



SADR LOGISTICS SERVICES COMPANY
A SAUDI LISTED JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

SADR LOGISTICS SERVICES COMPANY
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AND INDEPENDENT AUDITOR'S REVIEW REPORT
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Index	Page
- Independent auditor's review report on the interim condensed financial statements	1
- Interim condensed statement of financial position (unaudited)	2
- Interim condensed statement of profit or loss and other comprehensive income (unaudited)	3
- Interim condensed statement of changes in equity (unaudited)	4
- Interim condensed statement of cash flows (unaudited)	5
- Notes to the interim condensed financial statements (unaudited)	6 - 22

Independent Auditor's Review Report on the Interim Condensed Financial Statements

To the Shareholders Of

Sadr Logistics Services Company
A Saudi Listed Joint Stock Company

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Sadr Logistics Services Company (A Saudi Listed Joint Stock Company) (the "Company") as of 30 June 2026, and the related interim condensed statements of profit or loss and other comprehensive income for the three and six-month periods then ended, the interim condensed statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes (the "interim condensed 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 interim condensed 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 interim financial information 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 as 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, "Interim Financial Reporting," that is endorsed in the Kingdom of Saudi Arabia.

Other Matter

The Company's financial statements for the financial year ended 31 December 2025 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 14 Shawwal 1447H (corresponding to 2 April 2026). The interim condensed financial statements for the three and six-month periods ended 30 June 2025 were reviewed by the same predecessor auditor, who expressed an unmodified conclusion on 20 Safar 1447H (corresponding to 14 August 2025).

For Alzoman and Alfahad & Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No (562)

Riyadh, Kingdom of Saudi Arabia

Date: 29 Safar 1448H

Corresponding to: 12 August 2026



SADR LOGISTICS SERVICES COMPANY

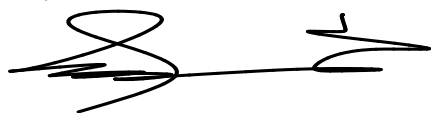
A SAUDI LISTED JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited) (Restated - Note 25)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	31,390,318	33,324,669
Investment properties	6	128,490,992	130,632,389
Right-of-use assets	7	2,710,403	7,117,012
Intangible assets		1,976,660	2,076,976
Net investment in finance lease		-	430,627
TOTAL NON-CURRENT ASSETS		164,568,373	173,581,673
CURRENT ASSETS			
Inventories	8	62,239,181	58,728,853
Trade receivables	9	39,216,020	32,721,480
Prepayments, and other debit balances	10	8,772,088	9,543,940
Contract assets		4,233,956	6,191,639
Net investment in finance lease		430,627	894,454
Cash and cash equivalents		1,459,511	8,295,713
TOTAL CURRENT ASSETS		116,351,383	116,376,079
TOTAL ASSETS		280,919,756	289,957,752
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	175,000,000	175,000,000
Statutory reserve	12	1,941,909	1,941,909
Reserve of employees' end-of-service benefits liabilities		(1,219,058)	(1,219,058)
Accumulated losses		(5,432,267)	(10,861,378)
TOTAL EQUITY		170,290,584	164,861,473
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loan	13	60,837,099	58,721,405
Lease liabilities	7	4,922,193	7,490,443
Employees' end-of-service benefits liabilities		6,442,960	6,009,906
TOTAL NON-CURRENT LIABILITIES		72,202,252	72,221,754
CURRENT LIABILITIES			
Lease liabilities	7	5,750,418	12,066,504
Trade payables, accrued expenses and other payables	16	20,988,289	18,280,576
Contract liabilities		8,371,336	6,251,674
Deferred rental income	15	971,719	13,438,688
Due to related parties	14	337,501	682,675
Zakat provision	17	2,007,657	2,154,408
TOTAL CURRENT LIABILITIES		38,426,920	52,874,525
TOTAL LIABILITIES		110,629,172	125,096,279
TOTAL EQUITY AND LIABILITIES		280,919,756	289,957,752



Chief Financial Officer
Ahmed Mostafa Kortam



Chief Executive Officer
Majid Abdullah Al Issa



Deputy Chairman of the Board of Directors
Bandar Mohamed Al-Samaani

The accompanying notes from 1 to 28 form an integral part of these interim condensed financial statements.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

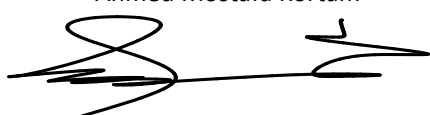
FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	For the three-month period ended		For the six-month period ended	
		30 JUNE 2026	30 JUNE 2025	30 JUNE 2026	30 JUNE 2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	18	38,897,691	31,952,561	80,397,597	65,738,694
Cost of revenues	19	(27,524,128)	(25,738,592)	(56,955,865)	(52,570,374)
Gross profit for the period		11,373,563	6,213,969	23,441,732	13,168,320
Selling and marketing expenses		(2,775,300)	(3,474,830)	(6,289,179)	(6,191,300)
General and administrative expenses		(3,460,317)	(3,221,730)	(7,199,629)	(6,155,454)
Expected credit losses expense for trade receivables	9-1	(207,829)	(5,736,762)	(207,829)	(6,299,522)
Expected credit losses expense for contract assets		(378,186)	(11,919)	(378,186)	(37,860)
Impairment expense for advances to suppliers		-	(208,597)	-	(208,597)
Profit (loss) for the period from operating activities		4,551,931	(6,439,869)	9,366,909	(5,724,413)
Other income / (expenses), net		89,602	(2,736)	77,418	384,085
Finance costs, net		(1,540,848)	(362,401)	(3,005,716)	(810,587)
Finance income from Murabaha investments		-	-	-	93,072
Net income / (loss) for the period before Zakat		3,100,685	(6,805,006)	6,438,611	(6,057,843)
Zakat	17	(609,500)	(500,000)	(1,009,500)	(1,125,000)
Net income / (loss) for the period		2,491,185	(7,305,006)	5,429,111	(7,182,843)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		2,491,185	(7,305,006)	5,429,111	(7,182,843)
Basic and diluted earnings / (loss) per share for the period from:	20				
Profit / (loss) for the period from operating activities		0.026	(0.037)	0.054	(0.033)
Net income / (loss) for the period		0.014	(0.042)	0.031	(0.041)

Chief Financial Officer

Ahmed Mostafa Kortam


Chief Executive Officer

Majid Abdullah Al Issa


Deputy Chairman of the Board of Directors

Bandar Mohamed Al-Samaani



The accompanying notes from 1 to 28 form an integral part of these interim condensed financial statements.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

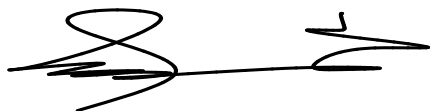
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

		Reserve of employees' end-of-service				
	Note	Share capital	Statutory reserve	benefits liabilities	Accumulated losses	Total Equity
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		-	-	-	(7,182,843)	(7,182,843)
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(7,182,843)	(7,182,843)
Balance as at 30 June 2025 (Unaudited)		175,000,000	1,941,909	(887,366)	(15,726,453)	160,328,090
Balance as at 1 January 2026 (As previously reported)		175,000,000	1,941,909	(1,219,058)	(11,922,690)	163,800,161
Restatements	25	-	-	-	1,061,312	1,061,312
Balance as at 1 January 2026 (Restated)		175,000,000	1,941,909	(1,219,058)	(10,861,378)	164,861,473
Net income for the period		-	-	-	5,429,111	5,429,111
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	5,429,111	5,429,111
Balance as at 30 June 2026 (Unaudited)		175,000,000	1,941,909	(1,219,058)	(5,432,267)	170,290,584

Chief Financial Officer

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Chief Executive Officer

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Deputy Chairman of the Board of Directors

Bandar Mohamed Al-Samaani



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SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)

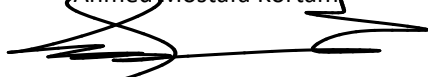
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

		For the six-month period ended	
	Note	30 JUNE 2026	30 JUNE 2025
		(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Net income / (loss) for the period before Zakat		6,438,611	(6,057,843)
Adjustments to reconcile net income / (loss) before Zakat:			
Depreciation of property, plant and equipment	5	2,542,932	2,124,019
Depreciation of investment properties	6	2,931,883	-
Depreciation of right-of-use assets	7	4,546,565	6,132,066
Amortization of intangible assets		100,316	264,633
Gain on disposal of property, plant and equipment		(19,900)	-
Provision for employees' end-of-service benefits		500,000	272,406
Provision for expected credit losses on trade receivables	9-1	207,829	6,299,522
Provision for expected credit losses on contract assets		378,186	37,860
Provision for impairment of advances to suppliers	10-1	-	208,597
Reversal of provision for slow-moving inventory		-	(589,069)
Finance income from Murabaha investments		-	(93,072)
Finance costs		3,037,361	810,587
		20,663,783	9,409,706
Changes in working capital:			
Inventories		(3,510,328)	(4,734,137)
Trade receivables		(6,702,369)	(897,183)
Net investment in finance lease		894,454	-
Contract assets		1,579,497	(7,237,137)
Prepayments, and other debit balances		771,852	4,057,990
Trade payables, accrued expenses and other payables		2,707,713	1,394,831
Contract liabilities		2,119,662	(1,007,646)
Deferred rental income		(12,466,969)	-
Due to related parties		(345,174)	(443,287)
Cash flows generated from operating activities		5,712,121	543,137
Employees' end-of-service benefits liabilities paid		(209,075)	-
Zakat paid	17	(1,156,251)	(1,752,282)
Net cash flows generated from (used in) operating activities		4,346,795	(1,209,145)
INVESTING ACTIVITIES			
Payments for the acquisition of property, plant and equipment	5	(608,581)	(27,503,738)
Payments for the acquisition of investment properties	6	(790,486)	-
Proceeds from the sale of property, plant and equipment		19,900	-
Proceeds from finance income on Murabaha investments		-	93,072
Net cash flows used in investing activities		(1,379,167)	(27,410,666)
FINANCING ACTIVITIES			
Payments of lease liabilities	7	(9,803,830)	(7,897,610)
Proceeds from a long-term loan	13	-	20,658,861
Net cash flows (used in) generated from financing activities		(9,803,830)	12,761,251
Net change in cash and cash equivalents during the period		(6,836,202)	(15,858,560)
Cash and cash equivalents at the beginning of the period		8,295,713	16,440,981
Cash and cash equivalents at the end of the period		1,459,511	582,421
Significant non-cash transactions			
Accrued finance costs on a long-term loan	13	2,115,694	1,675,907
Additions to right-of-use assets against lease liabilities	7	139,956	-

Chief Financial Officer

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Deputy Chairman of the Board of Directors

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The accompanying notes from 1 to 28 form an integral part of these interim condensed financial statements.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "﷼" UNLESS OTHERWISE STATED)

1- Formation and Activities

Sadr Logistics Services Company (the "Company") is a Saudi listed joint stock company established in accordance with the provisions of the Companies Law in the Kingdom of Saudi Arabia under Commercial Registration No. 1131012302 dated 20 Shaban 1414 H (corresponding to 31 January 1994 G) and Unified National Number 7009382412. The Company's head office is located at Building No. 4432, Anas Bin Malik Road, Al Yasmin District, Riyadh, Kingdom of Saudi Arabia.

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

On 25 Rabi' Al-Thani 1442H (corresponding to 10 December 2020G), the Company's shares were listed and commenced trading on the Saudi Exchange (Tadawul) Main Market under ticker symbol 1832.

The Company's issued and fully paid share capital amounts to SAR 175,000,000, divided into 175,000,000 shares with a nominal value of SAR 1 per share.

The Company's activities include the cutting and finishing of raw timber; production of various types of wood shavings; manufacture of wooden containers, including packing crates, wooden boxes and wooden shipping containers; manufacture of wooden cable drums and wooden pallets; manufacture of prefabricated steel structural units; and manufacture of finished and semi-finished metal products through forging, pressing, casting and rolling processes. The Company also manufactures furniture for all purposes made from plastics and polymers; engages in the wholesale trade of wooden, cork and plastic products; the wholesale trade of office furniture and various types of timber; the retail sale of scrap metal, as well as carpentry and blacksmithing tools and equipment. Its activities also include the sale of metal, steel and wooden boxes and mobile homes; road freight transport and light transport services; operation and management of storage facilities for all types of goods (excluding food products); freight forwarding and handling services for general cargo; refrigerated, frozen and dry food warehouses; general warehouses for storing various types of goods; logistics services; management and leasing of self-storage warehouses; and provision of integrated office administrative support services.

The interim condensed financial statements include the assets, liabilities, and results of operations of the Company and its following branches:

Branch name	CR No.	City	Activity
Sadr Logistics Services Company - Riyadh Branch (1)	1010947309	Riyadh	Manufacture of wooden containers, including packing crates, wooden boxes, wooden shipping containers, and wooden pallets.
Sadr Logistics Services Company - Riyadh Branch (2)	1010742525	Riyadh	Land transportation of goods; light transport services; operation of storage facilities for all types of goods, excluding food products; cargo loading and unloading services for general goods; refrigerated food warehouses; frozen food warehouses; general warehouses for various types of goods; dry food warehouses; logistics services; and the management and leasing of self-storage warehouses.
Sadr Logistics Services Company - Dammam Branch *	2050115434	Dammam	Wholesale trade of wood, cork, and plastic products; wholesale trade of office furniture; retail sale of metal tools and carpentry and blacksmithing tools and equipment; sale of metal, steel, wooden containers and portable buildings; and the provision of integrated office management and administrative support services.

* The commercial registration of the Dammam branch expired during 2025, and the commercial registration was cancelled on 22 January 2026.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

2- Basis of Preparation of the Condensed Interim Financial Statements

2-1 Statement of Compliance

These interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The results for the six-month period ended 30 June 2026 do not necessarily indicate the results that may be expected for the financial year ending 31 December 2026. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025. However, selected notes have been included to explain significant events and transactions that are relevant to an understanding of the changes in the Company's financial position and financial performance since the last annual financial statements.

2-2 Basis of Measurement

These interim condensed financial statements of the Company have been prepared on the historical cost basis, except for employees' end-of-service benefits liabilities, which are measured at the present value of the future obligations using the projected unit credit method. The Agricultural Development Fund loan is also recognized at the present value of the future obligations.

Historical cost generally is based on the fair value of the consideration given in exchange for goods and services provided.

2-3 Functional and Presentation Currency

The interim condensed financial statements are presented in Saudi Riyals "ﷲ", which is the Company's functional and presentation currency. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

3- Significant Accounting Policies

The accounting policies applied in the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2025, unless otherwise stated.

3.1 New and revised standards, interpretations and amendments effective during the period:

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim condensed financial statements of the Company other than presentation and disclosures, except as stated otherwise.

Amendments to IAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Amendments IFRS 7 and IFRS 9 regarding the classification and measurement of financial instruments

The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognized on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "﷼" UNLESS OTHERWISE STATED)

3. Significant Accounting Policies (Continued)

3.1 New and revised standards, interpretations and amendments effective during the period - (Continued)

Amendments to IFRS 7 and IFRS 9 regarding power purchase arrangements

The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Annual Improvements to IFRS Accounting Standards - Volume 11

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

3-2 New and revised standards, interpretations and amendments issued but not yet effective:

The following new and revised standards, interpretations and amendments are effective for periods beginning on or after 1 January 2027 and earlier application is permitted; however, the Company has not early adopted them in preparing these interim-condensed financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Company has not early adopted the new accounting standard in preparing these interim financial statements.

The Company is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

a) Structure of the Statement of Profit or Loss

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. In addition, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. The classification of income and expenses is based on the nature of the entity's main activities.

The application of IFRS 18 by the Company will not result in any change in net profit or net assets. However, the Company will be required to present two new subtotals, namely "Operating profit" and "Profit or loss before financing and income taxes". However, the operating profit subtotal under IFRS 18 differs from the operating profit subtotal currently presented by the Company. Based on the information currently available, the Company expects the following changes to the current structure of the statement of profit or loss:

- Commission income and finance costs are currently classified, in accordance with the Company's accounting policy, within finance income and finance costs. IFRS 18 provides specific guidance on the classification of income and expenses within the investing and financing categories.
- Foreign exchange gains and losses are currently presented within other income and expenses. Under IFRS 18, foreign exchange differences are classified in the same category as the income or expenses from which they arise, unless otherwise specified by the Standard.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "﷼" UNLESS OTHERWISE STATED)

3. Significant Accounting Policies (Continued)

3-2 New and revised standards, interpretations and amendments issued but not yet effective (Continued)

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Company will be required to disclose specific information about MPMs in a single note in the financial statements.

The Company is currently continuing to assess its management-defined performance measures, including identifying the public communications within the scope of the Standard's requirements that it uses to communicate with users about its financial performance. The Company will identify the performance measures that meet the definition of management-defined performance measures and the related disclosure requirements upon applying IFRS 18.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to Company information in financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Company is assessing the Company items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful, structured summaries and disclose additional material information in the notes.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Company currently uses profit before zakat as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point. The consequential amendments to IAS 7 also include new requirements regarding the classification of cash flows related to interest and dividends, which the Company will consider when applying IFRS 18.

4- Use of Judgments, Estimates, and Assumptions

The preparation of these interim condensed financial statements in accordance with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the annual financial statements for the year ended 31 December 2025, unless otherwise stated.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

5- Property, Plant and Equipment

	For the six-month period ended 30 June 2026 (Unaudited)			For the financial year ended 31 December 2025 (Audited)		
	Owned by Company	Leased assets *	Total	Owned by Company	Leased assets *	Total
Cost						
Balance as at the beginning of the period/year	34,477,200	21,517,044	55,994,244	110,722,907	15,919,267	126,642,174
Additions during the period/year	608,581	-	608,581	62,095,321	-	62,095,321
Transferred to investment properties during the period/year	-	-	-	(131,377,201)	-	(131,377,201)
Transferred from/(to) leased assets during the period/year	-	-	-	(5,597,777)	5,597,777	-
Transferred to inventory during the period/year	-	-	-	(786,874)	-	(786,874)
Disposals during the period/year	(223,671)	-	(223,671)	(579,176)	-	(579,176)
Balance as at the end of the period/year	34,862,110	21,517,044	56,379,154	34,477,200	21,517,044	55,994,244
Accumulated Depreciation						
Balance as at the beginning of the period/year	19,355,168	3,314,407	22,669,575	15,048,270	3,203,230	18,251,500
Depreciation for the period/year	1,329,897	1,213,035	2,542,932	2,684,104	1,889,977	4,574,081
Transferred from/(to) leased assets during the period/year	-	-	-	1,778,800	(1,778,800)	-
Transferred to inventory during the period/year	-	-	-	(98,250)	-	(98,250)
Disposals during the period/year	(223,671)	-	(223,671)	(57,756)	-	(57,756)
Balance as at the end of the period/year	20,461,394	4,527,442	24,988,836	19,355,168	3,314,407	22,669,575
Net book value at the end of the period/year	14,400,716	16,989,602	31,390,318	15,122,032	18,202,637	33,324,669
Cost of fully depreciated property, plant and equipment at the end of the period/year	9,569,692	-	9,569,692	9,569,692	-	9,569,692

The Company's buildings and related improvements in the Qassim region have been constructed on land leased from governmental entities, with lease terms expiring in 1460H (corresponding to 2038 G).

All of the Company's buildings are constructed on leased land. Since the land is not owned by the Company, depreciation of the buildings is calculated based on the remaining useful life of the related lease agreements, as this represents the period over which the Company expects to derive economic benefits from these assets.

* This item represents the value of vehicles and machinery acquired under lease-to-own arrangements, which the Company has classified under Property, Plant and Equipment.

The depreciation expense for the period was allocated as follows:

	Note	For the six-month period ended	
		30 JUNE 2026 (Unaudited)	30 JUNE 2025 (Unaudited)
Cost of revenues	19	2,057,076	1,531,641
Selling and marketing expenses		359,207	401,430
General and administrative expenses		126,649	190,948
		2,542,932	2,124,019

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

6- Investment properties

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost			
Balance at the beginning of the period/year		132,579,566	-
Additions during the period/year		790,486	1,202,365
Transferred from property, plant and equipment during the period/year	5	-	131,377,201
Balance at the end of the period/year		133,370,052	132,579,566
Accumulated depreciation			
Balance at the beginning of the period/year		1,947,177	-
Depreciation for the period/year	19	2,931,883	1,947,177
Balance at the end of the period/year		4,879,060	1,947,177
Net book value at the end of period/year		128,490,992	130,632,389

* Consumption depreciation is charged within revenue costs - Note 19.

6-1 Investment properties include land, buildings, improvements, as well as vehicles and equipment transferred from the "Sadr Park" project, which were transferred from property, plant and equipment in accordance with IAS 40 Investment Property. These assets are subject to an operating lease contract in accordance with IFRS 16 Leases.

6-2 The Company entered into an operating lease contract with a third party for the "Sadr Park" project for a period of ten years starting in September 2025. The total contract value is ﷲ 249 million. The Company assessed the nature of the contract in accordance with IFRS 16 Leases to determine whether the contract should be classified as a finance lease or an operating lease. The assessment considered the following indicators:

A) The lease transfers ownership of the underlying asset to the lessee at the end of the term.

B) The lessee has the option to purchase the underlying asset at a price expected to be substantially lower than its fair value at the date the option becomes exercisable, making it reasonably certain at the contract commencement date that the option will be exercised.

C) The lease term covers the major part of the economic life of the underlying asset, even if title is not transferred.

D) At the contract commencement date, the present value of lease payments amounts to substantially all of the fair value of the underlying asset.

E) The underlying asset is of such a specialized nature that only the lessee can use it without major modifications.

Based on the results of this assessment, the Company concluded that the contract meets the criteria for classification as an operating lease and has therefore been classified accordingly in these financial statements.

6-3 All assets of the Sadr Park project have been pledged as collateral in favor of the Agricultural Development Fund against a long-term loan (Note 13).

6-4 The Company obtained a loan from the Agricultural Development Fund at an interest rate lower than prevailing market rates for similar commercial loans. The difference between the market interest rate and the lower rate was treated as a government grant in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The total government deferred grant netted off investment property cost ﷲ 17,593,474 at 31 December 2025 (31 Dec 2024: ﷲ 10,495,367) (Note 13). The grant is recognized in profit or loss and other comprehensive income through a reduction in depreciation expense of related productive assets.

6-5 Investment properties are measured at historical cost, with a fair value of ﷲ 254.72 million as of 31 December 2025, based on the valuation by Shayeg International Professional Consulting Company license no. 1210001415 and First Valuator license no.1210002501 appointed as an independent. The fair value is classified as Level 2 under the fair value hierarchy based on executed transactions and available market data. The valuation process for the fair value of investment properties identified no material changes as of 30 June 2026 compared to the fair value recognized as of 31 December 2025, based on the latest available valuation reports on those dates.

6-6 The balance of investment properties as of 31 December 2025 includes capitalized financing costs incurred during the construction phase of the project amounting to ﷲ 2,858,034. No financing costs were capitalized during 2026, and the Company recorded all such costs in profit or loss and other comprehensive income.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

7- Lease contracts - Company as a Lessee

The Company leases lands and building related to labor accommodation, warehouses and the production facility for renewable period from 2 to 20 years, as follows:

7-1 Right-of-Use Assets

The following shows the movement in right-of-use assets:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost		
Balance at the beginning of the period/year	29,353,803	36,159,724
Additions during the period/year	139,956	903,802
Disposals during the period/year	(3,287,468)	(7,709,723)
Balance at the end of the period/year	26,206,291	29,353,803
Accumulated depreciation		
Balance at the beginning of the period/year	22,236,791	17,839,560
Depreciation for the period/year	4,546,565	12,106,954
Disposals during the period/year	(3,287,468)	(7,709,723)
Balance at the end of the period/year	23,495,888	22,236,791
Net book value at the end of period/year	2,710,403	7,117,012

Allocation of depreciation expense is as follows:

		For the six-month period ended	
	Note	30 JUNE 2026 (Unaudited)	30 JUNE 2025 (Unaudited)
Cost of revenue	19	4,456,185	6,070,185
General and administrative expenses		90,380	61,881
		4,546,565	6,132,066

7-2 Lease liabilities

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period/year	19,556,947	24,788,829
Additions during the period/year	139,956	7,772,803
Finance cost for the period/year	779,538	1,427,395
Payments during the period/year	(9,803,830)	(14,432,080)
Balance at the end of the period/year	10,672,611	19,556,947

The leases liabilities in the interim condensed statement of financial position are classified as following:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Lease liabilities - non-current portion	4,922,193	7,490,443
Lease liabilities - current portion	5,750,418	12,066,504
	10,672,611	19,556,947

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

7- Lease contracts - (Continued)**7-2 Lease liabilities - (Continued)**

7-2-1 Lease liabilities include obligations related to finance-leased assets classified under Property, Plant and Equipment as at 30 June 2026, amounting to ﷲ 7,293,544 (31 December 2025: ﷲ 9,808,649). The lease transfers ownership of the underlying assets to the lessee (the company) at the end of the term.

7-2-2 The condensed interim statement of profit or loss and other comprehensive income includes the following amounts related to lease contracts:

	For the six-month period ended	
	30 JUNE 2026	30 JUNE 2025
	(Unaudited)	(Unaudited)
Depreciation and amortization expense during the period	4,546,565	6,132,066
Finance costs related to lease liabilities	779,538	840,988
Expense relating to short-term leases and low-value asset leases	475,970	443,253

8- Inventories

	Note	30 June 2026	31 December 2025
		(Unaudited)	(Audited)
Raw materials		39,624,952	41,451,752
Finished goods		11,675,318	12,039,281
Spare parts and supplies		1,940,514	1,741,101
Work in progress		484,672	541,368
Goods in transit		9,445,867	3,887,493
		63,171,323	59,660,995
(Less): provision for slow-moving inventory	8-1	(932,142)	(932,142)
		62,239,181	58,728,853

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

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	932,142	2,207,290
Reversed during the period/year	-	(1,275,148)
Balance at the end of the period/year	932,142	932,142

9- Trade receivables

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Trade receivables - private sector	50,349,699	43,586,370
Trade receivables - government	1,846,646	1,907,606
(less): Allowance for expected credit losses	(12,980,325)	(12,772,496)
	39,216,020	32,721,480

9-1 Movement in the expected credit loss (ECL) allowance for trade receivables:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at beginning of the period/year	12,772,496	3,930,327
Provision made during the period/year	207,829	8,842,169
Balance at the end of the period/year	12,980,325	12,772,496

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

10- Prepayments, and other debit balances

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Advance payments to suppliers		7,121,846	6,163,988
(Less) : Allowance for impairment of advance payments to suppliers	10-1	(937,693)	(937,693)
		6,184,153	5,226,295
Letter of guarantee margin		785,680	801,680
Prepaid expenses		699,469	1,543,127
Prepaid rent		450,708	1,173,723
Employee advances and custodies		351,269	520,624
Prepaid subscriptions		284,709	262,391
Others		16,100	16,100
		8,772,088	9,543,940

10-1 The movement in the allowance for impairment of advance payments to suppliers is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period/year	937,693	351,492
Provision made during the period/year	-	586,201
Balance at the end of the period/year	937,693	937,693

11- Share Capital

As of 30 June 2026, the Company's share capital amounted to ﷲ 175,000,000 (31 December 2025: ﷲ 175,000,000), divided into 175,000,000 shares (31 December 2025: 175,000,000 shares), each share has a value of ﷲ 1.

12- Statutory Reserve

During 2023, the Company amended its bylaws to comply with the new Saudi Companies Law issued by Royal Decree M/132 dated 30 June 2022. As a result, the Company is no longer required to establish a statutory reserve. Accordingly, the statutory reserve balance established in prior years is subject to the shareholders' decision in the future, whether to retain it as a general reserve or reverse it to retained earnings. As of 30 June 2026, no decision had been made regarding the existing statutory reserve balance of ﷲ 1,941,909.

13- Long-Term Loan

The movement on term loan as following :

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period/year	76,314,879	41,300,715
Amount received during the period/year	-	31,342,622
Finance costs for the period/year	2,115,694	3,671,542
Balance at the end of the period/year	78,430,573	76,314,879
(Less): Deferred income from a government loan	(17,593,474)	(17,593,474)
	60,837,099	58,721,405

13-1 The long-term loan has been classified as a non-current liability in the interim condensed statement of financial position.

13-2 During 2024, the Company entered into an agreement with the Agricultural Development Fund (the "Fund") to obtain a loan amounting to ﷲ 74.59 million. The related administrative charges and interest amounted to ﷲ 16.6 million. The loan is repayable in 10 equal annual installments, commencing on 11 August 2027 and ending on 11 August 2036, for the purpose of establishing a cold storage warehouses project. The loan bears interest at a rate of 1.85% per annum, while the market rate for comparable commercial loans was 7.1%. During 2024, the Company received the first loan disbursement of ﷲ 40.76 million, and during 2025, it received an additional ﷲ 31.34 million.

13-3 The loan is secured by a pledge over the project assets (machinery and equipment) and a mortgage over the Company's land (Note 6). The Company has provided guarantees amounting to ﷲ 74,855,947 and ﷲ 37,389,453, respectively, against the project assets and the property.

13-4 As the loan was obtained at an interest rate below prevailing market rates for similar commercial loans, it was discounted using market rates applicable to comparable loans. The difference between the nominal value of the loan and its fair value was recognized as part of the cost of investment properties (Note 6).

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

14- Related Parties Transactions And Balances

Transaction with related parties is included as salaries, remuneration, allowances of members of the Board of Directors (BOD) and senior management that took place during the year between the Company and members of the board of directors, members of committees and senior management.

	For the six-month period ended		For the six-month period ended	
	30 June 2026		30 JUNE 2025	
	BOD members and committees	Executive management	BOD members and committees	Executive management
	(Unaudited)		(Unaudited)	
BOD members and committees' remuneration	402,500	500,000	402,500	200,000
BOD and committee's attendance allowance	55,500	-	48,000	-
Salaries and wages	-	1,228,667	-	1,144,417
Remuneration and commissions	-	27,500	-	25,000
End of service-Formed	-	61,250	-	58,424
	458,000	1,817,417	450,500	1,427,841

As of 30 June 2026, the outstanding balance due to the related parties mentioned above in respect of remuneration for the members of the Board of Directors and Board Committees amounted to ﷲ 337,501 (31 December 2025: ﷲ 682,675).

15- Deferred rental income

The Company entered into a lease agreement with a third party (Note 6.2) for a period of 10 years commencing in September 2025, with a contractual value of ﷲ 249 million. The third party paid an advance lease payment of ﷲ 21,750,000, representing one year's rent. Rental income of ﷲ 12,466,969 was recognized for the six-month period ended 30 June 2026, while ﷲ 8,311,312 was recognized as rental income during 2025. The remaining balance of ﷲ 971,719 as at 30 June 2026 represents deferred rental income (31 December 2025: ﷲ 13,438,688).

16- Trade payables, accrued expenses and other payables

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Trade payables	12,627,246	10,121,228
Accrued expenses	3,248,905	3,321,465
Work guarantee	1,868,499	1,868,499
Employees' accruals	1,350,147	1,440,571
Value-added tax payable *	1,324,857	999,202
Accrued commission	557,798	518,806
Others	10,837	10,805
	20,988,289	18,280,576

* The Company was registered for Value Added Tax (VAT) on 14 Rabi Al-Thani 1439 H (corresponding to 1 January 2018) under VAT Registration Number 310020810300003. The Company has submitted its VAT returns for the period ended 30 June 2026.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

17- ZAKAT**17-1 Zakat provision**

The movement in Zakat provision is as follows:

Balance at the beginning of the period/year

Provision made during the period/year

Paid during the period/year

Balance at the end of the period/year

30 June 2026	31 December 2025
(Unaudited)	(Audited)
2,154,408	3,752,861
1,009,500	1,646,617
(1,156,251)	(3,245,070)
2,007,657	2,154,408

17-2 Zakat position

- The Company has submitted its Zakat returns to the Zakat, Tax and Customs Authority up to the year ended 31 December 2025 and has obtained a valid certificate from the authority, which is valid until 23 Dhu al-Qidah 1448H (corresponding to 30 April 2027).

- The authority approved the Company's request to pay its 2025 Zakat liabilities in installments, and the Company is complying with the approved installment payment plan.

- A Zakat assessment was issued for the Company for the year 2024, and no adjustments or additional assessments were made by the authority to the Zakat return submitted for the year 2024.

- During 2026, the Company received a request for information in connection with the Zakat assessment for the year 2025, and the assessment procedures are currently in progress.

18- REVENUES

18-1 The Company generates revenue from contracts with customers in exchange for transferring goods and services over time and at a point in time, across the following principal product lines. The disclosure of revenue by product line is consistent with the revenue information disclosed for each reportable segment in accordance with IFRS 8, operating segment (Note 21).

Details of the Company's revenue arising from contracts with customers are as follows:

	For the three-month period ended		For the six-month period ended	
	30 JUNE 2026	30 JUNE 2025	30 JUNE 2026	30 JUNE 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from Sale of Products				
Supply of Wood Products	9,570,375	6,739,337	18,956,080	20,059,199
Supply of Steel Products	1,549,972	-	7,296,419	286,290
Supply of Other Products*	575,842	1,552,100	661,342	2,626,925
Total Revenue from Sale of Products	11,696,189	8,291,437	26,913,841	22,972,414
Project Revenue				
Logistics Operations	16,559,219	7,298,753	32,740,303	14,125,448
Supply and Installation of Metal Shelving Units	10,582,283	16,362,371	20,683,453	28,574,690
Other Services**	60,000	-	60,000	66,142
Total Projects and Services Revenue	27,201,502	23,661,124	53,483,756	42,766,280
Total Revenue	38,897,691	31,952,561	80,397,597	65,738,694

18-2 Timing of Revenue Recognition

	For the three-month period ended		For the six-month period ended	
	30 JUNE 2026	30 JUNE 2025	30 JUNE 2026	30 JUNE 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At a Point in Time				
Supply of Wood Products	9,570,375	6,739,337	18,956,080	20,059,199
Supply of Steel Products	1,549,972	-	7,296,419	286,290
Supply of Other Products	575,842	1,552,100	661,342	2,626,925
Total	11,696,189	8,291,437	26,913,841	22,972,414
Over Time				
Logistics Operations	16,559,219	7,298,753	32,740,303	14,125,448
Supply and Installation of Metal Shelving Units	10,582,283	16,362,371	20,683,453	28,574,690
Other Services	60,000	-	60,000	66,142
Total	27,201,502	23,661,124	53,483,756	42,766,280
Total revenue	38,897,691	31,952,561	80,397,597	65,738,694

* Includes forklifts, cooling systems, and other equipment related to warehouses.

** Includes the dismantling and installation of warehouse equipment, in addition to epoxy floor coating works for customers' warehouses.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

18- REVENUES (CONTINUED)**18-3 Geographic Markets**

	For the three-month period ended		For the six-month period ended	
	30 JUNE 2026	30 JUNE 2025	30 JUNE 2026	30 JUNE 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Within the Kingdom of Saudi Arabia	37,526,001	30,916,561	78,659,727	63,877,694
Outside the Kingdom of Saudi Arabia	1,371,690	1,036,000	1,737,870	1,861,000
	38,897,691	31,952,561	80,397,597	65,738,694

19- COST OF REVENUES

		For the six-month period ended	
	Note	30 JUNE 2026	30 JUNE 2025
		(Unaudited)	(Unaudited)
Raw Materials and Manufactured Goods		30,656,942	36,011,386
Operating Expenses		12,503,919	5,314,702
Depreciation of Right-of-Use Assets	7-1	4,456,185	6,070,185
Salaries, Wages, and Related Benefits		4,349,860	3,642,460
Depreciation of Investment Properties	6	2,931,883	-
Depreciation of Property, Plant, and Equipment	5	2,057,076	1,531,641
		56,955,865	52,570,374

The cost of raw materials and finished goods includes a reversal of the slow-moving inventory provision amounting to nil as at 30 June 2026 (30 June 2025: ﷲ 589,069) (Note 8-1).

20- Basic and Diluted Earnings (Loss) per Share

Basic earnings (loss) per share have been calculated by dividing the profit (loss) for the period from principal operations and the net profit (loss) for the period by the weighted average number of shares outstanding during the period.

	For the three-month period ended		For the six-month period ended	
	30 JUNE 2026	30 JUNE 2025	30 JUNE 2026	30 JUNE 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit (loss) for the period from operating activities	4,551,931	(6,439,869)	9,366,909	(5,724,413)
Net income / (loss) for the period	2,491,185	(7,305,006)	5,429,111	(7,182,843)
Weighted average number of shares outstanding during the period	175,000,000	175,000,000	175,000,000	175,000,000

Basic and diluted earnings (loss) per share for the period from:

Profit (loss) for the period from operating activities	0.026	(0.037)	0.054	(0.033)
Net income / (loss) for the period	0.014	(0.042)	0.031	(0.041)

There are no obligations convertible into equity instruments; therefore, diluted earnings (loss) per share do not differ from basic earnings (loss) per share.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

21- Segment Information

about the information reported to the Company's (Chief Operating Decision Maker) for the purpose of resource allocation and assessment of segment performance, management focuses on the Company's business categories (products or services provided to customers). The Company's activities are reported within the following major segments: Steel Segment, Wood Segment, Logistics Services Segment, and All Other Segments.

the Steel Segment comprises the sale of steel products (such as pallets) and the supply and installation of steel racking systems for customers' warehouses. For financial reporting purposes, these individual operating activities have been aggregated into a single operating segment due to the similarity in the nature of the products and production processes.

The Wood Segment represents the sale of wooden pallets, boxes, and raw materials.

the all Other Segments category includes the sale of plastic products, forklifts, and cooling systems, in addition to providing other services such as dismantling, reinstallation, epoxy coating works, and other related services.

Assets, liabilities, revenues, depreciation and amortization expenses, and finance costs have been allocated to these segments, while the allocation of the remaining items is not practicable.

The summarized financial information for each segment as of 30 June 2026 and 31 December 2025, and for the six-month periods ended 30 June 2026 and 30 June 2025, is presented as follows

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**AS AT 30 JUNE 2026 (unaudited)**

	Steel	Woods	Logistics	Others	total
Total Assets	104,504,820	39,554,872	133,575,579	3,284,485	280,919,756
Total Liabilities	34,096,752	24,700,695	49,368,060	2,463,665	110,629,172

31 December 2025 (audited) (restated)

	Steel	Woods	Logistics	Others	total
Total Assets	109,760,093	41,048,528	135,684,739	3,464,392	289,957,752
Total Liabilities	38,893,525	28,175,620	55,216,877	2,810,257	125,096,279

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**For the Six-Month Period Ended 30 June 2026**

	Steel	Woods	Logistics	Others	total
Revenue	27,979,872	18,956,080	32,740,303	721,342	80,397,597
Depreciation and Amortization	(1,164,554)	(665,296)	(8,291,846)	-	(10,121,696)
Finance Costs	(155,885)	(106,862)	(2,742,969)	-	(3,005,716)
Gross Profit for the period	8,652,112	1,965,958	12,673,555	150,107	23,441,732
Net profit (loss) for the period	(74,031)	(1,129,318)	6,930,218	(297,758)	5,429,111

For the Six-Month Period Ended 30 June 2025

	Steel	Woods	Logistics	Others	total
Revenue	28,860,980	20,059,199	14,125,448	2,693,067	65,738,694
Depreciation and Amortization	(1,081,098)	(1,387,393)	(6,052,227)	-	(8,520,718)
Finance Costs	(182,175)	(151,834)	(476,578)	-	(810,587)
Gross Profit for the period	10,684,733	(1,668,642)	3,895,039	257,190	13,168,320
Net profit (loss) for the period	2,352,049	(9,567,230)	270,430	(238,092)	(7,182,843)

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

21- Segment Information (Continued)

The accounting policies of the reportable segments are consistent with the Company's accounting policies described in the audited financial statements. Segment profit represents the profit earned by each segment after the allocation of central administrative costs, including Board of Directors' remuneration, finance income, non-operating gains and losses related to financial instruments, finance costs, and Zakat. This measure is used in reports submitted to the Company's Chief Operating Decision Maker (CODM) for the purposes of resource allocation and performance evaluation of the segments.

For the purpose of monitoring segment performance and allocating resources among segments, the Company's Chief Operating Decision Maker monitors the tangible, intangible, and financial assets attributable to each segment. All assets are allocated to reportable segments without exception. Assets jointly utilized by segments are allocated based on the revenue generated by each respective segment.

21-1 Major Customers

During the current period, revenue generated from two customers amounted to approximately ﷲ 29.35 million, representing 36.50% of total revenue (30 June 2025: revenue generated from two customers amounted to approximately ﷲ 15.3 million, representing 23.26% of total revenue).

21-2 Customers by Segment

Revenue from customers contributing more than 10% of total revenue is as follows:

- Steel Segment: Revenue of approximately ﷲ 16.69 million, representing 59.68% of the segment's total revenue, generated from three customers (30 June 2025: ﷲ 4.74 million, representing 37.68% of the segment's total revenue, generated from two customers).
- Wood Segment: Revenue of approximately ﷲ 7 million, representing 37% of the segment's total revenue, generated from three customers (30 June 2025: ﷲ 10.5 million, representing 21.48% of the segment's total revenue, generated from one customer).
- Logistics Services Segment: Revenue of approximately ﷲ 32.26 million, representing 98.52% of the segment's total revenue, generated from three customers (30 June 2025: ﷲ 9.07 million, representing 64.21% of the segment's total revenue, generated from one customer).

These revenues arose from sales to the Company's three largest customers. No other customer contributed 10% or more of the Company's revenue during the six-month periods ended 30 June 2026 and 30 June 2025.

21-3 Impairment of the Wood Segment

As at 30 June 2026, the results of the Wood Segment reflected an improvement in operating performance compared to the comparative period; however, the segment continued to incur a net loss. Management assessed whether any indicators of impairment existed in relation to the assets associated with the segment as of the reporting date, taking into consideration the segment's performance during the current period, the subsequent period, and the available future outlook. Based on the information available as of that date, management did not identify any new indicators that would require an impairment assessment to be performed during the current period.

Management will update its recoverable amount assessment and conduct a more detailed impairment review as part of the preparation of the annual financial statements for the year ending 31 December 2026, based on the actual annual results and updated forecasts.

As at 31 December 2025, management identified impairment indicators in one of the reportable segments of Sadr Logistics Services Company, namely the Wood Segment. These indicators arose primarily from the continued losses incurred by the segment during the current and prior periods. However, such losses were not considered, in isolation, to be conclusive evidence of impairment when other factors were taken into account, particularly given that the factory is newly established and operations remain in their early stages. Accordingly, management performed an impairment test on the related property, plant and equipment.

The recoverable amount of the relevant cash-generating unit (CGU) was determined based on its value in use using a discounted cash flow model. The calculations were based on cash flow projections derived from management-approved budgets, reflecting management's expectations regarding future revenue growth, operating margins, and capital expenditures.

The key assumptions used in the impairment test included a discount rate of 11% and an expected revenue growth rate of 39% for 2026, followed by a long-term growth rate ranging between 1% and 3% for the remainder of the forecast period.

Based on the analysis performed, the recoverable amount of the cash-generating unit exceeded its carrying amount. Accordingly, no impairment loss was recognized in the financial statements.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

21- Segment Information (Continued)**21-4 Sensitivity Analysis**

A sensitivity analysis was performed on the long-term growth rates, assuming a growth rate of 3% for 2026 and an average growth rate of 1.5% over the remaining forecast period. Reasonably possible changes in these assumptions did not result in the carrying amount exceeding the recoverable amount.

A sensitivity analysis was also performed on the key assumptions used in the impairment model, considering a reasonably possible change in the revenue growth assumptions to 3% for 2026 and an average growth rate ranging between 1% and 2% for the remainder of the forecast period. The results of the analysis indicated that such changes would not cause the carrying amount to exceed the recoverable amount.

The cash flow projections used in the impairment test are based on approved budgets and management's strategic forecasts and, by their nature, involve a significant degree of judgment and estimation. These projections assume that the Company will achieve the expected revenues and operating performance throughout the forecast period. Accordingly, any changes to these assumptions could have a material impact on the estimated recoverable amount.

22- Fair Value of Financial Instruments and Risk Management

The Company's activities expose it to a variety of financial risks arising from its use of financial instruments. These risks include market risks, comprising currency risk and interest rate risk, as well as credit risk and liquidity risk.

The financial instruments included in the Company's condensed interim statement of financial position comprise cash and cash equivalents, other assets, trade receivables, contract assets, net investment in a finance lease, amounts due to related parties, a long-term loan, and lease liabilities.

22-1 Financial Instruments by Category

Financial Assets	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Net Investment in a Finance Lease	430,627	1,325,081
Trade Receivables	39,216,020	32,721,480
Other Receivables	1,153,049	1,338,404
Cash and Cash Equivalents	1,459,511	8,295,713
Total Financial Assets	42,259,207	43,680,678
Financial Liabilities		
Long-term Loan	60,837,099	58,721,405
Lease Liabilities	10,672,611	19,556,947
Trade Payables, Accrued Expenses and Other Payables	20,988,289	18,280,576
Due to Related Parties	337,501	682,675
Total Financial Liabilities	92,835,500	97,241,603

The Company does not have any financial assets or financial liabilities measured at fair value. Furthermore, the fair values of the Company's financial assets and financial liabilities measured at amortized cost as at the reporting date do not differ materially from their carrying amounts as of 30 June 2026 and 31 December 2025.

23- Capital Commitments and Contingencies**23-1 Capital Commitments**

The Company has a capital commitment relating to intangible assets for the development of an Enterprise Resource Planning (ERP) system by local vendors, amounting to ﷲ 2,522,251. Invoices amounting to ﷲ 1,829,140 have been issued, while the remaining invoices will be issued and settled in future years.

In addition, the Company entered into agreements with local suppliers for the purchase of machinery and equipment amounting to ﷲ 209,502. Invoices amounting to ﷲ 106,902 have been issued, and the remaining invoices will be issued and settled during the current year.

The Company also entered into an agreement with a foreign supplier for the purchase of machinery and equipment amounting to USD 26,500 (equivalent to ﷲ 99,375). Invoices amounting to USD 8,480 (equivalent to ﷲ 31,800) have been issued, and the remaining invoices will be issued and settled during the current year.

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

23- Capital Commitments and Contingencies (Continued)**23-2 Contingencies**

The Company had letters of guarantee amounting to ﷲ 785,680 as at 30 June 2026, which are 100% cash collateralized (31 December 2025: ﷲ 801,680), as disclosed under Prepayments and Other Receivables (Note 10).

Outstanding letters of credit as at 30 June 2026 were nil (31 December 2025: ﷲ 234,387).

24- Interim Results

The results of operations for the condensed interim periods should not necessarily be considered indicative of the results of operations for the full year.

25- Comparative Figures**25-1 Restatement of Comparative Figures**

During the current period, management identified that operating lease income relating to the "Sadr Park" project had been recognized during the year ended 31 December 2025 based on the collection schedule stipulated in the lease agreement, rather than being recognized on a straight-line basis over the lease term, as required by IFRS 16 – Leases.

Accordingly, the Company corrected this accounting error during the period ended 30 June 2026 by recalculating the operating lease income on a straight-line basis over the lease term and restating the related comparative figures as at 31 December 2025.

The following is the impact of the restatements on the comparative figures:

Statement of Financial Position	31 December 2025		31 December 2025
	As previously reported	Restatement effect	after restatement
Equity			
Accumulated losses	(11,922,690)	1,061,312	(10,861,378)
Current Liabilities			
Deferred rental income	14,500,000	(1,061,312)	13,438,688

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

The restatement of comparative figures had no impact on this statement, as the operating lease commenced on 1 September 2025.

25-2 Reclassification of Comparative Figures

During the current period, the Company reclassified the cost of improvement and finishing works related to the "Sadr Park" project from Property, Plant and Equipment (PPE) to Investment Properties, as follows:

Statement of Financial Position	31 December 2025		31 December 2025
	As previously reported	Reclassification	after Reclassification
Non-current Assets			
Property, plant and equipment	34,527,034	(1,202,365)	33,324,669
Investment properties	129,430,024	1,202,365	130,632,389

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) - (CONTINUED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

(ALL AMOUNTS IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

26- Significant Events

The Company continues to closely monitor regional geopolitical developments and assess their potential impact on the Kingdom of Saudi Arabia and, more broadly, the GCC region, given that all of the Company's operations are conducted within the GCC. The Company also relies on imported raw materials used in the manufacture of its steel and wood products. While the situation remains dynamic, uncertain, and evolving, the Company maintains a robust operating framework and an effective risk management system to address potential risks associated with these developments.

As developments continue to evolve, management has assessed the potential impact of these circumstances on the Company's operations and supply chain, as well as the related estimates and assumptions used in the preparation of these condensed interim financial statements.

As of and for the period ended 30 June 2026, these developments did not have a material impact on the Company's condensed interim statement of financial position, condensed interim results of operations, or condensed interim cash flows. However, due to the evolving nature of the situation, management will continue to monitor developments and assess any potential impact on future reporting periods.

27- Subsequent Events

Management believes that there were no events occurring after the date of preparation of these condensed interim financial statements that would require adjustment to, or disclosure in, these condensed interim financial statements, other than those already disclosed herein.

28- Approval of the Interim Condensed Financial Statements

The Company's interim condensed financial statements were approved by the Board of Directors on 23 Safar 1448H (corresponding to 6 August 2026).