

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

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
For the three-month period ended 31 March 2025**

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Ground Services Company (A Saudi Joint Stock Company) (the "Company") and its subsidiary (collectively referred to as the "Group") as at 31 March 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

for Ernst & Young Professional Services



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




Jeddah: 16 Thul-Qi'dah 1446H

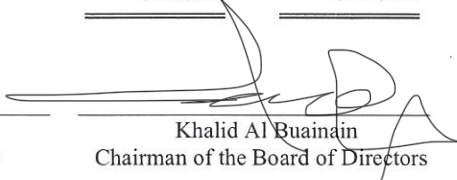
14 May 2025G

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	<i>Notes</i>	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	542,335	559,306
Right-of-use assets	7	139,181	141,066
Intangible assets and goodwill	8	717,582	723,356
Equity-accounted investments	9	110,060	102,065
Prepayments and other assets		139,845	134,868
		1,649,003	1,660,661
CURRENT ASSETS			
Inventories		7,735	8,951
Trade receivables	10	1,144,838	1,190,977
Prepayments and other assets		699,336	696,932
Financial assets at fair value through profit or loss (FVTPL)	11	312,620	214,000
Short term deposits		365,000	409,000
Cash and cash equivalents		201,567	87,232
		2,731,096	2,607,092
TOTAL ASSETS		4,380,099	4,267,753
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	1,880,000	1,880,000
Retained earnings		543,321	633,694
TOTAL EQUITY		2,423,321	2,513,694
NON-CURRENT LIABILITIES			
Lease liabilities	7	71,044	84,849
Employee defined benefit liabilities		574,643	561,792
TOTAL NON-CURRENT LIABILITIES		645,687	646,641
CURRENT LIABILITIES			
Lease liabilities	7	107,354	81,423
Trade payables		54,741	115,684
Accruals and other current liabilities		737,469	512,034
Zakat provision	12	411,527	398,277
TOTAL CURRENT LIABILITIES		1,311,091	1,107,418
TOTAL LIABILITIES		1,956,778	1,754,059
TOTAL EQUITY AND LIABILITIES		4,380,099	4,267,753


Mohammad A. Alamoudi
Acting Chief Financial Officer


Mohammed Al Mazzi
Chief Executive Officer



Khalid Al Buainain
Chairman of the Board of Directors

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

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

	<i>Notes</i>	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 March 2024 (Unaudited) S'000</i>
Revenue	13	671,495	653,197
Costs of revenue		<u>(508,212)</u>	<u>(531,767)</u>
GROSS PROFIT		163,283	121,430
Other income		9,199	20,188
General and administrative expenses		(75,415)	(54,136)
Impairment losses on trade receivables		-	(12,212)
OPERATING PROFIT		97,067	75,270
Finance costs		(3,092)	(3,915)
Interest income on term deposits		5,287	7,187
Realized and unrealized gain on financial assets at FVTPL	11	3,620	4,062
Share of results from equity-accounted investments	9	7,995	5,598
PROFIT FOR THE PERIOD BEFORE ZAKAT		110,877	88,202
Zakat charge	12	(13,250)	(17,040)
PROFIT FOR THE PERIOD		97,627	71,162
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		97,627	71,162
Earnings per share			
Earnings per share attributable to ordinary equity holders of the Parent Company (basic and diluted) (in S)	14	<u>0.52</u>	<u>0.38</u>


 Mohammad A. Alamoudi
 Acting Chief Financial Officer


 Mohammed A. Alazri
 Chief Executive Officer


 Khalid Al Buainain
 Chairman of the Board of Directors

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SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025

	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Retained earnings / (accumulated losses)</i>	<i>Total</i>
	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>
Balance as at 1 January 2024	1,880,000	520,173	(68,681)	2,331,492
Profit for the period	-	-	71,162	71,162
Other comprehensive income for the period	-	-	-	-
<i>Total comprehensive income for the period</i>	-	-	71,162	71,162
Balance as at 31 March 2024 (Unaudited)	<u>1,880,000</u>	<u>520,173</u>	<u>2,481</u>	<u>2,402,654</u>
Balance as at 1 January 2025	1,880,000	-	633,694	2,513,694
Profit for the period	-	-	97,627	97,627
Other comprehensive income for the period	-	-	-	-
<i>Total comprehensive income for the period</i>	-	-	97,627	97,627
Dividends (note 1)	-	-	(188,000)	(188,000)
Balance as at 31 March 2025 (Unaudited)	<u><u>1,880,000</u></u>	<u><u>-</u></u>	<u><u>543,321</u></u>	<u><u>2,423,321</u></u>



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SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2025

	Notes	31 March 2025 (Unaudited) S'000	31 March 2024 (Unaudited) S'000
OPERATING ACTIVITIES			
Profit before zakat		110,877	88,202
<i>Adjustments to reconcile profit before zakat to net cash flows:</i>			
Depreciation on property and equipment	6	26,756	25,013
Depreciation on right-of-use assets	7	12,562	15,858
Amortization of intangible assets	8	5,774	5,823
Share of results from equity-accounted investments	9	(7,995)	(5,598)
Impairment loss on trade receivables		-	12,212
Provision for employee defined benefit liabilities		21,153	24,460
Gain on disposal of financial assets at FVTPL	11	-	(1,080)
Unrealized gain on financial assets at FVTPL	11	(3,620)	(2,982)
Finance costs		3,092	3,915
		168,599	165,823
<i>Working capital adjustments:</i>			
Inventories		1,216	(691)
Trade receivables		46,139	50,999
Prepayments and other assets		(8,381)	(40,248)
Trade payables		(60,943)	22,399
Accruals and other liabilities		37,435	23,083
Cash from operations		184,065	221,365
Finance cost paid		(1,286)	(813)
Employee defined benefit paid		(8,302)	(13,045)
Net cash flows from operating activities		174,477	207,507
INVESTING ACTIVITIES			
Additions to property and equipment	6	(9,785)	(22,301)
Proceeds from disposal of financial assets at FVTPL	11	-	90,000
Purchase of financial assets at FVTPL	11	(95,000)	(252,546)
Investment in short term deposit		(365,000)	(209,000)
Proceeds from short term deposits		409,000	300,000
Dividends received from equity-accounted investments		1,000	-
Net changes in restricted cash		-	453
Net cash used in investing activities		(59,785)	(93,394)
FINANCING ACTIVITIES			
Repayments of loans and borrowings		-	(100,000)
Payments of lease liabilities	7	(357)	(24,639)
Net cash used in financing activities		(357)	(124,639)
Net increase / (decrease) in cash and cash equivalents		114,335	(10,526)
Cash and cash equivalents at beginning of the period		87,232	78,637
Cash and cash equivalents at end of the period		201,567	68,111
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION			
Additions to right-of-use assets and lease liabilities	7	10,000	-
Modification to right-of-use assets and lease liabilities	7	677	-
		10,677	-

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Acting Chief Financial Officer

Mohammed A. Alazri
Chief Executive Officer

Khalid Al Buainain
Chairman of the Board of Directors

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

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

1 CORPORATE INFORMATION

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

The Group is engaged in providing ground handling services, aircraft cleaning, passenger handling, baggage, and fuel to Saudi Airlines Air Transport Company, other local and foreign airlines, and other customers in the Kingdom of Saudi Arabia.

The registered address of the Company is Al Yasmin Commercial Center King Abdul Aziz Road, Al Basatin District P.O. Box 48154, Jeddah 21572, Kingdom of Saudi Arabia.

Share capital

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

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

During the three-month period ended 31 March 2025, the Board of Directors declared interim cash dividends at ₪1 per share amounting to ₪188 million related to the second half of 2024 (31 March 2024: Nil), for registered shareholders at 25 March 2025.

Subsidiary

During the year ended 31 December 2024, the Board of Directors approved the establishing of a 100% owned new subsidiary in the Kingdom of Saudi Arabia under the name of Ground Service Company for Travel and Tourism Services (“the Subsidiary”). The Subsidiary was registered as a limited liability company in the Kingdom of Saudi Arabia under Commercial Registration number 4030558452 dated 18 Duh Al-Qi’ dah 1445H, (corresponding to 26 May 2024). The legal formalities in relation to meeting the initial capital contribution were completed on 12 September 2024, however, the Subsidiary has not yet commenced operations as of the reporting date.

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

Joint venture

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

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

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

2 BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements for the three-months period ended 31 March 2025 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Material accounting judgements, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment applies for the first time in 2025 but does not have an impact on the interim condensed consolidated financial statements of the Group.

Lack of exchangeability – Amendments to IAS 21

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

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

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely.
IFRS 18 Presentation and disclosure in financial statements	IFRS 18 sets out requirements for the presentation and disclosure of information in financial statements. These examples are not intended to illustrate all aspects of the presentation and disclosure requirements in IFRS 18, nor do they illustrate a complete set of financial statements.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.	1 January 2027, with early application permitted

5 OPERATING SEGMENTS

The Group's primary format for segmental reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure. The Group is principally involved in providing ground handling services to local and foreign airlines at all airports in the Kingdom of Saudi Arabia. Other operations are related to the fueling to the local and foreign airlines and other customers. The operations related to fueling and other services has not met the quantitative thresholds for reportable segments for the three-month period ended 31 March 2025 and 31 March 2024. Accordingly, the management believes that the Group's business falls within a single reportable business segment and is subject to similar risks and returns.

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

6 PROPERTY AND EQUIPMENT

a) Reconciliation of carrying amounts:

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Carrying amount at beginning of the period / year	559,306	486,568
Additions during the period / year	9,785	176,485
Disposal during the period / year	-	(335)
Depreciation during the period / year	(26,756)	(103,412)
At the end of the period/year	542,335	559,306

b) Category-wise carrying amounts are as follows:

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Land	27,464	27,464
Leasehold improvements	17,054	17,868
Airport equipment	485,658	500,304
Motor vehicles	1,017	1,083
Furniture, fixture and equipment	5,421	6,153
Computer equipment	5,721	6,434
At the end of the period/year	542,335	559,306

7 LEASES

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

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

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

a) Right of use assets

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
At the beginning of the period/year	141,066	224,553
Additions during the period / year	10,000	14,248
Modification during the period / year	677	(41,024)
Depreciation during the period / year	(12,562)	(56,711)
At the end of the period / year	139,181	141,066

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

7 LEASES (continued)

b) Lease liabilities

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
At the beginning of the period / year	166,272	236,794
Additions during the period / year	10,000	14,248
Modification during the period / year	677	(41,024)
Accretion of interest during the period / year	1,806	9,475
Payments during the period / year	(357)	(53,221)
At the end of the period / year	178,398	166,272
Less: Current portion	(107,354)	(81,423)
Non-current portion	71,044	84,849

8 INTANGIBLE ASSETS AND GOODWILL

	<i>Goodwill S'000</i>	<i>Customer contracts S'000</i>	<i>Customer relationships S'000</i>	<i>Software S'000</i>	<i>Total S'000</i>
Cost:					
Balance at 31 December 2024 and 31 March 2025	582,816	153,179	468,475	64,117	1,268,587
Accumulated amortisation:					
Balance at 1 January 2024	-	153,179	304,511	64,117	521,807
Amortisation for the year	-	-	23,424	-	23,424
Balance at 31 December 2024 (Audited)	-	153,179	327,935	64,117	545,231
Amortisation for the period	-	-	5,774	-	5,774
Balance at 31 March 2025 (Unaudited)	-	153,179	333,709	64,117	551,005
Net book value:					
At 31 March 2025 (Unaudited)	582,816	-	134,766	-	717,582
At 31 December 2024 (Audited)	582,816	-	140,540	-	723,356

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

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

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

9 EQUITY-ACCOUNTED INVESTMENTS

The equity-accounted investments in joint ventures as at 31 March 2025 are as follows:

	Country of incorporation / principal place of business	Effective ownership interest (%)		31 March 2025 (Unaudited) S\$ '000	31 December 2024 (Audited) S\$ '000
		31 March 2025 (Unaudited)	31 December 2024 (Audited)		
Saudi Amad for Airport Services and Transport Support Company ("SAAS")	Kingdom of Saudi Arabia	50%	50%	45,631	42,428
Alvest Arabia Equipment Services ("AAES") (formerly known as "TLD Arabia Equipment Services")	Kingdom of Saudi Arabia	50%	50%	15,411	14,560
Jusoor Airport Services Company ("Jusoor")	Kingdom of Saudi Arabia	51%	51%	49,018	45,077
				110,060	102,065

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

	31 March 2025 (Unaudited) S\$ '000	31 December 2024 (Audited) S\$ '000
Balance at the beginning of the period/year	102,065	95,705
Share of results for the period/year	7,995	28,474
Share of other comprehensive loss	-	(514)
Dividends for the period/year	-	(21,600)
Balance at the end of the period/year	110,060	102,065

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

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

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

b) Alvest Arabia Equipment Services ("AAES") (formerly known as "TLD Arabia Equipment Services")

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

During the three-month period ended 31 March 2025, the Group received S\$ 1 million of the dividends declared in year ended 31 December 2024.

c) Jusoor Airport Services Company ("Jusoor")

This represents Group's 51% ownership interest in Jusoor Airport Services Company ("Jusoor"), a joint venture. The primary objective of Jusoor is to operate and maintain passenger boarding bridges in the Kingdom of Saudi Arabia.

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

10 TRADE RECEIVABLES

Trade receivables as at 31 March 2025 is as follows:

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Due from related parties (note 15 (a))	958,450	1,023,724
Other trade receivables	420,512	401,377
	<u>1,378,962</u>	<u>1,425,101</u>
Less: allowance for impairment loss	(234,124)	(234,124)
	<u><u>1,144,838</u></u>	<u><u>1,190,977</u></u>

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

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Balance at beginning of the period / year	234,124	310,437
Charge for the period / year	-	46,579
Written-off during the period / year	-	(122,892)
	<u>234,124</u>	<u>234,124</u>

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

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

Movement in financial assets at FVTPL is as follows:

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Balance at beginning of the period / year	214,000	124,439
Investments during the period / year	95,000	427,545
Disposal of investments during the period / year	-	(355,000)
Fair value gain during the period / year	3,620	17,016
	<u>312,620</u>	<u>214,000</u>

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

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 March 2024 (Unaudited) S'000</i>
Realized gain	-	1,080
Unrealized gain	3,620	2,982
	<u>3,620</u>	<u>4,062</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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At 31 March 2025

12 ZAKAT PROVISION

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

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Balance at beginning of the period / year	398,277	364,203
Charge during the period / year	13,250	50,508
Payments during the period / year	-	(16,434)
	<u>411,527</u>	<u>398,277</u>

Status of assessments

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

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

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

13 REVENUE

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

Revenue by categories:

	<i>31 March 2025 (unaudited) S'000</i>	<i>31 March 2024 (unaudited) S'000</i>
Rendering of services	664,617	647,319
Sale of goods	6,878	5,878
	<u>671,495</u>	<u>653,197</u>

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

13 REVENUE (continued)

Revenue by the type of customers:

	<i>31 March 2025 (unaudited) ﷲ'000</i>	<i>31 March 2024 (unaudited) ﷲ'000</i>
Revenue from related parties	361,625	334,647
Revenue from other local and foreign customers	309,870	318,550
	671,495	653,197

14 EARNINGS PER SHARE

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

	<i>31 March 2025 (unaudited)</i>	<i>31 March 2024 (unaudited)</i>
Profit for the period attributable to the shareholders of the Parent Company (ﷲ'000)	97,627	71,162
Weighted average number of ordinary shares for the purposes of basic and diluted earnings	188,000,000	188,000,000
Basic and diluted earnings per share based on earnings for the period attributable to shareholders of the Parent Company (in ﷲ)	0.52	0.38

15 RELATED PARTY TRANSACTIONS AND BALANCES

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

SAUDI GROUND SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

At 31 March 2025

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

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

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

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

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

Relationship	Nature of transactions	Amount of transactions	
		31 March 2025 (Unaudited) #’000	31 March 2024 (Unaudited) #’000
Fellow subsidiaries	Services provided	358,715	331,670
Joint ventures	Services provided	2,161	2,106
Affiliate	Services provided	749	871

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

	31 March 2025 (Unaudited) #’000	31 December 2024 (Audited) #’000
Saudi Airlines Air Transport Company	678,496	636,007
Saudia Aerospace Engineering Industries Company	134,978	122,648
Saudia Royal Fleet	90,709	158,185
Flyadeal Company	35,666	89,403
SAL Saudi Logistics Services Company	9,110	8,927
Saudi Private Aviation	4,876	4,800
Catrion Catering Holding Company	3,019	2,158
Saudi Airlines Cargo Company	912	912
Saudi Arabian Airlines Corporation	683	683
Prince Sultan Aviation Academy Company	1	1
	958,450	1,023,724

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(continued)

At 31 March 2025

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

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

Relationship	Nature of transactions	Amount of transactions	
		31 March 2025 (Unaudited) S'000	31 March 2024 (Unaudited) S'000
Joint venture	Other expenses	6,190	5,899
Joint venture	Invoices on behalf of Joint Venture	16,042	15,714

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

	31 March 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Due from Related parties		
Saudi Arabian Airlines Corporation	308,738	308,738
Saudi Amad for Airport Services and Transport Support Company	93,082	138,121
Alvest Arabia Equipment Services	30,661	29,725
	432,481	476,584

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

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

Relationship	Nature of transactions	Amount of transactions	
		31 March 2025 (Unaudited) S'000	31 March 2024 (Unaudited) S'000
Joint venture	Maintenance received	28,250	33,705
Affiliate	Services received	15,714	13,448
Common Key Management Personnel	Services received	-	25,535
Joint venture	Services received	-	2,028

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

	31 March 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Catrion Catering Holding Company	5,375	8,190
Saudi Airlines Cargo Company	684	684
Saudi Airlines Air Transport Company	22	20
	6,081	8,894

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At 31 March 2025

15 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

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

Relationship	Nature of transactions	Amount of transactions	
		31 March 2025 (Unaudited) S'000	31 March 2024 (Unaudited) S'000
Joint venture	Invoices on behalf of the Joint Venture	13,441	11,272
Joint venture	Other expenses	3,229	-
ii) <i>Due to related parties under other current liabilities comprised the following:</i>			
		31 March 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Saudi Arabian Airlines Corporation		40,470	40,470
Jusoor Airport Services Company		27,596	25,457
Saudia Aerospace Engineering Industries Company		16,536	16,536
Catrion Catering Holding Company		16,590	16,197
Saudi Airlines Air Transport Company		2,954	2,954
Prince Sultan Aviation Academy Company		2,555	2,555
Saudi Airlines Cargo Company		177	177
		106,878	104,346

Key management compensation

Compensation for key management is as follows:

	31 March 2025 (Unaudited) S'000	31 March 2024 (Unaudited) S'000
Short term benefits	2,193	5,684
End of service benefits	136	605
Directors' fees	1,500	1,450
	3,829	7,739

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

16 FINANCIAL INSTRUMENTS RISK MANAGEMENT

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

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

16 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

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

Market risk

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

Interest rate risk

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

Currency risk

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

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

Price risk

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

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

Every 5% increase or decrease in the net asset value with all other variables held constant will decrease or increase profit or loss for the period by ₪15.6 million (31 December 2024: ₪10.7 million).

Credit risk

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

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

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16 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Credit risk (continued)

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

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

At 31 March 2025, trade receivables are mainly due from related parties (note 15(a)) and other trade receivables and are stated at their estimated realizable values. The ten largest customers account for 59% (31 December 2024: 60%) of outstanding gross other trade receivables. The financial position of the related parties is stable.

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

The changes in the carrying amounts of trade receivables contributed mainly by the changes in the impairment loss allowance for the period ended 31 March 2025.

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

	<i>31 March 2025 (Unaudited) S'000</i>	<i>31 December 2024 (Audited) S'000</i>
Financial assets		
Trade receivables	1,378,962	1,425,101
Other assets	480,245	519,110
Financial assets at fair value through profit or loss (FVTPL)	312,620	214,000
Short term deposits	365,000	409,000
Bank balances	200,441	86,586
	2,737,268	2,653,797

Liquidity Risk

Liquidity risk is the risk that a Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. This includes consideration of future cashflow forecasts, prepared using assumptions about the nature, timing and amount of future transactions, planned course of actions and other committed cash flows that can be considered reasonable and achievable in the circumstances of the Group. The Group's management has developed a plan to enable the Group to meet its obligations as they become due and to continue its operations, without significant curtailment, as a going concern.

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16 FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Liquidity Risk (continued)

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

<i>Non-derivative financial liabilities</i>	<i>Carrying amount</i> S'000	<i>Contractual cash flows</i>		<i>Total</i> S'000
		<i>Less than one year</i> S'000	<i>More than one year</i> S'000	
31 March 2025 (Unaudited)				
Trade payables	54,741	54,741	-	54,741
Other payables (excluding advances)	726,125	726,125	-	726,125
Lease liabilities	178,398	107,354	120,726	228,080
	<u>959,264</u>	<u>888,220</u>	<u>120,726</u>	<u>1,008,946</u>

<i>Non-derivative financial liabilities</i>	<i>Carrying amount</i> S'000	<i>Contractual cash flows</i>		<i>Total</i> S'000
		<i>Less than one year</i> S'000	<i>More than one year</i> S'000	
31 December 2024 (Audited)				
Trade payables	115,684	115,684	-	115,684
Other payables (excluding advances)	502,380	502,380	-	502,380
Lease liabilities	166,272	81,423	105,604	187,027
	<u>784,336</u>	<u>699,487</u>	<u>105,604</u>	<u>805,091</u>

Capital risk management

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

17 FAIR VALUE MEASUREMENT

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

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

The principal or the most advantageous market must be accessible by the Group.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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17 FAIR VALUE MEASUREMENT (continued)

- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

The fair values under different levels were as follows:

<i>For the three-month period ended 31 March 2025</i>						
	<i>FVTPL</i>	<i>Amortized</i>	<i>Total</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>¥'000</i>	<i>cost</i>	<i>¥'000</i>	<i>¥'000</i>	<i>¥'000</i>	<i>¥'000</i>
	<i>¥'000</i>	<i>¥'000</i>	<i>¥'000</i>	<i>¥'000</i>	<i>¥'000</i>	<i>¥'000</i>
Financial assets						
Bank balances	-	200,441	200,441	-	-	200,441
Short term deposits	-	365,000	365,000	-	-	365,000
Trade receivables	-	1,378,962	1,378,962	-	-	1,378,962
Other current assets	-	480,245	480,245	-	-	480,245
Financial assets at fair value through profit or loss	312,620	-	312,620	-	312,620	-
	312,620	2,424,648	2,737,268	-	312,620	2,424,648

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

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18 CONTINGENCIES AND COMMITMENTS

- (a) In addition to contingencies disclosed in note 12, the Group has provided, in the normal course of business, bank guarantees amounting to ₪ 106 million (2024: ₪ 93 million) to the Ministry of Finance, Saudi Airlines, International Air Transport Association (“IATA”) and General Authority of Civil Aviation (“GACA”), towards tickets, tenders, airline ticket sales and rentals as at 31 March 2025.
- (b) Commitments amounting to ₪ 115 million (31 December 2024: ₪ 135.6 million) are in respect of capital expenditure committed but not paid.
- (c) As at 31 March 2025, there are cases filed by labors and subcontractors where the Group is a defendant. Currently, the legal proceedings are ongoing and based on management expectations, the related probabilities of winning the cases are high for the Group.

19 SUBSEQUENT EVENTS

There have been no significant subsequent events since the period-end, that would require disclosures of adjustments in these interim condensed consolidated financial statements, except as disclosed in note 12.

20 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved and authorized to issue by the Group's Board of Directors on 10 May 2025G corresponding to 12 Thul-Qi'dah 1446H.