

**Cherry Trading Company**  
(A Saudi Closed Joint Stock Company)  
**Condensed Interim Financial Statements (Unaudited)**  
**For the three-month period ended 31 March 2025**  
Together with the  
**Independent Auditor's Report**

**Cherry Trading Company**  
(A Saudi Closed Joint Stock Company)  
**Condensed interim financial statements (unaudited)**  
**For the three-month period ended 31 March 2025**  
**Together with the Independent Auditor's Report**

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## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim financial statements

To the Shareholder of Cherry Trading Company (A Saudi Closed Joint Stock Company)

## Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of Cherry Trading Company ("the Company") which comprises:

- the condensed statement of financial position as at 31 March 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025;
- the condensed statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed statement of cash flows for the three-month period ended 31 March 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' 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 the International Standard on Review Engagements 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 condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



# Independent auditor's report on review of condensed interim financial statements

To the Shareholder of Cherry Trading Company (A Saudi Closed Joint Stock Company)  
(continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 condensed interim financial statements of Cherry Trading Company ("the Company") and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

**KPMG Professional Services**

**Mohammed Najeeb Alkhelaiwi**  
License No:481



Riyadh on: 3 June 2025 G  
Corresponding to: 7 Dhu'l Hijjah 1446 H

**Cherry Trading Company**  
(A Saudi Closed Joint Stock Company)  
**Condensed statement of financial position**  
**As at 31 March 2025**  
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	7	1,151,133,577	1,129,790,051
Right-of-use assets	8	19,877,741	19,743,911
Intangible assets		86,740	158,966
<b>Total non-current assets</b>		<b>1,171,098,058</b>	<b>1,149,692,928</b>
<b>Current assets</b>			
Inventories		9,011,959	5,416,555
Trade receivables		216,574,015	206,731,468
Prepayments and other current assets		64,499,177	33,764,432
Cash and cash equivalents		14,271,688	49,311,449
<b>Total current assets</b>		<b>304,356,839</b>	<b>295,223,904</b>
<b>Total assets</b>		<b>1,475,454,897</b>	<b>1,444,916,832</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	300,000,000	300,000,000
General reserve		41,620,126	41,620,126
Retained earnings		188,461,617	173,003,268
<b>Total equity</b>		<b>530,081,743</b>	<b>514,623,394</b>
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	8	13,907,839	15,710,344
Employees' benefits liabilities		9,884,340	9,778,760
Non-current portion of term loans		534,339,439	532,714,114
<b>Total non-current liabilities</b>		<b>558,131,618</b>	<b>558,203,218</b>
<b>Current Liabilities</b>			
Current portion of term loans		277,938,922	269,910,283
Current portion of lease liabilities	8	6,159,018	4,247,528
Accounts payable		81,085,130	64,461,514
Accrued expenses and other current liabilities		14,533,217	20,170,021
Due to a related party	10	4,143,935	10,459,545
Zakat payable	5	3,381,314	2,841,329
<b>Total current liabilities</b>		<b>387,241,536</b>	<b>372,090,220</b>
<b>Total liabilities</b>		<b>945,373,154</b>	<b>930,293,438</b>
<b>Total equity and liabilities</b>		<b>1,475,454,897</b>	<b>1,444,916,832</b>

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.

**Cherry Trading Company**

(A Saudi Closed Joint Stock Company)

**Condensed statement of profit or loss and other comprehensive income****For the three-month period ended 31 March 2025**

(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<b>Note</b>	<b>For the three-month period ended 31 March</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>101,933,658</b>	103,156,058
Cost of revenue		<b>(63,790,115)</b>	(69,662,918)
<b>Gross profit</b>		<b>38,143,543</b>	33,493,140
Sales and marketing expenses		<b>(1,088,797)</b>	(1,035,897)
General and administrative expenses		<b>(6,586,778)</b>	(6,130,468)
Impairment loss on trade receivables		<b>(2,330,838)</b>	(2,997,236)
Other operating income		<b>2,120,502</b>	1,879,710
<b>Profit from operations</b>		<b>30,257,632</b>	25,209,249
Finance costs		<b>(14,259,298)</b>	(8,999,109)
Loss on derivative instruments at FVTPL		-	(40,194)
<b>Net profit before Zakat</b>		<b>15,998,334</b>	16,169,946
Zakat	5	<b>(539,985)</b>	(540,660)
<b>Net profit for the period</b>		<b>15,458,349</b>	15,629,286
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		<b>15,458,349</b>	15,629,286
<b>Basic and diluted earnings per share</b>			
Basic and diluted earnings per share, net profit attributable to ordinary shareholder of the Company (in Saudi Riyals)	6	<b>0.52</b>	0.52

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.

**Cherry Trading Company**  
(A Saudi Closed Joint Stock Company)  
**Condensed statement of changes in equity**  
**For the three-month period ended 31 March 2025**  
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<u>Share capital</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at 1 January 2024 (Audited)	300,000,000	35,314,843	116,600,139	451,914,982
Net profit for the period (Unaudited)	-	-	15,629,286	15,629,286
Other comprehensive income for the period (Unaudited)	-	-	-	-
Total comprehensive income for the period (Unaudited)	-	-	15,629,286	15,629,286
Balance as at 31 March 2024 (Unaudited)	<u>300,000,000</u>	<u>35,314,843</u>	<u>132,229,425</u>	<u>467,544,268</u>
<b>Balance as at 1 January 2025 (Audited)</b>	<b>300,000,000</b>	<b>41,620,126</b>	<b>173,003,268</b>	<b>514,623,394</b>
<b>Net profit for the period (Unaudited)</b>	<b>-</b>	<b>-</b>	<b>15,458,349</b>	<b>15,458,349</b>
<b>Other comprehensive income for the period (Unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period (Unaudited)</b>	<b>-</b>	<b>-</b>	<b>15,458,349</b>	<b>15,458,349</b>
<b>Balance as at 31 March 2025 (Unaudited)</b>	<b><u>300,000,000</u></b>	<b><u>41,620,126</u></b>	<b><u>188,461,617</u></b>	<b><u>530,081,743</u></b>

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.

**Cherry Trading Company**  
**(A Saudi Closed Joint Stock Company)**  
**Condensed statement of cash flows**  
**For the three-month period ended 31 March 2025**  
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	Note	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
<b>Cash flows from operating activities</b>			
Net profit before Zakat		15,998,334	16,169,946
<b>Adjustments for non-cash items:</b>			
Depreciation of property and equipment	7	31,279,625	23,572,088
Depreciation of right-of-use assets	8	1,111,907	990,942
Amortization for intangible assets		72,226	73,111
Provision for employees' benefits liabilities		472,419	362,727
Impairment loss on trade receivables		2,330,838	2,997,236
Loss on derivative instruments at FVTPL		-	40,194
Finance costs		14,000,149	8,767,968
Interest cost on lease liability	8	259,149	231,141
		<u>65,524,647</u>	<u>53,205,353</u>
<b>Changes in working capital:</b>			
Inventories		7,398,381	23,599,153
Trade receivables		(12,173,385)	(15,120,313)
Prepayments and other current assets		(30,734,745)	(8,613,581)
Due to a related party		(6,315,610)	1,116,691
Accounts payable		16,623,616	50,522,481
Accrued expenses and other current liabilities		(5,636,804)	(1,053,323)
<b>Cash generated from operating activities</b>		<u>34,686,100</u>	<u>103,656,461</u>
Purchase of vehicles	7	(62,313,171)	(177,357,532)
Employees' benefits liabilities paid		(366,839)	(451,446)
Finance cost paid		(14,000,149)	(8,767,968)
Zakat paid		-	-
<b>Net cash used in operating activities</b>		<u>(41,994,059)</u>	<u>(82,920,485)</u>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment (excluding vehicles)	7	(1,303,765)	(561,289)
Cash and cash equivalent transferred on disposal of subsidiary		-	(98,953)
<b>Net cash used in investing activities</b>		<u>(1,303,765)</u>	<u>(660,242)</u>
<b>Cash flows from financing activities</b>			
Repayment of term loans		(43,890,419)	(73,204,157)
Proceeds from term loans		53,544,383	156,221,228
Payment of lease liabilities	8	(1,395,901)	(2,683,906)
<b>Net cash generated from financing activities</b>		<u>8,258,063</u>	<u>80,333,165</u>
<b>Net change in cash and cash equivalents</b>		<u>(35,039,761)</u>	<u>(3,247,562)</u>
Cash and cash equivalents at the beginning of the period		49,311,449	12,640,167
<b>Cash and cash equivalents at end of the period</b>		<u>14,271,688</u>	<u>9,392,605</u>
<b>Non-cash transactions:</b>			
Transferred from property and equipment to inventory	7	10,993,785	21,938,618
Additions to right-of-use assets and lease liabilities	8	1,245,737	-

The accompanying notes 1 through 16 form an integral part of these condensed interim financial statements.



## **Cherry Trading Company**

(A Saudi Closed Joint Stock Company)

### **Notes to the condensed interim financial statements**

**For the three-month period ended 31 March 2025**

(All amounts are expressed in Saudi Riyal unless otherwise stated)

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## **1. CORPORATE INFORMATION**

Cherry Trading Company is a Saudi Closed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010156896 dated 13 Ramadan 1420H (corresponding to 20 December 1999G).

The principal activities of the Company include the wholesale and retail sale of new and used private vehicles, the activities of car service and maintenance centers, public fares, school transportation, real estate management activities for a commission, and car rental with a driver in accordance with license No. 01010217000 issued by the Ministry of Transportation in the Kingdom of Saudi Arabia.

The Company's registered office is located at the following address:

2623 Dammam Branch Road

Ghirmatah district, Riyadh 13242-8025,

Kingdom of Saudi Arabia.

The Company is a wholly-owned subsidiary of Saudi Edarah Holding Company (LLC).

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim financial statements do not include all the information and disclosures required in the complete set of annual financial statements. They should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024 ("last annual consolidated financial statements"). These condensed interim financial statements do not include all of information and disclosures required to prepare a full set of financial statements prepared in accordance with the requirements of IFRS as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to understand the changes in the financial position and performance since the latest annual financial statements. In addition, results for 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 condensed interim financial statements have been prepared on the historical cost basis except for employees' benefit liabilities which are measured at present value of future obligations using the Projected Unit Credit Method and financial investments measured at fair value. Further, the condensed interim financial statements are prepared using the accrual basis of accounting and the going concern concept.

### **2.3 Functional and presentation currency**

The condensed interim financial statements are presented in Saudi Riyals (SR), which is the functional and presentational currency of the company.

### **2.4 Significant accounting judgments, estimates and assumptions**

The preparation of the condensed interim financial statements requires the management to use judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities at the reporting date.

The significant judgments made by management in applying the 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. However, in the view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on future developments

**Cherry Trading Company**

(A Saudi Closed Joint Stock Company)

**Notes to the condensed interim financial statements****For the three-month period ended 31 March 2025**

(All amounts are expressed in Saudi Riyal unless otherwise stated)

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of amendments and interpretations effective as of 1 January 2025 and the new accounting policies as mentioned in note 15. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**4. SEGMENT INFORMATION**

The Company has three segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services and are managed separately because they require different marketing strategies. The Company's Chairman and Company's Chief Executive Officer, Deputy Chief Executive Officer (DCEO) and Company's Chief Financial Officer monitor the results of the Company's operations for the purpose of passing decisions about resource allocation and performance assessment. They are collectively referred to as the "Company's Chief Operating Decision Makers".

For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Lease segment: represents vehicles leased to customers under medium to longer-term arrangements.
- Rental segment: represents vehicles leased to customers under short-term rental arrangements.
- Used car sale segment: represent sales of used vehicles inventory.

No operating segments have been aggregated to form the above reportable operating segments.

Segment results that are reported to the Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenue as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. There are no inter segment revenue reported during the period.

The following table presents segment information for the period ended:

<b>31 March 2025 (Unaudited)</b>	<b>Long-term leases</b>	<b>Short-term leases</b>	<b>Sales of motor Vehicles</b>	<b>Total</b>
Revenue	<b>87,965,079</b>	<b>5,182,406</b>	<b>8,786,173</b>	<b>101,933,658</b>
Depreciation expense— vehicles	<b>(28,741,451)</b>	<b>(1,667,017)</b>	-	<b>(30,408,468)</b>
Cost of vehicles sold	-	-	<b>(7,713,427)</b>	<b>(7,713,427)</b>
<b>Segment profit</b>	<b>59,223,628</b>	<b>3,515,389</b>	<b>1,072,746</b>	<b>63,811,763</b>
<b>31 March 2024 (Unaudited)</b>	<b>Long-term leases</b>	<b>Short-term leases</b>	<b>Sales of motor Vehicles</b>	<b>Total</b>
Revenue	70,186,894	4,276,896	28,692,268	103,156,058
Depreciation expense— vehicles	(21,901,719)	(1,109,386)	-	(23,011,105)
Cost of vehicles sold	-	-	(24,228,568)	(24,228,568)
<b>Segment profit</b>	<b>48,285,175</b>	<b>3,167,510</b>	<b>4,463,700</b>	<b>55,916,385</b>

**Cherry Trading Company**  
(A Saudi Closed Joint Stock Company)  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2025**  
(All amounts are expressed in Saudi Riyal unless otherwise stated)

**4. SEGMENT INFORMATION (CONTINUED)**

**Unallocated income/ (expenses)**

	<b>31 March 2025 (Unaudited)</b>	<b>31 March 2024 (Unaudited)</b>
Segment profit	<b>63,811,763</b>	55,916,385
Cost of revenue	<b>(25,668,220)</b>	(22,423,245)
Other operating income	<b>2,120,502</b>	1,879,710
Sales and marketing expenses	<b>(1,088,797)</b>	(1,035,897)
General and administrative expenses	<b>(6,586,778)</b>	(6,130,468)
Impairment loss on trade receivables	<b>(2,330,838)</b>	(2,997,236)
Finance cost	<b>(14,259,298)</b>	(8,999,109)
Loss on derivative instruments at FVTPL	-	(40,194)
<b>Net profit before Zakat</b>	<b>15,998,334</b>	16,169,946

Details of the segment assets and liabilities is given below:

<b>31 March 2025 (Unaudited)</b>	<b>Long term lease</b>	<b>Short term lease</b>	<b>Sales of motor vehicles</b>	<b>Unallocated Others</b>	<b>Total</b>
Segment assets	<b>1,076,099,994</b>	<b>48,756,140</b>	<b>4,300,027</b>	<b>346,298,736</b>	<b>1,475,454,897</b>
Segment liabilities	-	-	-	<b>945,373,154</b>	<b>945,373,154</b>

<b>31 December 2024 (Audited)</b>	<b>Long term lease</b>	<b>Short term lease</b>	<b>Sales of motor vehicles</b>	<b>Unallocated Others</b>	<b>Total</b>
Segment assets	1,052,992,385	50,952,831	1,019,668	339,951,948	1,444,916,832
Segment liabilities	-	-	-	930,293,438	930,293,438

**5. ZAKAT**

The Company has filed its Zakat returns for all years up to 31 December 2024 and settled its Zakat liabilities accordingly. Furthermore, the Company has filed its withholding tax returns up to March 2025 and settled its withholding tax liabilities accordingly. Zakat returns have been approved by ZATCA for all years up to 2018. The movement in the zakat provision for the period / year is as follows:

	<b>For the three-month period ended 31 March 2025 (Unaudited)</b>	<b>For the year ended 31 December 2024 (Audited)</b>
Balance as at the beginning of the period/ year	<b>2,841,329</b>	2,845,696
Provision during the period/year	<b>539,985</b>	2,159,940
Relating to transfer of subsidiaries	-	(1,667)
Payment during the period/year	-	(2,162,640)
<b>Balance as at the end of the period/ year</b>	<b>3,381,314</b>	<b>2,841,329</b>

The opening balance as of 1 January 2024 amounted to SAR 2,845,696. Provision of SAR 540,660 was recorded for the period ending 31 March 2024. An amount of SAR 1,667 was transferred on disposal of subsidiaries during the period ended 31 March 2024.

**Cherry Trading Company**

(A Saudi Closed Joint Stock Company)

**Notes to the condensed interim financial statements****For the three-month period ended 31 March 2025**

(All amounts are expressed in Saudi Riyal unless otherwise stated)

**6. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit for the year attributable to the Company's ordinary shareholder by the weighted average of number of ordinary shares outstanding during the period. The calculation of diluted earnings per share ('EPS') is not applicable to the Company. Also, no separate calculation of earnings per share from continuing operations has been presented since there were no discontinued operations during the period. The calculation of the earnings per share is as follows:

	<b>For the three-month period ended 31 March</b>	
	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Unaudited)
Net profit attributable to shareholder of the company	<b>15,458,349</b>	15,629,286
Weighted average number of shares	<b>30,000,000</b>	30,000,000
Basic and diluted earnings per share	<b>0.52</b>	0.52

**7. PROPERTY AND EQUIPMENT**

	<b>Motor vehicles</b>	<b>Other</b>	<b>Total</b>
<b>Cost:</b>			
<b>Balance as at 1 January 2024</b>	1,189,338,415	30,520,852	1,219,859,267
Additions during the year	398,540,933	17,731,362	416,272,295
Transfer from vehicles to inventory	(187,896,472)	-	(187,896,472)
Relating to transfer of subsidiaries	(6,075,638)	(904,894)	(6,980,532)
Disposals during the year	-	(71,952)	(71,952)
<b>Balance as at 31 December 2024</b>	1,393,907,238	47,275,368	1,441,182,606
<b>Balance as at 1 January 2025</b>	<b>1,393,907,238</b>	<b>47,275,368</b>	<b>1,441,182,606</b>
Additions during the period	62,313,171	1,303,765	63,616,936
Transfer from vehicles to inventory	(22,165,950)	-	(22,165,950)
<b>Balance as at 31 March 2025</b>	<b>1,434,054,459</b>	<b>48,579,133</b>	<b>1,482,633,592</b>
<b>Accumulated depreciation:</b>			
<b>Balance as at 1 January 2024</b>	283,000,553	19,133,663	302,134,216
Depreciation for the year	105,693,760	2,552,655	108,246,415
Transfer from vehicles to inventory	(98,525,686)	-	(98,525,686)
Relating to transfer of subsidiaries	(206,605)	(183,834)	(390,439)
Disposals during the year	-	(71,951)	(71,951)
<b>Balance as at 31 December 2024</b>	289,962,022	21,430,533	311,392,555
<b>Balance as at 1 January 2025</b>	<b>289,962,022</b>	<b>21,430,533</b>	<b>311,392,555</b>
Depreciation for the period	30,408,468	871,157	31,279,625
Transfer from vehicles to inventory	(11,172,165)	-	(11,172,165)
<b>Balance as at 31 March 2025</b>	<b>309,198,325</b>	<b>22,301,690</b>	<b>331,500,015</b>
<b>Net book value</b>			
<b>Balance as at 31 March 2025 (Unaudited)</b>	<b>1,124,856,134</b>	<b>26,277,443</b>	<b>1,151,133,577</b>
Balance as at 31 December 2024 (Audited)	1,103,945,216	25,844,835	1,129,790,051

**Cost**

The opening balance of cost as of 1 January 2024 amounted to SAR 1,219,859,267, which includes non-vehicle related cost of SAR 30,520,852. Additions during the period ended 31 March 2024 amounted to SAR 177,918,821, which includes non-vehicle related cost of SAR 561,289. Transfer from vehicles to inventory during the period ended 31 March 2024 amounted to SAR 47,142,079. An amount of SAR 6,980,532 was transferred on disposal of subsidiaries during the period ended 31 March 2024.

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**7. PROPERTY AND EQUIPMENT (CONTINUED)****Accumulated Depreciation**

The opening balance of accumulated depreciation as of 1 January 2024 amounted to SAR 302,134,216, which includes non-vehicle related accumulated depreciation of SAR 19,133,663. Depreciation during the period ended 31 March 2024 amounted to SAR 23,572,088, which includes non-vehicle related depreciation charge of SAR 560,983. Transfer from vehicles to inventory during the period ended 31 March 2024 amounted to SAR 25,203,461. An amount of SAR 390,439 was transferred on disposal of subsidiaries during the period ended 31 March 2024.

**8. LEASE**

	<u>Right-of-use assets</u>	<u>Lease liabilities</u>
Balance as at 1 January 2024	19,825,100	19,914,829
Additions during the year	5,102,126	5,102,126
Derecognition during the year	(968,233)	(990,476)
Depreciation for the year	(4,215,082)	-
Interest cost on lease liability	-	1,075,299
Payments during the year	-	(5,143,906)
Balance as at 31 December 2024 (Audited)	<u>19,743,911</u>	<u>19,957,872</u>
Balance as at 1 January 2025	<b>19,743,911</b>	<b>19,957,872</b>
Additions during the period	<b>1,245,737</b>	<b>1,245,737</b>
Depreciation for the period	<b>(1,111,907)</b>	-
Interest cost on lease liability	-	<b>259,149</b>
Payments during the period	-	<b>(1,395,901)</b>
Balance as at 31 March 2025 (Unaudited)	<u><b>19,877,741</b></u>	<u><b>20,066,857</b></u>
	<b>31 March 2025</b>	31 December 2024
	<b>(Unaudited)</b>	<b>(Audited)</b>
Lease liabilities - Current portion	<u><b>6,159,018</b></u>	<u>4,247,528</u>
Lease liabilities- Non-current portion	<u><b>13,907,839</b></u>	<u>15,710,344</u>

**Right of use assets**

The opening balance of right of use assets as of 1 January 2024 amounted to SAR 19,825,100. Depreciation for the period ended 31 March 2024 amounted to SAR 990,942.

The Company has lease contracts (leases as a lessee) for leasehold buildings (i.e., workshops, accommodations, and locations) and land. Leasehold buildings have lease terms between 5 to 15 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

**Lease liabilities**

The opening balance of lease liabilities as of 1 January 2024 amounted to SAR 19,914,829. Finance cost for the period ended 31 March 2024 amounted to SAR 231,141. Payments during the period ended 31 March 2024 amounted to SAR 2,683,906.

**9. SHARE CAPITAL**

As at 31 March 2025, the Company's share capital amounted to SR 300 million (31 December 2024: SR 300 million) comprising of 30 million shares, which are fully paid with a value of SR 10 each.

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**10. RELATED PARTIES' TRANSACTIONS AND BALANCES**

The Company, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party in ISA 24. Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Transactions with related parties were conducted in accordance with approved contractual terms.

Outstanding balances at the end of the period are unsecured, interest free and settled in cash. There have been no guarantees received for any related party payables.

The following are the most significant transactions with related parties carried out by the Company during the three-month period ended 31 March 2025 and 2024:

**A. Key management personnel compensation:**

	<b>31 March 2025</b> <b>(Unaudited)</b>	31 March 2024 (Unaudited)
Employees' salaries and other short-term benefits	<b>1,284,864</b>	404,840
Post-employment benefits	<b>103,261</b>	94,562
	<b><u>1,388,125</u></b>	<b><u>499,402</u></b>

**B. The significant transactions and the related balances are as follows:**

<b>Related party</b>	<b>Nature of relationship</b>	<b>Nature of transactions</b>	<b>Amount of Transactions for the three-month period ended 31 March</b>	
			<b>2025</b> <b>(Unaudited)</b>	2024 (Unaudited)
Saudi Edarah Holding Company	Parent	Expenses paid on behalf of the related party by Cherry	<b>315,610</b>	500,831
		Expenses paid on behalf of the Company by Edarah	-	1,959,686
		Transfer of subsidiaries	-	8,373,322
		Repayments	<b>6,000,000</b>	-
H-10 Logistics Services	Entities under common control	Expenses paid on behalf of the related party by Cherry	<b>11,878</b>	1,105,179
		Services transferred	-	88,713
		Services received	<b>766,609</b>	1,361,211
Elegant Vehicle Carwash Services Company	Entities under common control	Expenses paid on behalf of the related party by Cherry	<b>116,635</b>	632,210
		Services transferred	<b>29,447</b>	88,342
		Services received	-	211,069
Board of Directors and Audit Committee	Board of Directors and Audit Committee	Board of Directors and Audit Committee remuneration	<b>300,000</b>	-
<b>Due to a related party</b>			<b>31 March 2025</b> <b>(Unaudited)</b>	31 December 2024 (Audited)
Saudi Edarah Holding Company			<b>4,143,935</b>	10,459,545
			<b><u>4,143,935</u></b>	<b><u>10,459,545</u></b>

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**11. CONTINGENCIES AND COMMITMENTS****- Contingencies**

The Company has outstanding letters of guarantee amounting as at 31 March 2025 to SR 205,418,190 (31 December 2024: SR 220,330,886)) issued by local banks in the Kingdom of Saudi Arabia on behalf of the Company in the normal course of business and outstanding letter of credit of amount SR nil (31 December 2024: SR nil)

**- Commitments**

As of 31 March 2025, The Company has no future capital commitments (31 December 2024: nil).

**12. FAIR VALUE OF ASSETS AND LIABILITIES**

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

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

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

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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

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 Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The fair values of financial instruments are not materially different from their carrying values.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, it does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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**12. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)**

<b>31 March 2025 (Unaudited)</b>	<b>Carrying amount</b>			<b>Total</b>
	<b>Amortized cost</b>	<b>Fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>	
<b>Financial assets measured at Fair value</b>				
Derivative instruments at FVPL	-	-	-	-
<b>Financial assets not measured at Fair value</b>				
Trade receivables	252,451,503	-	-	252,451,503
Prepayment and other current assets	7,248,821	-	-	7,248,821
Cash and cash equivalent	14,271,688	-	-	14,271,688
<b>Financial liabilities not measured at fair value</b>				
Term loans	812,278,361	-	-	812,278,361
Accounts payable	81,085,130	-	-	81,085,130
Accrued expenses and other current liabilities	14,533,217	-	-	14,533,217
Lease liabilities	20,066,857	-	-	20,066,857
Due to a related party	4,143,935	-	-	4,143,935

<b>31 December 2024 (Audited)</b>	<b>Carrying amount</b>			<b>Total</b>
	<b>Amortized cost</b>	<b>Fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>	
<b>Financial assets measured at Fair value</b>				
Derivative instruments at FVPL	-	40,194	-	40,194
<b>Financial assets not measured at Fair value</b>				
Trade receivables	240,278,118	-	-	240,278,118
Prepayment and other current assets	6,388,768	-	-	6,388,768
Cash and cash equivalent	49,311,449	-	-	49,311,449
<b>Financial liabilities not measured at fair value</b>				
Term loans	802,624,397	-	-	802,624,397
Accounts payable	64,461,514	-	-	64,461,514
Accrued expenses and other current liabilities	20,170,021	-	-	20,170,021
Lease liabilities	19,957,872	-	-	19,957,872
Due to a related party	10,459,545	-	-	10,459,545

**13. CAPITAL MANAGEMENT**

For the purpose of the Company's share capital management, capital includes issued capital, general reserve and retained earnings attributable to the shareholder of the Company. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividends paid to the shareholder, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.



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**13. CAPITAL MANAGEMENT (CONTINUED)**

	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Total liabilities	<b>945,373,154</b>	930,293,438
Cash and cash equivalents	<b>(14,271,688)</b>	(49,311,449)
<b>Net debt</b>	<b>931,101,466</b>	880,981,989
Share capital	<b>300,000,000</b>	300,000,000
General reserve	<b>41,620,126</b>	41,620,126
Retained earnings	<b>188,461,617</b>	173,003,268
<b>Owners 'Equity</b>	<b>530,081,743</b>	514,623,394
<b>Net debt to owners 'equity ratio</b>	<b>1.76</b>	1.71

**14. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Concentration risk
- Liquidity risk

The Company's principal financial liabilities consist of term loans and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets consist of trade and other receivables, bank balances and cash. The Company's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risks, and price risks), credit risk and liquidity risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risks, currency risks and fair value risks.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies.

The team regularly meets, and any changes and compliance issues are reported to the board of directors. The risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training, management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of directors oversees management's compliance with the Company risk management policies and procedures as well as reviews the effectiveness of the risk management framework in relation to the risks faced by the Company.

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts and other receivables, accrued and other current liabilities, lease liabilities and trade payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

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**14. FINANCIAL RISK MANAGEMENT (CONTINUED)****Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following types of risk:

- Interest rate risk;
- Foreign currency exchange risk;
- Other price risk.

The Company's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the financial performance of the Company.

**• Interest rate risks**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate, because of changes in market interest rates. The Company does not have any fixed rate financial assets and liabilities at fair value through profit or loss. The Company manages interest rate risk by regularly monitoring the interest rate information of its interest-bearing financial instruments.

The Company manages commission rate risk by regularly monitoring commission rate profiles for its commission-bearing financial instruments.

**• Foreign currency risks**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyal. The Company's management monitors such fluctuations and manages its effect on the condensed interim financial statements accordingly.

**• Other price risk**

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not affected by price risk as there are no significant investment of the Company in shares or commodities.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company is exposed to risk on its trade and other receivables and cash at banks.

Company has no significant concentration of credit risks. Concentrations of risk arise when a number of customers are engaged in similar business activities, or activities in the same geographical region, or have economic features that would lead to their failure to meet their contractual obligations. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. As the management also constantly monitors the credit exposure towards customers and establishes a provision against these doubtful balances.

To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an overall assessment based on customer profile and payment history. The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial risks and business, together with the review of any relevant third party and market information.

#### 14. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### Credit risk (continued)

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

<b>Financial assets</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Trade receivables	<b>252,451,503</b>	240,278,118
Receivable from insurance companies	<b>7,248,821</b>	6,388,768
Cash and cash equivalent	<b>14,271,688</b>	49,311,449
	<b><u>273,972,012</u></b>	<b><u>295,978,335</u></b>

With respect to credit risk arising from the Company's financial assets which include bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts as disclosed in the statement of financial position. The management believes that the credit risk related to bank balances is not significant as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

##### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The five largest customers account for 43% of outstanding receivables at 31 March 2025 (31 December 2024: 47%).

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all account and other receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. 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 maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by promissory notes or prepayments, which are an integral part of receivables and are taken into account in calculating impairment. There were no past due or impaired receivables from related parties.

The following table shows information about the exposure to credit risk and ECLs for trade receivables:

<b>31 March 2025 (Unaudited)</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Impairment loss allowance</b>
Low risk	4%	193,093,584	8,497,738
Moderate risk	13%	19,010,877	2,432,342
Doubtful	25%	20,405,829	5,006,195
Loss	100%	19,941,213	19,941,213
		<b><u>252,451,503</u></b>	<b><u>35,877,488</u></b>

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**14. FINANCIAL RISK MANAGEMENT (CONTINUED)****Credit risk (continued)**

<u>31 December 2024 (Audited)</u>	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u>	<u>Impairment loss allowance</u>
Low risk	4%	187,384,793	7,748,377
Moderate risk	11%	21,919,609	2,444,053
Doubtful	37%	12,073,526	4,454,030
Loss	100%	18,900,190	18,900,190
		<u>240,278,118</u>	<u>33,546,650</u>

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also monitors the levels of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	<b>Carrying amount</b>	<b>Contractual cashflows</b>	<b>Within 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>31 March 2025</b>						
Term loans	812,278,361	890,182,650	317,015,486	573,167,164	-	890,182,650
Lease liabilities	20,066,857	24,128,164	7,115,412	13,332,752	3,680,000	24,128,164
Accounts payable	81,085,130	81,085,130	81,085,130	-	-	81,085,130
Due to related party	4,143,935	4,143,935	4,143,935	-	-	4,143,935
Accrued expenses and other current liabilities	8,092,796	8,092,796	8,092,796	-	-	8,092,796
	<u>925,667,079</u>	<u>1,007,632,675</u>	<u>417,452,759</u>	<u>586,499,916</u>	<u>3,680,000</u>	<u>1,007,632,675</u>
<b>31 December 2024</b>						
Term loans	802,624,397	883,138,351	311,472,765	571,665,586	-	883,138,351
Lease liabilities	19,957,872	24,106,564	5,193,906	14,252,658	4,660,000	24,106,564
Accounts payable	64,461,514	64,461,514	64,461,514	-	-	64,461,514
Due to related party	10,459,545	10,459,545	10,459,545	-	-	10,459,545
Accrued expenses and other current liabilities	16,423,498	16,423,498	16,423,498	-	-	16,423,498
	<u>913,926,826</u>	<u>998,589,472</u>	<u>408,011,228</u>	<u>585,918,244</u>	<u>4,660,000</u>	<u>998,589,472</u>

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**15. NEW STANDARDS OR AMENDMENTS EFFECTIVE IN 2025 AND SUBSEQUENT YEARS**

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB as at 31 March 2025.

**A- New currently effective requirements:**

<b>Effective date</b>	<b>New Standards and Amendments</b>
1 January 2025	Lack of exchangeability – Amendments to IAS 21

Management conducted a financial impact assessment and found that there was no impact on the condensed interim financial statements as at 31 March 2025.

**B- New requirements that will be applied subsequently:**

<b>Effective date</b>	<b>New Standards and Amendments</b>
1 January 2026	Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
	Annual Improvements to IFRS Accounting Standards - Volume 11
	Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7
1 January 2027	IFRS 18 – Presentation and Disclosure in Financial Statements
	IFRS 19 - Subsidiaries without Public Accountability: Disclosures
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

Management will assess the financial impact of the new standards and amendments, and it expects that they will not have an impact on the Company's financial statements.

**16. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements have been approved by the Board of Directors on 20 May 2025 (corresponding to 22 Dhu'l Qidah 1446 H)