



**SADR LOGISTICS COMPANY
(A SAUDI Joint Stock Company)
CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three-Month and Nine-Month Periods Ended 30 September 2025 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

SADR LOGISTICS COMPANY
(A SAUDI Joint Stock Company)

INDEX

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF SADR Logistic COMPANY
A SAUDI JOINT STOCK COMPANY

(1 /1)

INTRODUCTION

We have reviewed the accompanying 30 September 2025 interim financial statements of Sadr logistic Company ("the Company") which comprises:

- The interim statement of financial position as at 30 September 2025;
- The interim statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended;
- The interim statement of changes in equity for the nine-month period then ended;
- The interim statement of cash flows for the nine-month period then ended, and;
- The notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

OTHER MATTER

The financial statement of the Company for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified opinion on those financial statement on 6 April 2025 (corresponding to 8 Shawwal 1446H). The condensed interim financial statement for the three-month and nine-month periods ended 30 September 2024 were reviewed by another auditor, who expressed an unmodified conclusion on those financial statement on 12 November 2024 (corresponding to 10 Jumada al-Awwal 1446H)

PKF Al-Bassam
Chartered Accountants



Abdullah Al-Bassam
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Corresponding to: 12 November 2025



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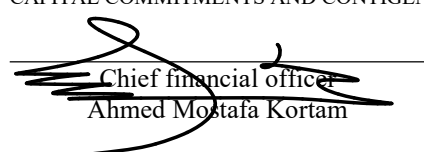
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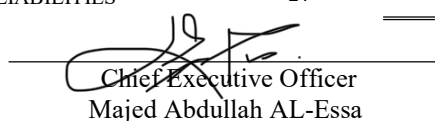
SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2025
(All amounts in SAR unless otherwise stated)

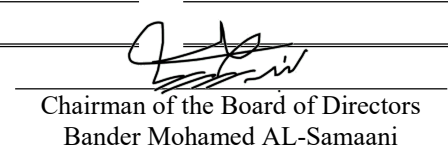
	<u>Note</u>	30 September 2025 (Unaudited)	31 December 2024 (Audited) (modified Note 24)
ASSETS			
Non-current assets			
Property, plant and equipment	4	50,902,894	108,390,674
Investment Properties	5	116,316,534	-
Intangible assets		3,233,165	3,630,114
Right-of-use assets	6-1	9,688,364	18,320,164
Net investment in finance lease - non-current portion		430,627	217,628
Total non-current assets		180,571,584	130,558,580
Current assets			
Inventories	8	60,283,656	46,406,810
Contract asset		3,940,081	5,406,339
Trade receivables, prepayments, and other debit balances	9	65,527,122	58,103,853
Net investment in finance lease - current portion		878,640	853,927
Cash and cash equivalents		1,388,427	16,440,981
Total current assets		132,017,926	127,211,910
TOTAL ASSETS		312,589,510	257,770,490
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	175,000,000	175,000,000
Statutory Reserve		1,941,909	1,941,909
Actuarial reserve		(887,366)	(887,366)
Accumulated losses		(13,658,236)	(8,543,610)
TOTAL EQUITY		162,396,307	167,510,933
LIABILITIES			
Non-current liabilities			
Non-current portion of lease liabilities	6-2	3,037,091	11,901,735
Employee end of service benefits liabilities		5,382,797	5,179,123
Long-term loans	11	55,032,085	30,805,348
Total non-current liabilities		63,451,973	47,886,206
Current liabilities			
lease liabilities - current portion	6-2	11,751,295	12,887,094
Due to related parties	12-2	506,254	845,788
Contract liabilities		25,793,919	7,539,252
Trade payables and other credit balances	13	46,500,438	17,348,356
Provision for zakat	14	2,189,324	3,752,861
Total current liabilities		86,741,230	42,373,351
TOTAL LIABILITIES		150,193,203	90,259,557
TOTAL EQUITY AND LIABILITIES		312,589,510	257,770,490
CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES			

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

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Chief financial officer
Ahmed Mostafa Kortam


Chief Executive Officer
Majed Abdullah AL-Essa


Chairman of the Board of Directors
Bander Mohamed AL-Samaani

The accompanying notes 1 to 25 form part of these condensed interim financial statements.

SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

		For the three-month period ended 30 September		For the Nine-Month Period ended 30 September 2025	
		2025	2024	2025	2024
	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	15	33,661,023	25,868,631	99,399,717	78,795,376
Revenue from sublease of right of use		953,263	-	953,263	-
Cost of sales	16	(22,942,580)	(20,842,392)	(75,512,954)	(65,206,413)
Gross profit		11,671,706	5,026,239	24,840,026	13,588,963
Selling and Marketing expenses		(3,327,492)	(2,498,184)	(9,518,792)	(9,059,158)
General and administrative expenses		(2,943,529)	(2,746,362)	(9,098,983)	(7,957,429)
Provision for expected credit losses for trade receivables	9-1	(3,020,579)	(253,599)	(9,320,101)	(253,599)
Provision for Expected credit loss for contract assets		116,732	-	78,872	-
Reversal of Expected Credit Loss		11,371	-	11,371	-
Allowance on Net Investment in Finance Lease					
Provision for expected credit loss advances to suppliers		21,220	-	(187,377)	-
Expenses / Other income, net	17	(22,108)	(55,137)	361,977	(249,450)
Operating loss		2,507,321	(527,043)	(2,833,007)	(3,930,673)
Finance cost, Net	18	(628,965)	(626,393)	(1,439,552)	(1,660,095)
finance income from Murabha investment		-	80,282	93,072	819,980
Loss before zakat		1,878,356	(1,073,154)	(4,179,487)	(4,770,788)
Zakat reversal / (Expense)	14	189,861	(650,000)	(935,139)	(2,258,616)
Net loss for the period		2,068,217	(1,723,154)	(5,114,626)	(7,029,404)
Other comprehensive (loss) / income		-	-	-	-
Total comprehensive loss for the period		2,068,217	(1,723,154)	(5,114,626)	(7,029,404)
Basic and diluted loss per share	18	0.012	(0.010)	(0.029)	(0.040)



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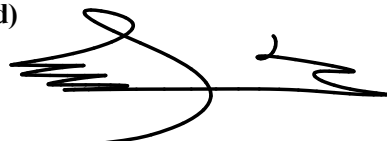
SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

For the nine-months period ended
30 September 2024

	Share capital	Statutory Reserve	Actuarial reserve	Accumulated losses	Total
Balance as at 1 January 2024 – (audited)	175,000,000	1,941,909	(421,027)	(4,790,353)	171,730,529
Net loss for the period	-	-	-	(7,029,404)	(7,029,404)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive losses for the period	-	-	-	(7,029,404)	(7,029,404)
Balance as at 30 September 2024 - (unaudited)	175,000,000	1,941,909	(421,027)	(11,819,757)	164,701,125

For the nine-months period ended
30 September 2025

Balance as at 1 January 2025 – (audited)	175,000,000	1,941,909	(887,366)	(8,543,610)	167,510,933
Net loss for the period	-	-	-	(5,114,626)	(5,114,626)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(5,114,626)	(5,114,626)
Balance as at 30 September 2025 (unaudited)	175,000,000	1,941,909	(887,366)	(13,658,236)	162,396,307



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accompanying notes 1 to 25 form part of these condensed interim financial statements.

SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
INTERIM STATEMENT OF CASH FLOW
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

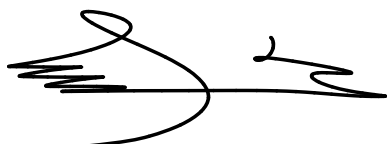
		For the nine-month period ended	
	Note	September 2025 (Unaudited)	30 September 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss before zakat		(4,179,487)	(4,770,788)
Adjustments for:			
Depreciation of property, plant and equipment	4	3,347,157	1,500,947
Depreciation of Investment Properties	5	405,376	-
Amortization of intangible assets		396,949	46,875
Depreciation of right of use assets	6	9,535,602	10,092,458
Finance cost (net)	18	1,439,552	1,660,095
Write-off of Property, Plant, and Equipment		-	6,420
Loss from disposal property, plant and equipment		89,957	(105,000)
finance income from Murabha investment		-	(819,980)
Provision for employee's post-employment benefits		876,179	770,926
Provision for Expected credit loss for contract assets		(78,872)	-
Provision for expected credit losses for trade receivables	9-1	9,320,101	253,599
provision for impairment of advance supplier	9-2	187,377	-
Reversal of provision slow moving of inventory	8-1	(589,069)	(2,458,626)
Reversal of Impairment Allowance for Net Investment in Finance Leases		(11,371)	(249,114)
		20,739,451	5,927,812
(Increase) / decrease in operating assets			
Inventory		(13,287,777)	4,936,210
Contract assets		1,545,129	110,010
Trade receivables, prepayments, and other debit balances		(16,930,746)	(3,522,323)
Contract liabilities		18,254,667	(866,520)
Trade payables and other credit balances		29,152,082	4,523,919
Due to related parties		(339,534)	(186,212)
Cash generated from operating activities		39,133,272	10,922,896
Employees post-employment benefits paid		(672,505)	(229,578)
Zakat Paid	14	(2,498,676)	(1,530,223)
Net cash generated from / (used in) operating activities		35,962,091	9,163,095
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	4	(67,205,645)	(39,331,373)
Additions to intangible assets		-	(591,639)
Proceeds from/(additions to) Murabha investments		-	(10,000,000)
Proceeds from sale of Murabha short term investments		-	44,819,980
additions of right-of-use assets paid		-	(41,949)
Proceeds from the sale of property, plant and equipment		431,460	105,000
Net cash (used in) / generated from investing activities		(66,774,185)	(5,039,981)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease payments	6-2	(12,066,328)	(14,559,037)
Proceeds from term loans	11	28,005,985	-
Proceeds from net investment lease		859,942	2,024,072
Additions to Net Investment in Finance Leases		(1,040,058)	-
Proceeds from Lease Liability Financing		-	4,152,901
Repayments of Bank Facilities and Loans		-	(1,931,103)
Net cash generated from / (used in) financing activities		15,759,541	(10,313,167)
Net change in cash and cash equivalents during the period		(15,052,553)	(6,190,053)
Cash and cash equivalents at the beginning of the period		16,440,981	7,742,031
Cash and cash equivalents at the end of the period		1,388,427	1,551,978

(Continued)

SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
INTERIM STATEMENT OF CASH FLOW
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

SIGNIFICANT NON-CASH TRANSACTIONS:

Transferred from Property, Plant and Equipment to Investment Properties	116,721,910	-
Transferred from Deferred Government Grant to Additions to Property, Plant and Equipment	6,420,697	-
Capitalized Borrowing Costs Relating to Additions to Property, Plant and Equipment	2,317,756	-
Additions to Right-of-Use Assets against Lease Liabilities	903,802	4,446,450
Transferred from Property, Plant and Equipment to Right-of-Use Assets	-	6,516,507
Transferred from Inventories to Property, Plant and Equipment	-	819,684
Additions to Lease Liabilities	-	3,401,934
Transferred from Lease Liabilities to Trade Payables and Other Current Liabilities	-	814,831



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The accompanying notes 1 to 25 form part of these condensed interim financial statements

SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

1.COMPANY AND ACTIVITIES

Sadr Logistics Company (the “Company”) was incorporated as a Saudi Joint Stock Company under the Companies Law in the Kingdom of Saudi Arabia under the company’s unified number is 7009382412, the main commercial registration No. 1131012302 dated 20 Shaaban 1414H corresponding to 2 February 1994. The head office of the Company located in Riyadh city.

The Company carries out its industrial activities under Industrial Registration No. 415 issued on 18 Rajab 1412H corresponding to 23 January 1992, and amended by Industrial License No. 112845 issued on 3 Ramadan 1443H corresponding to 5 April 2022.

On 25 Rabie II 1442H corresponding to 10 December 2020, the Company's shares were listed and commenced trading in the main market “Tadawul” under the symbol (1832).

The accompanying condensed interim financial statements include the Company’s branches as follows:

Branch name	Unified No / Commercial Registration No	Place of issue	Date
SADR logistic company	1010947309	Jizan	Riyadh (1)
SADR logistic company	1010742525	Riyadh	Riyadh (2)
SADR logistic company	2050115434	Dammam	Dammam

The Company’s financial year begins on 1 January and ends on 31 December of each year, in accordance with the Company’s Articles of Association.

1. BASIS OF PREPARATION

2.1. Basis of compliance

These interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 ("IAS 34") “Interim Financial Reporting” that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and professional Accountants ("SOCPA") and should be read in conjunction with the Company’s last annual Financial statements for the year ended 31 December 2024.

The results for the nine-month period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

2.2. Basis of measurement

These condensed interim financial statements are prepared under the historical cost method except for:

- * End-of-service benefits for employees are measured at the present value of future obligations using the projected unit credit method.
- * The Agricultural Development Fund loan is recognized at the present value of future obligations.

2.3. Functional and presentation currency

These condensed interim financial statements have been presented in Saudi Riyals (ﷲ) which is the Company's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

2-4 Transactions and Balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses arising from the settlement of such transactions and from translating monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals at the period-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction.

2.5. Significant accounting policies

The accounting policies applied in these condensed interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2024.

2-6 New Standards, Amendments to Standards

No new standards have been issued; however, several amendments to standards became effective on 1 January 2025, which have been detailed in the Company's annual financial statements for the year ended 31 December 2024, but they do not have a material impact on the Company's condensed interim financial statements.

3. Significant Accounting Estimates, Assumptions, and Judgments

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2024.

SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

4. Property, plant and Equipment

The estimated useful lives of assets for calculating depreciation are as follows:

Item	Depreciation Rate	Item	Depreciation Rate
Buildings and installations	6.67 to 20 years	Motor vehicles	4 years
Leasehold improvements	20 years or lease term, whichever is earlier	Tools and equipment	5 years
Machinery and equipment	8.33 years	Furniture and fixtures	5 to 6.67 years

	For the period ended 30 September 2025 (unaudited)			For the period ended 30 September 2024 (unaudited)		
	Owned by the company	Leased asset	total	Owned by the company	Leased asset	total
cost						
Balance as at beginning of period /the year as previously presented	122,399,339	15,919,267	138,318,606	68,782,848	8,311,371	77,094,219
Reclassification (Note24)	(11,676,432)	-	(11,676,432)	-	-	-
Balance as at beginning of the Period /year (modified)	110,722,907	15,919,267	126,642,174	68,782,848	8,311,371	77,094,219
Additions during the period / year (modified) (Note24)	63,102,704	-	63,102,704	50,068,995	66,900	50,135,895
Transferred to Investment Property	(116,721,910)	-	(116,721,910)			
Transfer to leased assets	-	-	-	(7,882,496)	7,882,496	-
Disposals	(553,226)	-	(553,226)	(246,440)	(341,500)	(587,940)
Balance as at the End of the Period /year	56,550,475	15,919,267	72,469,742	110,722,907	15,919,267	126,642,174
Accumulated depreciation						
Balance as at beginning of the period / year	15,048,270	3,203,230	18,251,500	13,459,743	1,272,186	14,731,929
Depreciation for the period / year	1,877,367	1,469,790	3,347,157	2,013,137	1,822,944	3,836,081
Transfer to leased assets	-	-	-	(178,173)	178,173	-
Disposals	(31,809)	-	(31,809)	(246,437)	(70,073)	(316,510)
Balance as at ending of the period / year	16,893,828	4,673,020	21,566,848	15,048,270	3,203,230	18,251,500
Net book value						
As at the end of the period / year	39,656,647	11,246,247	50,902,894	95,674,637	12,716,037	108,390,674

The Company's buildings and fixtures in Al Qassim region are built on plots of land leased by government agencies that will end in 1460H (corresponding to 2038).

SADR LOGISTIC COMPANY
(A SAUDI Joint Stock Company)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

4. Property, plant and Equipment (CONTINUED)

Allocation of Depreciation expense is as follows:

	For the Nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Cost of revenue (Note No 16)	2,446,359	1,328,493
General and administrative expenses	612,650	123,926
Selling and distribution expenses	288,148	48,528
	3,347,157	1,500,947

5. Investment Properties

	For the Nine-month period ended 30 September 2025 (unaudited)
Cost	
Balance as of 1 January, 2025	-
Transferred from property, plant and Equipment (Note NO 4)	116,721,910
Balance as of 30 September 2025,	116,721,910
Accumulated depreciation	
Balance as of 1 January, 2025	-
Depreciation for the period (Note NO 16)	(405,376)
Balance as of 30 September 2025	(405,376)
Net book value as of 30 September 2025	116,316,534

5.1 The investment property balance includes capitalized borrowing costs incurred during the construction phase up to 30 September 2025, amounting to ﷲ 2,858,034 (31 December 2024: SAR 540,278) from a term loan (Note NO 11).

5.2 As the Company obtained a loan from the Agricultural Development Fund (Note 11) at an interest rate lower than the prevailing market rates for comparable commercial loans, management calculated the present value of the loan proceeds using the prevailing market interest rates for similar commercial loans. The difference was recognized as government grant income. The cost of additions to investment properties was reduced by the amount of this grant. As of 30 September 2025, the total deferred government grants deducted from the cost of investment properties amounted to ﷲ 16,916,064. The effect of the grant is recognized in the statement of profit or loss through a reduction in depreciation expense over the useful lives of the related assets.

5.3 During the period, a portion of property, plant and equipment was transferred to investment properties in accordance with the requirements of IFRS 40 "Investment Property", as the related assets are subject to an operating lease contract (Note NO 7).

5.4 Land with a carrying value of ﷲ 29.2 million, together with project-related assets (machinery and equipment) with a carrying value of SAR 89.4 million pertaining to the Sadr Park project, have been pledged in favor of the Agricultural Development Fund (Note NO 11).

SADR LOGISTIC COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three-Month and Nine-Month Periods Ended 30 September 2025
(All amounts in ﷲ unless otherwise stated)

6.LEASE CONTRACTS

6-1 RIGHT OF USE ASSET

For the period ended 30 September 2025 (unaudited)	Land	Buildings	Total
Cost			
Balance at beginning of the period	383,725	35,775,999	36,159,724
Additions for the period	-	903,802	903,802
Disposals (expired contracts)	-	(5,698,227)	(5,698,227)
Balance at ending of the period	383,725	30,981,574	31,365,299
Accumulated Depreciation			
Balance at beginning of the period	118,553	17,721,007	17,721,007
Disposals (expired contracts)	-	(5,698,227)	(5,698,227)
Depreciation for the period	17,616	9,517,986	9,535,602
Balance at ending of the period	136,169	21,540,766	21,676,935
Net book value:			
As at 30 September 2025(unaudited)	247,556	9,440,808	9,688,364
For the year ended 31 December 2024 (audited)	Land	Buildings	Total
cost			
Balance at beginning of the as (previously presented)	383,725	56,234,468	56,618,193
Adjusting opening balance *	-	(24,720,841)	(24,720,841)
Balance at beginning of the year after adjusting	383,725	31,513,627	31,897,352
Additions	-	4,342,372	4,342,372
Disposal	-	(80,000)	(80,000)
Balance at ending of the year	383,725	35,775,999	36,159,724
Accumulated amortization			
Balance at beginning of the year	98,516	30,658,293	30,756,809
Adjusting opening balance *	-	(24,720,841)	(24,720,841)
Balance at beginning of the year after adjusting	98,516	5,937,452	6,035,968
Depreciation for the year	20,037	11,806,957	11,826,994
Disposal	-	(23,402)	(23,402)
Balance at ending of the year	118,553	17,721,007	17,839,560
Net book value:			
As at 31 December 2024	265,172	18,054,992	18,320,164

* Some lease contracts had expired in prior years, and the related right-of-use assets had been fully depreciated in those years. The opening balances for both cost and accumulated depreciation have been adjusted accordingly.

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6-1 RIGHT OF USE ASSET (continued)

Allocation of depreciation expense is as follows	For the Nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Audited)
Cost of revenue (Note No 16)	9,458,659	9,169,989
General and administrative expenses	76,943	662,201
Selling and marketing expenses	-	260,268
	<u>9,535,602</u>	<u>10,092,458</u>

6-2 Lease Liability

The movement in lease liabilities is as follows: -

	For the Nine-month period ended 30 September 2025	For the year ended 31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	24,788,829	32,475,058
Additions during the period / year	903,802	7,814,842
Finance cost (Note No 18)	1,162,083	2,489,638
Insurance	113,479	245,263
Payment during the period / year	(12,179,807)	(18,235,972)
Balance at ending of the period / year	<u>14,788,386</u>	<u>24,788,829</u>

The net present value of lease contract payments has been presented in the condensed statement of financial position as follows:"

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Current	11,751,295	12,887,094
Non-current	3,037,091	11,901,735
	<u>14,788,386</u>	<u>24,788,829</u>

the maturity analysis of the lease liabilities as follow:

	30 September 2025	31 December 2024
	(unaudited)	(Audited)
Installment due and unpaid	1,450,000	-
less than one year	11,023,853	14,319,376
one year to 5 years	2,739,423	12,108,057
More than 5 years	631,996	548,520
	<u>15,855,272</u>	<u>26,975,953</u>
Less: impact of discounting	(1,066,886)	(2,187,124)
	<u>14,788,386</u>	<u>24,788,829</u>

The lease liabilities include amounts relating to assets held under finance leases that are presented under property, plant and equipment, amounting to ﷲ 1,478,441 as at 30 September 2025 (31 December 2024: ﷲ 6,094,559)

6.LEASE CONTRACTS (continued)

6-3 Statement of profit or loss and other comprehensive income shows the following amounts related to leases:

	For the nine-month period ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Finance cost of lease liabilities (Note No 18)	1,162,083	1,938,458
Depreciation expense right of use asset	9,535,602	10,092,458
Short term and low value operating leases expense	503,534	251,811
Finance income from investment in finance lease (Note No 18)	46,224	278,363

6-4 Extension and termination options

Extension and termination options are included in a number of properties, plant and equipment leases. These terms are used to increase the operational flexibility of contract management. The majority of extension and termination options can be used only by the Company and not the lessor.

The Company does not face a significant liquidity risk with regard to its lease liabilities, which are monitored to determine that these are settled in accordance with the relevant lease agreements.

7. Operating Leases

On 20 August 2025, the Company entered into a lease agreement with a third party for the “SADR Park” project for a period of ten years commencing in September 2025, with a total contract value of SAR 249 million.

The Company assessed the nature of this lease in accordance with the requirements of **IFRS 16 – “Leases”**, to determine whether the lease should be classified as a finance lease or an operating lease. The assessment was performed considering the following indicators:

- The lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
- The lessee has an option to purchase the underlying asset at a price that is sufficiently lower than the fair value of the asset at the date the option becomes exercisable, and it is reasonably certain at the commencement date that the option will be exercised;
- The lease term covers the major part of the economic life of the asset even if title is not transferred;
- At the commencement date, the present value of the lease payments amounts to substantially all of the fair value of the underlying asset;
- The underlying asset is of a specialized nature such that only the lessee can use it without major modifications.

Based on the results of this assessment, the Company concluded that the lease meets the criteria for classification as an **operating lease**, and it has been classified as such in the financial statements for the period.

It is also noted that the Company has received an offer to sell the “Sadr Park” project at a value exceeding the present value of the lease payments specified in the lease agreement. Furthermore, the lease term is shorter than the economic life of the main underlying assets.

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8. Inventory

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Raw materials	37,710,713	29,624,479
Finished goods	13,252,169	10,180,595
Work in progress	1,642,687	839,919
Spare parts and supplies	662,513	1,573,798
Goods in transit	8,633,795	6,395,309
	61,901,877	48,614,100
Less: provision for obsolescence and slow-moving inventory (8-1)	(1,618,221)	(2,207,290)
	60,283,656	46,406,810

8-1 Movement of provision for obsolescence and slow-moving inventory is as follows:

	For the nine - month period ended 30 September 2025	For the year ended 31 December 2024
	(Unaudited)	(Audited)
<u>Balance at beginning of the period / year</u>	2,207,290	4,162,903
Reversed provision during the period / year Note NO (16-1)	(589,069)	(1,955,613)
Balance at ending of period /the year	1,618,221	2,207,290

9. TRADE RECEIVABLES, PREPAYMENTS, AND OTHER DEBIT BALANCES

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables – commercial customers	67,573,588	46,027,852
Trade receivables – government customers	2,510,703	888,089
Allowance for expected credit losses (Note 9-1)	(13,250,428)	(3,930,327)
Net trade receivables	56,833,863	42,985,614
Advances to suppliers	4,634,500	11,813,232
Provision for impairment of advances to suppliers (Note 9-2)	(538,869)	(351,492)
Net Advances to suppliers	4,095,631	11,461,740
Petty cash	770,641	774,936
Prepaid rent	275,901	543,280
Employees' loan	164,499	174,730
Prepayments	1,871,352	902,109
Security deposits with third parties	431,548	429,283
Prepaid subscriptions	240,766	319,026
Amounts Due from a Related Party (Note No 12-3)	24,826	-
Amount reserved for issuance of letter of guarantee (Note No 21)	801,680	334,156
Accrued income - Murabha	-	178,979
Other	16,415	-
	65,527,122	58,103,853

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9. TRADE RECEIVABLES, PREPAYMENTS, AND OTHER DEBIT BALANCES (CONTINUED)

9-1 The following table presents the movement in expected credit losses during the period/year, which have been recognized for trade receivables in accordance with the simplified approach prescribed under IFRS

	For the nine-month ended 30 September 2025	For the year ended 31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of period / year	3,930,327	3,608,800
Formed during the period / year	9,320,101	321,527
	13,250,428	3,930,327

9-2 provision has been recognized for advance payments to suppliers, and the following table presents the movement in the provision for impairment of suppliers – advance payments.

	For the Nine-month ended 30 September 2025	For the year ended 31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of period / year	351,492	-
Provision during the period / year	187,377	351,942
	538,869	351,942

10. SHARE CAPITAL

The Company's capital as at 31 December 2024 amounted to ﷲ 175,000,000 (as at 31 December 2023: ﷲ 175,000,000) consisting of 175,000,000 shares (as at 31 December 2023: 17,500,000 shares).

11. Loan

The movement on Loan

	For the Nine-month period ended 30 September 2025	For the year ended 31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	41,300,715	1,931,103
Received during period / the year	28,005,985	40,760,437
Finance cost	2,641,449	540,278
Paid during the period / year	-	(1,931,103)
Balance at ending of the period / year	71,948,149	41,300,71
Less: grant revenues from government loan (note No 11-3,24)	(16,916,064)	(10,495,367)
	55,032,085	30,805,348

The loan in statement of financial position classified as follow

Non-current	55,032,085	30,805,348
	55,032,085	30,805,348

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11. LOAN (CONTINUED)

11.1 During 2024, the Company entered into an agreement with the Agricultural Development Fund (“the Fund”) to obtain a loan of ﷲ 74.59 million, including loan administrative fees of ﷲ 16.6 million. The loan is repayable in ten equal installments, commencing on 11 August 2027, for the purpose of establishing a cold storage warehouse project. The loan carries an interest rate of 1.85% per annum, while the prevailing rate for comparable commercial loans was 7.1%. During 2024, the Company received the first installment of ﷲ 40.76 million, and during the period ended 30 September 2025, the Company received additional net proceeds (after deducting administrative fees) of ﷲ 28 million.

The loan is secured by a mortgage over the project assets (machinery and equipment) and a real estate mortgage over the Company’s land (Note 5).

11.2 The investment property balance includes capitalized borrowing costs incurred during the construction phase up to 30 September 2025, amounting to ﷲ 2,858,034 (31 December 2024: ﷲ 540,278) from the term loan. The borrowing costs capitalized during the period amounted to ﷲ 2,317,756 (30 September 2024: Nil).

11.3 As the loan was obtained at interest rates below the prevailing market rates for comparable commercial loans, the loan was discounted using market rates for similar borrowings, and the resulting difference was deducted from additions to investment properties (Note 5).

12. Related parties

Key management personnel are defined as those individuals who have the authority and responsibility for planning, directing, and controlling the Company’s activities, whether directly or indirectly. Related party transactions include the salaries, bonuses, and allowances of the Board of Directors, committee members, and senior executives, incurred during the period between the Company and its key management personnel.

12-1 Related party transactions were as follows:

	For the Nine-month period ended 30 September 2025 (unaudited)		For the Nine-month period ended 30 September 2024 (unaudited)	
	BOD and audit committee	Executive	BOD and audit committee	Executive
BOD members and committees’ remuneration	603,750	237,500	618,788	37,500
Attendance Allowances for Board and Committee Members	82,500	-	90,000	-
Salaries and wages and related benefit	-	1,772,042	-	1,657,264
End of service benefits	-	87,799	-	83,938
	686,250	2,047,341	708,788	1,778,702

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12. Related parties (Continued)

12-2 Due to Related Parties

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Board of Directors and Committees' Remuneration	506,254	845,788
	506,254	845,788

12-2 Due from Related Parties

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Board member	24,826	-
	24,826	-

13. TRADE PAYABLES AND OTHER CREDIT BALANCES

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Trade payables	36,765,220	11,977,144
Accrued expenses	4,853,234	2,403,240
Employees' accruals	2,123,375	482,192
Value-added tax payable	1,841,925	1,827,927
Accrued commission	687,443	606,791
other	229,241	51,062
	46,500,438	17,348,356

14. PROVISION FOR ZAKAT

.14.1 The movement in the provision for zakat is as follows:

	For the Nine- month ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance at the beginning of the period / year	3,752,861	3,642,034
Charged during the period / year	935,139	2,239,195
Zakat assessment differences	-	303,939
Paid during the period / year	(2,498,676)	(2,432,307)
Balance at the end of the period / year	2,189,324	3,752,861

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14. PROVISION FOR ZAKAT (Continued)

14.2 Zakat position

The Company has submitted its zakat returns to the Zakat, Tax and Customs Authority (ZATCA) up to the year ended 31 December 2024 and has obtained a valid certificate from ZATCA, effective until 14 Dhulel-Qaeda 1447H (corresponding to 30 April 2026).

ZATCA approved the Company's request to settle the 2024 zakat dues in instalments, and the Company is committed to settling these zakat dues in accordance with the agreed instalments plan.

The latest zakat assessment was issued for the year 2024, and no adjustments or claims have been made by the Authority regarding the zakat return submitted for 2024.

15. Revenue

15-1 Revenue from contracts with customers for the transportation of goods and services is recognized over a period of time and at a point in time through the following main operating segments:

	For the Three-month period ended 30 September		For the Nine-month period ended 30 September	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
<u>Revenue from sales of production</u>				
Steel products	724,503	545,628	1,010,793	1,031,492
Wooden products	4,748,704	7,255,025	24,807,903	22,865,445
Other products	280,875	1,704,000	2,907,800	3,480,365
<u>Project revenue</u>				
Providing and installation racking system	18,384,162	8,827,574	46,958,852	31,701,773
Logistics services	9,504,545	7,536,404	23,629,993	19,716,301
Other services	18,234	-	84,376	-
Total revenue	33,661,023	25,868,631	99,399,717	78,795,376

15-2 Timing of revenue recognition

	For the Three-month period ended 30 September		For the Nine-month period ended 30 September	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
<u>At a specific point in time</u>				
Steel products	724,503	545,628	1,010,793	1,031,492
Wooden products	4,748,704	7,255,025	24,807,903	22,865,445
Other products	280,875	1,704,000	2,907,800	3,480,365
	5,754,082	9,504,653	28,726,496	27,377,302
<u>Over a period of time</u>				
Providing and installation racking system	18,384,162	8,827,574	46,958,852	31,701,773
Logistics services	9,504,545	7,536,404	23,629,993	19,716,301
Other services	18,234	-	84,376	-
	27,906,941	16,363,978	70,673,221	51,418,074
Total revenue	33,661,023	25,868,631	99,399,717	78,795,376

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15. Revenue (continued)

15-3 Geographical Markets

	For the Three-month period ended 30 September		For the Nine-month period ended 30 September	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Inside KSA	97,318,717	75,616,376	33,440,753	23,217,131
outside KSA	2,081,000	3,179,000	220,000	2,651,500
	99,399,717	78,795,376	33,660,753	25,868,631

16-Cost of revenue

For the Nine-month period ended

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Raw and manufactured materials (Note 15-1)	48,740,854	42,264,811
Depreciation of right-of-use assets (Note 6-1)	9,458,659	9,169,989
Industrial expenses	8,990,369	7,364,405
Salaries, wages, and equivalents	5,471,337	5,078,715
Depreciation (Note 4)	2,446,359	1,328,493
Depreciation of Investment Properties (Note 5)	405,376	-
	75,512,964	65,206,413

16-1 The cost includes raw and manufactured materials, Reversal of provision for slow-moving inventory amounting to 589,069 ﷲ (30 September 2024: 2,458,626 ﷲ) (Note 8-1).

17- Other (Expense) / Income - Net

For the Nine-month period ended

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Gain on disposal of property, plant and equipment	(87,957)	105,000
Foreign currency exchange Gain / (loss)	400,145	(448,498)
Compensation from insurance companies	40,929	-
Compensation from Human Resources development fund	10,860	82,946
Other revenues	-	11,102
	361,977	(249,450)

18-Finance cost, Net

For the Nine-month period ended

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Finance Costs Related to Lease Liabilities (Note NO 6)	1,162,083	1,938,457
Finance Costs Related to Term Loans (Note NO 11)	323,693	-
Finance Income from Net Investment in Finance Lease	(46,224)	(278,362)
	1,439,552	1,660,095

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19- BASIC AND DILUTED LOSSES PER SHARE

The basic and diluted share of loss is calculated by dividing the loss for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding at the end of period.

There is no dilution of the weighted average number of shares.

	For the Three-month period ended 30 September 2024 (Unaudited)		For the Nine-month period ended 30 September 2024 (Unaudited)	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Net Profit /(loss) for the period	2,068,217	(1,723,154)	(5,114,626)	(7,029,404)
Weighted average number of shares outstanding	175,000,000	175,000,000	175,000,000	175,000,000
Gain /(loss) per share Basic and Diluted	0.012	(0.010)	(0.029)	(0.040)

20- SEGMENT INFORMATION

Regarding the information reported to the Company's chief operating decision maker for the purposes of resource allocation and segment performance evaluation, it focuses on the Company's activity categories (products or services provided to customers). The Company operates through the following main segments: Iron, Wood, Logistics, and "All Other Segments.

- Steel Segment: The Company sells iron products (such as platforms) and supplies and installs iron shelving systems in customers' warehouses. For financial reporting purposes, these individual operating segments have been aggregated into a single operating segment because the nature of the products and production processes is similar.
- Wood Segment: This segment represents the sale of wooden platforms, crates, and raw materials.
- Logistics Segment: Logistics services comprise storage and transportation services provided to third parties, where the Company enters into long-term contracts with customers.
- Other Segments: "Other Segments" include the sale of plastic products, forklifts, and other services, such as dismantling and reinstallation, and epoxy flooring, among others.

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20- SEGMENT INFORMATION (continued)

Revenue, cost of revenue, and long-term assets have been allocated among these segments, while it is difficult to allocate other items across segments.

The following is the segment information for the Nine-month periods ended 30 September 2025 and 30 September 2024, and as at 31 December 2024, classified according to these business segments:

For the Nine-months period ended 30 September 2025 - (Unaudited)

	Steel	Wood	Logistics services	Other Segments	Total
As at 30 September 2025 (unaudited)					
Total Assets	115,373,927	43,803,941	150,821,598	3,590,044	313,589,510
Total Liabilities	46,303,540	33,543,654	67,000,340	3,345,669	150,193,203
For the Nine-months period ended 30 September 2025					
Revenue	47,969,645	24,807,903	23,629,993	2,992,176	99,399,717
Finance Income from Net Investment in Finance Leases	-	-	953,263	-	953,263
Cost of revenue	(28,672,279)	(26,811,374)	(17,336,469)	(2,692,832)	(75,512,954)
Gross profit / (loss)	19,297,366	(2,003,471)	7,246,787	299,344	24,840,026
Net profit / (loss) for the period	6,532,857	(12,638,191)	1,471,805	(481,097)	(5,114,626)

	Steel	Wood	Logistics services	Other Segments	Total
As at 31 December 2024 (Audited) (modified Note NO 24)					
Total Assets	94,525,248	36,821,742	123,555,538	2,867,962	257,770,490
Total Liabilities	31,426,170	22,766,047	33,769,636	2,270,704	90,259,557
For the Nine-month period ended 30 September 2024(unaudited)					
Revenue	32,733,265	22,865,445	19,716,301	3,480,365	78,795,376
Cost of revenue	(23,540,203)	(24,542,509)	(13,881,318)	(3,242,383)	(65,206,413)
Gross profit	9,193,062	(1,677,064)	5,834,983	237,982	13,588,963
Net (loss) / profit for the period	(4,017,004)	(6,184,474)	2,851,114	320,960	(7,029,404)

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20. SEGMENT INFORMATION (continued)

The segment profit represents the profit earned by each segment after allocating central administrative costs, including Board of Directors' remuneration, finance income, and non-operating gains and losses related to financial instruments, as well as finance costs and zakat. This is the measure reported to the Company's Chief Operating Decision Maker for the purpose of resource allocation and assessment of the segment's performance.

- the purposes of monitoring segment performance
allocating resources among segments, the Company's Chief Operating Decision Maker monitors tangible, intangible, and financial assets attributed to each segment. All assets are allocated to the reporting segments without exception. Assets used jointly by the reporting segments are allocated based on the revenues generated by each individual segment.
- Revenues from customers whose contribution exceeds 10% of total revenues are as follows:
 - Wood Segment: Revenue of approximately ﷲ 10.92 million, representing 11% of total segment revenue from one customer (for the period ended 30 September 2024: SAR 7.4 million, representing 9% for the same customer).
 - Steel Segment: Revenue of approximately ﷲ 10.8 million, representing 11% of total segment revenue for one customer (for the period ended 30 September 2024: ﷲ 9.6 million, representing 13% for another customer).
 - Logistics Segment: Revenue of approximately ﷲ 13.7 million, representing 14% from a single customer (for the period ended 30 September 2024: ﷲ 14.6 million, representing 19% for the same customer).
 - These revenues arise from sales to the Company's three largest customers, and no other customer contributed 10% or more of the Company's revenue for the Nine-month periods ended 30 September 2025 and 30 September 2024

21. Contingent Liabilities and Capital Commitments

- There are capital commitments for the purchase of machinery and equipment from foreign companies amounting to USD 14,684, equivalent to ﷲ 55,200. Payments of USD 13,800, equivalent to ﷲ 51,877, have been made, and the remaining amount of USD 884, equivalent to ﷲ 3,223, is expected to be settled during 2025.
- There is a capital commitment for intangible assets related to the development of the accounting software from local companies amounting to ﷲ 2,522,251. Payments of SAR 1,829,140 have been made, and the remaining balance is expected to be settled during 2025.
- As of 30 September 2025, the banks dealing with the company have issued letters of guarantee fully covered by cash (100%) amounting to ﷲ 285,725 (as of 31 December 2024: ﷲ 334,156), as disclosed under Trade Receivables, Other Receivables, and Prepayments (Note No 9).

22. Fair Value of Financial Instruments and Risk Management

22-1 Fair Value of Financial Instruments

Fair value is the price at which an asset could be exchanged, or a liability settled, between willing parties in an arm's length transaction. Financial instruments comprise financial assets and financial liabilities. The Company's financial assets consist of cash and cash equivalents, trade receivables, contract assets, short-term Murabha receivables, and net investment in finance leases, while financial liabilities consist of term loans, trade payables, other current liabilities, contract liabilities, lease liabilities, and amounts due to related parties.

Management has assessed that the fair value of cash and cash equivalents, trade receivables, contract assets, short-term Murabha receivables, net investment in finance leases, bank facilities, term loans, trade payables, other current liabilities, contract liabilities, lease liabilities, and amounts due to related parties approximates their carrying amounts.

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22. Fair Value of Financial Instruments and Risk Management (continued)

22-2 Liquidity Risk

Liquidity risk is the risk of encountering difficulties in obtaining the necessary funding to meet obligations associated with financial instruments. Such risk may arise when an entity is unable to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of available liquidity to meet the Company's financial obligations. The Company's management periodically monitors liquidity risk by ensuring that sufficient liquidity is available to meet obligations as they fall due, under normal and stable conditions, without incurring unacceptable losses or risking the Company's reputation.

23-SUBSEQUENT EVENTS

there have been no significant subsequent events since the period-end that require disclosure or adjustment in these condensed interim financial statements.

24. Comparative Figures

During the period, the Company's management has reclassified certain comparative figures to align with the presentation of the current period and these adjustments primarily resulted from the following:

- Amendment of the policy for recognizing government grants, whereby government grants are recognized as a deduction from the original cost of the related fixed assets instead of being recognized within the statement of income. Consequently, an amount of ﷲ 10,495,367 was reclassified from the item "Deferred revenue- government grants from government loans" to the item "Property, Plant and Equipment".
- Recalculation of the present value of the amount received from the loan after deducting prepaid administrative expenses. Consequently, an amount of ﷲ 1,181,065 was reclassified as a result of the recalculation process.

a) Impact on the Statement of Financial Position as at 31 December 2024 due to the above reclassifications:

	31 December 2024 Before Re-classification	Re-classification	31 December 2024 After Re-classification
Property, plant and equipment	120,067,106	(11,676,432)	108,390,674
Non-current of deferred grant revenues from government loan	10,671,504	(10,671,504)	-
current of deferred grant revenues from government loan	1,004,928	(1,004,928)	-

25-DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on 15 Jumada al-Awwal 1447H (corresponding 6 November 2025) by the Board of Directors of the Company.