilities to run its operations. The Group's terms of services require amounts to be paid within 90 days of the date of submitting the invoice. Trade payables are normally settled within 90 to 120 days of the date of purchase.

35. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Liquidity risk (Continued)

The table below summarizes the maturities of the Group's financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

| As at 31 December 2024 | Up to 12 months | One to five years | More than five years | Total |
|--------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade payables | 282,863,999 | - | - | 282,863,999 |
| Lease liabilities | 71,486,500 | 149,768,120 | 63,566,410 | 284,821,030 |
| Accruals and other liabilities | 324,492,905 | - | - | 324,492,905 |
| Loans and borrowings | 4,154,218 | 44,017,187 | 113,273,191 | 161,444,596 |
| | 682,997,622 | 193,785,307 | 176,839,601 | 1,053,622,530 |
| As at 31 December 2023 | Up to 12 months | One to five years | More than five years | Total |
| Trade payables | 155,351,096 | - | - | 155,351,096 |
| Lease liabilities | 106,115,566 | 147,962,285 | 49,180,556 | 303,258,407 |
| Accruals and other liabilities | 258,528,771 | - | - | 258,528,771 |
| | 519,995,433 | 147,962,285 | 49,180,556 | 717,138,274 |

36. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholders' value.

The Group informally monitors capital using a gearing ratio, which is 'net debt' divided by total capital. The Group includes within net debt total liabilities less cash and bank balances.

| | 2024 | 2023 |
|---------------------------------|----------------------|---------------|
| Total liabilities | 1,236,022,691 | 908,823,567 |
| Less: cash and cash equivalents | (631,298,642) | (702,456,181) |
| Net debt | 604,724,049 | 206,367,386 |
| Total capital | 1,451,815,663 | 1,286,068,464 |
| Gearing ratio | 42% | 16% |

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved for issuance by the Board of Directors on 23 March 2025 G corresponding to (23 Ramadan 1446 H).

CATRI:ON