



**SADR LOGISTICS COMPANY
(A Listed Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

SADR LOGISTICS COMPANY
(A Listed Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

<u>Table of Contents</u>	<u>Page</u>
Independent Auditor’s Review Report on the Interim Condensed Financial Statements	1
Interim Statement of Financial Position	2
Interim Statement of Profit or Loss and Other Comprehensive Loss	3
Interim Statement of Changes in Equity	4
Interim Statement of Cash Flows	5
Notes to the Interim Condensed Financial Statements	6-21

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF SADR LOGISITIC COMPANY
(A SAUDI JOINT STOCK COMPANY)**

(1 /1)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Sadr logistic Company (the "Company") as at 30 June 2025 and the related interim Statement of Profit or Loss and Other Comprehensive Income for the three-month and six-month periods then ended, and the interim statement of changes in equity and cash flows for the six-month periods then ended, and a summary of material accounting policies and notes to the interim financial statements. Management is responsible for the preparation and presentation of these interim 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 financial statements based on our review.

SCOPE OF REVIEW

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

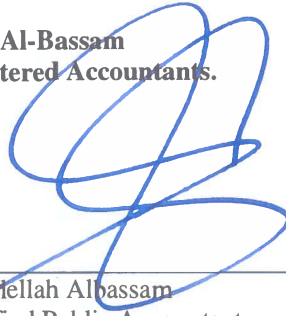
CONCLUSION

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

OTHER MATTER

The financial statements of the Company for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 6 April 2025 (corresponding to 8 Shawwal 1446H). The condensed interim financial statements for the three-month and six-month periods ended 30 June 2024 were reviewed by another auditor, who expressed an unmodified conclusion on those condensed interim financial statements on 14 August 2024 (corresponding to 10 Safar 1446H).

PKF Al-Bassam
Chartered Accountants.


Abdullillah Albassam
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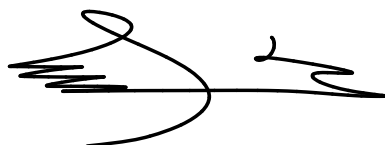
		30 June 2025 (Unaudited)	31 December 2024 (Audited) (modified Note 23)
ASSETS			
Non-current assets			
Property, plant and equipment	4	145,941,667	118,886,041
Intangible assets	5	3,365,481	3,630,114
Right-of-use assets	6-1	12,188,098	18,320,164
Net investment in finance lease - non-current portion		217,628	217,628
Total non-current assets		161,712,874	141,053,947
Current assets			
Inventories	7	51,730,016	46,406,810
Contract asset		12,605,616	5,406,339
Trade receivables, prepayments, and other debit balances	8	48,434,927	58,103,853
Net investment in finance lease - current portion		884,328	853,927
Cash and cash equivalents		582,421	16,440,981
Total current assets		114,237,308	127,211,910
TOTAL ASSETS		275,950,182	268,265,857
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	175,000,000	175,000,000
Statutory Reserve		1,941,909	1,941,909
Actuarial reserve		(887,366)	(887,366)
Accumulated losses		(15,726,453)	(8,543,610)
TOTAL EQUITY		160,328,090	167,510,933
LIABILITIES			
Non-current liabilities			
Non-current portion of lease liabilities	6-2	4,483,636	11,901,735
Employee end of service benefits liabilities		5,451,529	5,179,123
Long-term loans	10	48,279,890	30,805,348
Non-current portion of deferred grant revenues from government loan	10-1	15,355,593	10,495,367
Total non-current liabilities		73,570,648	58,381,573
Current liabilities			
lease liabilities - current portion	6-2	13,248,571	12,887,094
Due to related parties	11	402,501	845,788
Contract liabilities		6,531,606	7,539,252
Trade payables and other credit balances	12	18,743,187	17,348,356
Provision for zakat	13	3,125,579	3,752,861
Total current liabilities		42,051,444	42,373,351
TOTAL LIABILITIES		115,622,092	100,754,924
TOTAL EQUITY AND LIABILITIES		275,950,182	268,265,857

Authorized Board Member
Bander Mohamed AL-Samaani

The accompanying notes 1 to 24 form part of these interim condensed financial statements.

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE THREE-MONTHS AND SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	14	31,952,561	21,280,062	65,738,694	52,926,745
Cost of sales	15	(25,738,592)	(17,504,538)	(52,570,374)	(44,364,021)
Gross profit		6,213,969	3,775,524	13,168,320	8,562,724
Selling and Marketing expenses		(3,474,830)	(3,145,649)	(6,191,300)	(6,560,974)
General and administrative expenses		(3,221,730)	(2,806,877)	(6,155,454)	(5,211,067)
Provision for expected credit losses for trade receivables	8	(5,736,762)	-	(6,299,522)	-
Provision for Expected credit loss for contract assets		(11,919)	-	(37,860)	-
Reversal Provision for impairment of advances to suppliers		(208,597)	-	(208,597)	-
Expenses / Other income, net	16	(2,736)	(222,313)	384,085	(194,313)
Operating loss		(6,442,605)	(2,399,315)	(5,340,328)	(3,403,630)
Finance cost, Net	17	(362,401)	(555,091)	(810,587)	(1,033,702)
finance income from Murabha investment		-	296,717	93,072	739,698
Loss before zakat		(6,805,006)	(2,657,689)	(6,057,843)	(3,697,634)
Zakat	13	(500,000)	(1,108,616)	(1,125,000)	(1,608,616)
Net loss for the period		(7,305,006)	(3,766,305)	(7,182,843)	(5,306,250)
Other comprehensive (loss) / income		-	-	-	-
Total comprehensive loss for the period		(7,305,006)	(3,766,305)	(7,182,843)	(5,306,250)
Basic and diluted loss per share	18	(0.042)	(0.022)	(0.041)	(0.030)



Chief financial officer
Ahmed Mostafa kortam



Chief Executive Officer
Majed Abdullah ALissa



Authorized Board Member
Bander Mohamed AL-Samaani

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SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

<u>For the six-months period ended</u> <u>30 June 2024</u>	Share capital	Statutory Reserve	Actuarial reserve	Accumulated losses	Total
Balance as at 1 January 2024 – (audited)	175,000,000	1,941,909	(421,027)	(4,790,353)	171,730,529
Net loss for the period	-	-	-	(5,306,250)	(5,306,250)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive losses for the period	-	-	-	(5,306,250)	(5,306,250)
Balance as at 30 June 2024 - (unaudited)	175,000,000	1,941,909	(421,027)	(10,096,603)	166,424,279

<u>For the six-months period ended</u> <u>30 June 2025</u>	Share capital	Statutory Reserve	Actuarial reserve	Accumulated losses	Total
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



Chief financial officer
Ahmed Mostafa kortam



Chief Executive Officer
Majed Abdullah ALissa



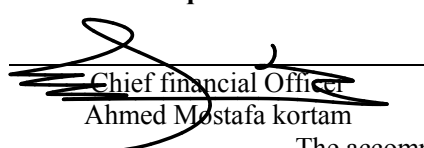
Authorized Board Member
Bander Mohamed AL-Samaani

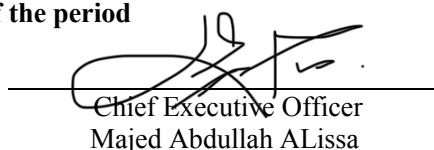
accompanying notes 1 to 24 form part of these interim condensed financial statements.

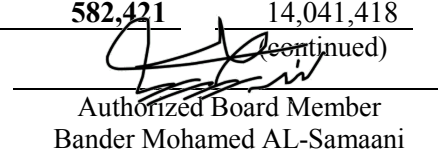
SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
INTERM CONDENSED STATEMENT OF CASH FLOW
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

		For the six-month period ended	
	Note	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss before zakat		(6,057,843)	(3,697,634)
Adjustments for:			
Depreciation of property, plant and equipment	4	2,124,019	1,007,348
Amortization of intangible assets	5	264,633	31,250
Depreciation of right of use assets	6	6,132,066	6,523,686
Finance cost (net)	17	810,587	1,033,702
Loss from disposal property, plant and equipment		-	(105,000)
finance income from murabaha investment		(93,072)	(739,698)
Provision for employee's post-employment benefits		272,406	544,561
Provision for Expected credit loss for contract assets		37,860	-
Provision for expected credit losses for trade receivables	8-1	6,299,522	-
provision for impairment of advance supplier		208,597	-
Reversal of provision slow moving of inventory	7-1	(589,069)	(2,458,626)
		<u>9,201,109</u>	<u>2,139,589</u>
(Increase) / decrease in operating assets			
Inventory		(4,734,137)	6,641,680
Contract assets		(7,237,137)	(1,409,443)
Trade receivables, prepayments, and other debit balances		3,160,807	(738,979)
Contract liabilities		(1,007,646)	(2,340,298)
Trade payables and other credit balances		1,394,831	(851,144)
Insurance for additions of right-of-use assets paid		82,126	-
Due to related parties		(443,287)	(387,500)
Cash generated from operating activities		<u>625,263</u>	<u>3,053,905</u>
Zakat paid	13	(1,752,282)	(327,442)
Employees post-employment benefits paid		-	(156,055)
Net cash generated from / (used in) operating activities		<u>(1,127,019)</u>	<u>2,570,408</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	4	(27,503,738)	(19,252,707)
Additions to intangible assets		-	(340,689)
Proceeds from/(additions to) murabaha investments		-	(5,000,000)
Proceeds from sale of murabaha short term investments		-	34,000,000
Proceeds from net investment in finance lease contract		93,072	1,131,147
additions of right-of-use assets paid		-	(1,048,655)
Proceeds from the sale of property, plant and equipment		-	105,000
Net cash (used in) / generated from investing activities		<u>(27,410,666)</u>	<u>9,594,096</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Lease payments	6-2	(7,979,736)	(11,168,203)
Proceeds from term loans	10	20,658,861	-
Proceeds from net investment lease		-	2,293,947
Proceeds from lease liability		-	4,941,242
Repayment of term loans		-	(1,931,103)
Net cash generated from / (used in) financing activities		<u>12,679,125</u>	<u>(5,864,117)</u>
Net change in cash and cash equivalents during the period			
		(15,858,560)	6,299,387
Cash and cash equivalents at the beginning of the period		<u>16,440,981</u>	<u>7,742,031</u>
Cash and cash equivalents at the end of the period		<u>582,421</u>	<u>14,041,418</u>

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Chief financial Officer
Ahmed Mostafa kortam

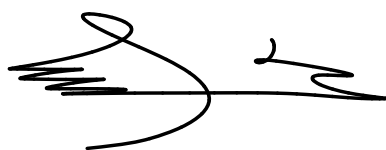

Chief Executive Officer
Majed Abdullah ALissa


Authorized Board Member
Bander Mohamed AL-Samaani

The accompanying notes 1 to 24 form part of these interim condensed financial statements

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOW
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

		For the six-month period ended	
	Note	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)
SIGNIFICANT NON-CASH TRANSACTIONS:			
Deferred grant revenues from government loans		4,860,226	-
Finance costs capitalized against to capital work in progress		1,675,907	540,278
Additions to right-of-use assets		-	9,849,440
Transfer to/from property, machinery and equipment to tight of use assets		-	6,516,507
Transfer to/from inventory to property, machinery and equipment		-	819,684



Chief financial officer
Ahmed Mostafa kortam



Chief Executive Officer
Majed Abdullah ALissa



Authorized Board Member
Bander Mohamed AL-Samaani

The accompanying notes 1 to 24 form part of these interim condensed financial statements

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

1.COMPANY AND SUBSIDIARY

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

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

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

The Company is engaged in the manufacture of wooden pallets, the manufacture of prefabricated steel structures, the operation of storage facilities, the land transportation of goods, light transport, loading and unloading services for goods, refrigerated food stores, frozen food stores, general warehouses housing a variety of goods, dry food stores, logistics services, and the management and rental of self-storage warehouses. It also engages in the wholesale sale of wood, cork, and plastic products, the wholesale sale of office furniture, the retail sale of hardware, carpentry and blacksmith tools and equipment, and the sale of metal, iron, and wooden boxes and caravans.

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

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

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

1. BASIS OF PREPARATION

2.1. Basis of compliance

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

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

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

2.2. Basis of measurement

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

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

2.3. Functional and presentation currency

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

2-4 Transactions and Balances

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

2.5. Significant accounting policies

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

2-6 New Standards, Amendments to Standards

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

3. Significant Accounting Estimates, Assumptions, and Judgments

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

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

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

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

4.property, plant and Equipment

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

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

	For the period ended 30 June2025 (unaudited)			For the period ended 30 June2024 (unaudited)		
	Owened by the company	Leased asset	total	Owened by the company	Leased asset	total
cost						
Balance as at beginning of period /the year as previously presented	122,399,339	15,919,267	138,318,606	68,782,848	8,311,371	77,094,219
Reclassification (Note23)	(1,181,065)	-	(1,181,065)	-	-	-
Balance as at beginning of the Period /year (modified)	121,218,274	15,919,267	137,137,541	68,782,848	8,311,371	77,094,219
Additions during the period / year	29,179,645	-	29,179,645	60,564,362	66,900	60,631,262
Transfer to leased assets	-	-	-	(7,882,496)	7,882,496	-
Disposals	-	-	-	(246,440)	(341,500)	(587,940)
Balance as at the End of the Period /year	150,397,919	15,919,267	166,317,186	121,218,274	15,919,267	137,137,541
Accumulated depreciation						
Balance as at beginning of the period / year	15,048,270	3,203,230	18,251,500	13,459,743	1,272,186	14,731,929
Depreciation for the period / year	1,136,882	987,137	2,124,019	2,013,137	1,822,944	3,836,081
Transfer to leased assets	-	-	-	(178,173)	178,173	-
Disposals	-	-	-	(246,437)	(70,073)	(316,510)
Balance as at ending of the period / year	16,185,152	4,190,367	20,375,519	15,048,270	3,203,230	18,251,500
Net book value						
As at the end of the period / year	134,212,767	11,728,900	145,941,667	106,170,004	12,716,037	118,886,041

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

Property, Plant and Equipment This item includes projects under construction, primarily represented by the "Sadr Park" project, which is an integrated logistics services complex and is expected to be completed during the third quarter of 2025.

Mortgaged Assets Land amounting to SAR 29.2 million and all project assets included (machinery and equipment) for the "Sadr Park" project, classified under projects in progress with a value of SAR 89.4 million, have been pledged in favor of the Agricultural Development Fund (Note 10).

The projects under construction item includes capitalized financing costs up to 30 June 2025 amounting to 2,216,185 SAR (31 December 2024: SAR 540,278) from a term loan (Note10).

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

4.property, plant and Equipment (CONTINUED)

Allocation of Depreciation expense is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Cost of revenue (note 15)	1,531,641	903,624
General and administrative expenses	401,430	67,832
Selling and distribution expenses	190,948	35,892
	2,124,019	1,007,348

5. Intangible assets

	Computer Software	Soft wares under development		Total
		Internally developed	Externally developed	
For the year ended 30 June 2025(unaudited)				
Cost				
Balance at beginning of the year	2,331,454	-	1,968,076	4,299,530
Transferred from softwares under development	1,254,750		(1,254,750)	-
Balance at ending of the period	3,586,204	-	713,326	4,299,530
Accumulated amortization				
Balance at beginning of the year	669,416	-	-	669,416
Amortization for the year	264,633	-	-	264,633
Balance at ending of the period	934,049	-	-	934,049
Net book value:				
As at 30 June 2025	2,652,155	-	713,326	3,365,481
For the year ended 31 December 2024(audited)				
cost				
Balance at the beginning of the year	625,000	1,706,454	1,321,875	3,653,329
Additions	-	-	646,201	646,201
Transferred from softwares under developments	1,706,454	(1,706,454)	-	-
Balance at ending of the year	2,331,454	-	1,968,076	4,299,530
Accumulated amortization Balance at beginning of the year	265,625	-	-	265,625
Amortization for the year	403,791	-	-	403,791
Balance at ending of the year	669,416	-	-	669,416
Net book value:				
As at 31 December 2024	1,662,038	-	1,968,076	3,630,114

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

5. intangible assets

Software being developed externally represents enhancement in the ERP system with additional modules. Capital commitment with vendor for the development of software is disclosed in (note 20).

Allocation of amortization expense is as follows:

	2025 (Unaudited)	2024 (Unaudited)
General and administrative expenses	170,645	-
Marketing and sales expenses	93,988	31,250
	<u>264,633</u>	<u>31,250</u>

6.LEASE CONTRACTS

6-1 RIGHT OF USE ASSET

For the year ended 30 June 2025(unaudited)

Cost

	Land	Buildings	Total
Balance at beginning of the period	383,725	35,755,999	36,159,724
Disposals (Expired contracts)	-	(742,452)	(742,452)
Balance at ending of the period	383,725	35,033,547	35,417,272
Accumulated amortization			
Balance at beginning of the period	118,553	17,721,007	17,839,560
Depreciation for the year	11,040	6,121,024	6,132,066
Disposals (Expired contracts)	-	(742,452)	(742,452)
Balance at ending of the period	129,593	23,099,579	23,229,174
Net book value:			
As at 30 June 2025(unaudited)	254,132	11,933,968	12,188,098

For the year ended 31 December 2024 (audited)

cost

	Land	Buildings	Total
Balance at beginning of the as (previously presented)	383,725	56,234,468	56,618,193
Adjusting opening balance *	-	(24,720,841)	(24,720,841)
Balance at beginning of the year after adjusting	383,725	31,513,627	31,897,352
Additions	-	4,342,372	4,342,372
Disposal	-	(80,000)	(80,000)
Balance at ending of the year	383,725	35,775,999	36,159,724
Accumulated amortization			
Balance at beginning of the year	98,516	30,658,293	30,756,809
Adjusting opening balance *	-	(24,720,841)	(24,720,841)
Balance at beginning of the year after adjusting	98,516	5,937,452	6,035,968
Depreciation for the year	20,037	11,806,957	11,826,994
Disposal	-	(23,402)	(23,402)
Balance at ending of the year	118,553	17,721,007	17,839,560
Net book value:			
As at 31 December 2024	265,172	18,054,992	18,320,164

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

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

6-1 RIGHT OF USE ASSET (continued)

Allocation of depreciation expense is as follows

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cost of revenue (Note 15)	6,070,185	5,900,573
General and administrative expenses	61,881	422,645
Marketing and sales expenses	-	200,468
	6,132,066	6,523,686

6-2 Lease Liability

The statement of financial position shows the following amounts related to leases liabilities:

Allocation of depreciation expense is as follows

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	24,788,829	32,475,058
Additions during the period / year	-	7,814,842
Finance cost (note 17)	840,988	2,489,638
Insurance	82,126	245,263
Payment during the period / year	(7,979,736)	(18,235,972)
Balance at ending of the period / year	17,732,207	24,788,829

The leases liabilities in statement of financial position classified as following:

Allocation of depreciation expense is as follows

	30 June 2025	31 December 2024
	(unaudited)	(Audited)
Current	13,248,571	12,887,094
Non-current	4,483,636	11,901,735
	17,732,207	24,788,829

As at 30 June 2025 and 31 December 2024, the maturity analysis of the lease liabilities as follow:

Allocation of depreciation expense is as follows

	30 June 2025	31 December 2024
	(unaudited)	(Audited)
less than one year	14,212,180	14,319,376
one year to 5 years	4,235,509	12,108,057
More than 5 years	548,520	548,520
	18,996,209	26,975,953
Less: impact of discounting	(1,264,002)	(2,187,124)
	17,732,207	24,788,829

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

Allocation of depreciation expense is as follows

	30 June 2025	31 December 2024
	(unaudited)	(Audited)
Finance cost of lease liabilities (note17)	840,988	1,312,064
Depreciation expense	6,132,064	6,523,686
Short term and low value operating leases expense	443,253	170,550
Finance income from investment in finance lease (note 17)	(30,401)	(278,363)

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

6.LEASE CONTRACTS (continued)

6-4 Extension and termination options

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

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

7. inventory

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Raw materials	35,303,582	29,624,479
Finished goods	15,027,216	10,180,595
Work in progress	556,238	839,919
Spare parts and supplies	1,640,820	1,573,798
Goods in transit	820,381	6,395,309
Spare parts and supplies	53,348,237	48,614,100
Less: provision for obsolescence and slow-moving inventory (7-1)	(1,618,221)	(2,207,290)
	51,730,016	46,406,810

7-1 Movement of provision for obsolescence and slow-moving inventory is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the year	2,207,290	4,162,903
Reversed)/provision of allowance for impairment (15-1)	(589,069)	(1,955,613)
Balance at ending of period /the year	1,618,221	2,207,290

8.TRADE RECEIVABLES, PREPAYMENTS, AND OTHER DEBIT BALANCES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables – commercial customers	46,704,029	46,027,852
Trade receivables – government customers	1,109,095	888,089
Allowance for expected credit losses (Note 8-1)	(10,229,849)	(3,930,327)
Net trade receivables	37,583,275	42,985,614
Advances to suppliers	8,420,651	11,813,232
Provision for impairment of advances to suppliers (Note 8-2)	(560,089)	(351,492)
Net Advances to suppliers	7,860,562	11,461,740
Petty cash	635,330	774,936
Prepaid rent	634,602	543,280
Employees' loan	227,207	174,730
Prepayments	402,200	902,109
Security deposits	431,548	429,283
Prepaid subscriptions	374,476	319,026
Cash margin against letter of guarantees (note 20)	285,727	334,156
Accrued income - Murabaha	-	178,979
	48,434,927	58,103,853

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

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

8-1 The following table presents the movement in lifetime expected credit losses during the period/year, which have been recognized for trade receivables in accordance with the simplified approach prescribed under IFRS 9.

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of period / year	3,930,327	3,608,800
Provision during the period / year	6,299,522	321,527
Balance at ending of period / the year	<u>(10,229,849)</u>	<u>(3,930,327)</u>

8-2 provision has been recognized for advance payments to suppliers, and the following table presents the movement in the provision for impairment of suppliers – advance payments.

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of period / year	351,942	-
Provision during the period / year	208,597	351,942
Balance at ending of period / the year	<u>560,539</u>	<u>351,942</u>

9. SHARE CAPITAL

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

10. TERM LOAN

The movement on term loan

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at beginning of the period / year	41,300,715	1,931,103
Received during period / the year (adjusted note 23)	20,658,861	40,760,437
Finance cost (note 28)	1,675,907	540,278
Paid during the period / year	-	(1,931,103)
Balance at ending of the period / year	63,635,483	41,300,715
Less: grant revenues from government loan (note 10-1)	<u>(15,355,593)</u>	<u>(10,495,367)</u>
	<u>48,279,890</u>	<u>30,805,348</u>

The term loan in statement of financial position classified as following:

Non-current	48,279,890	30,805,348
	<u>48,279,890</u>	<u>30,805,348</u>

During 2024, the Company entered into an agreement with the Agricultural Development Fund ("the Fund") to obtain a loan amounting to SAR 74.59 million, inclusive of loan administrative fees of 16.6 million SAR. The loan is repayable in 10 equal installments starting from 11 August 2027, for the purpose of establishing a cold storage warehouse project. The loan carries an annual interest rate of 1.85%, whereas the market rate for comparable commercial loans was 7.1%.

During 2024, the Company received the first installment of the loan amounting to 40.76 million SAR. In the first quarter of 2025, the Company received the second installment, net of administrative fees, amounting to 20.66 million SAR. This loan is secured by a pledge over the project's related assets (machinery and equipment) and a mortgage over the Company's land (Note 4).

Borrowing costs have been capitalized under "Projects under Construction," with net capitalized amounts totaling 2,216,185 SAR as of 30 June 2025 (31 December 2024: 540,278 SAR) from the term loan.

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

10-Revenues from government loan

Management calculated the net present value of the amount obtained from the loan according to the return rates for similar commercial loans amounting to 7.1% and recorded the difference as deferred grant revenue from government loans. Deferred grant revenue from government loans is classified in the statement of financial position as the following:-

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Non-current	15,355,593	10,495,367

The amortization of deferred grant income has not yet commenced, pending the start of depreciation of the related assets, as such assets are still under construction. These deferred grants from government loans will be amortized over the useful lives of the related assets.

11.Related parties

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

Related party transactions were as follows:

	For the six-months period ended 30 June 2025(unaudited)		For the six-months period ended 30 June 2024(unaudited)	
	BOD and audit committee	Executive	BOD and audit committee	Executive
BOD members and committees' remuneration	402,500	225,000	417,501	-
BOD and committee's attendance allowance	48,000	-	52,500	-
Salaries and wages	-	1,144,417	-	1,179,750
	-	58,424	-	58,125
	450,500	1,427,841	47,001	1,237,875

As at 31 December 2024, the amount due to above related parties with respect to remuneration for BOD members and Committees amounted to 402,500 SR (as at 31 December 2023: 845,788 SR).

12.TRADE PAYABLES AND OTHER CREDIT BALANCES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade payables	14,173,398	11,977,144
Accrued expenses	1,770,658	2,403,240
Employees' accruals	1,712,085	1,827,927
Value-added tax payable	569,736	482,192
Accrued commission	431,548	606,791
Bank amounts under settlements	85,762	51,062
	18,743,187	17,348,356

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

13. PROVISION FOR ZAKAT

13.1 The movement in the provision for zakat is as follows:

	For the six-months period ended 30 June 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance at the beginning of the period / year	3,752,861	3,642,034
Charged during the period / year	1,125,000	2,239,195
Zakat assessment differences	-	303,939
Paid during the period / year	(1,752,282)	(2,432,307)
Balance at the end of the period / year	<u>3,125,579</u>	<u>3,752,861</u>

13.2 zakat position

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

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

The latest zakat assessment was for the year 2023, and no amendments or additional assessments have been made by ZATCA on the zakat return submitted for 2023.

The Company received a request for information from ZATCA for the zakat examination of the year 2024 during 2025, and the examination procedures are currently in progress.

14. revenue

14-1 Revenue from contracts with customers for the transportation of goods and services is recognized over a period of time and at a point in time through the following main operating segments:

	For the six-months period ended 30 June		For the six-months period ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
<u>Revenue from sales of production</u>				
Steel products	-	187,493	286,290	485,864
Wooden products	6,739,337	5,696,284	20,059,199	15,610,420
Other products	1,552,100	1,388,900	2,626,925	1,776,365
<u>Project revenue</u>				
Providing and installation racking system	16,362,371	8,438,938	28,574,690	22,874,199
Logistics services	7,298,753	5,568,447	14,125,448	12,179,897
Other services	-	-	66,142	-
	<u>31,952,561</u>	<u>21,280,062</u>	<u>65,738,694</u>	<u>52,926,745</u>

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in Saudi Riyals unless otherwise stated)

14. revenue (continued)

14-2 revenue

	For the six-months period ended 30 June		For the six-months period ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
<u>At a specific point in time</u>				
Steel products	-	187,493	286,290	485,864
Wooden products	6,739,337	5,696,284	20,059,199	15,610,420
Other products	1,552,100	1,388,900	2,626,925	1,776,365
	8,291,437	7,272,677	22,972,414	17,872,649
<u>Over a period of time</u>				
Providing and installation racking system	16,362,371	8,438,938	28,574,690	22,874,199
Logistics services	7,298,753	5,568,447	14,125,448	12,179,897
Other services	-	-	66,142	-
	23,661,124	14,007,385	42,766,280	35,054,096
	31,952,562	21,280,062	65,738,694	52,926,745

14-3 Geographic Markets

	For the six-months period ended 30 June		For the six-months period ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Inside KSA	30,916,561	21,280,062	63,877,964	52,399,245
outside KSA	1,036,000	-	1,861,000	527,500
	31,952,561	21,280,062	65,738,964	52,926,745

15-Cost of revenue

	For the six-months period ended 30 June 2025 (Unaudited)	For the six-months period ended 30 June 2024 (Unaudited)
Raw and manufactured materials (Note 15-1)	36,011,386	28,828,475
Depreciation of right-of-use assets (Note 6-1)	6,070,185	5,900,573
Industrial expenses	5,314,702	5,408,575
Salaries, wages, and equivalents	3,642,460	3,322,774
Depreciation (Note 4)	1,531,641	903,624
	52,570,374	44,364,021

15-1 The cost includes raw and manufactured materials, net of a provision for slow-moving inventory amounting to 589,069 SAR (30 June 2024: 2,458,626 SAR) (Note 7-1).

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

16- OTHER INCOME

	For the six-months period ended 30 June 2025 (Unaudited)	For the six-months period ended 30 June 2024 (Unaudited)
Gain on disposal of property, plant and equipment	-	105,000
Foreign currency exchange Gain / loss	339,678	(384,768)
Other income - insurance	37,707	-
Revenues Compensation Human Resources and Insurance	6,700	85,455
	384,085	(194,313)

17-FINANCE COST, Net

	For the six-months period ended 30 June 2025 (Unaudited)	For the six-months period ended 30 June 2024 (Unaudited)
Finance cost - lease liabilities (note 6)	840,988	1,312,065
Finance income on net investment in finance lease (note 6)	(30,401)	(278,363)
	810,587	1,033,702

18- BASIC AND DILUTED LOSSES PER SHARE

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

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

	For the six-months period ended 30 June		For the six-months period ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Net loss of the period	(7,305,006)	(3,766,305)	(7,182,843)	(5,306,250)
Weighted average number of shares outstanding	175,000,000	175,000,000	175,000,000	175,000,000
loss per share Basic and Diluted	(0.042)	(0.022)	(0.041)	(0.030)

19- SEGMENT INFORMATION

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

Iron Segment: The Company sells iron products (such as platforms) and supplies and installs iron shelving systems in customers' warehouses. For financial reporting purposes, these individual operating segments have been aggregated into a single operating segment because the nature of the products and production processes is similar.

Wood Segment: This segment represents the sale of wooden platforms, crates, and raw materials.

Logistics Segment: Logistics services comprise storage and transportation services provided to third parties, where the Company enters into long-term contracts with customers.

Other Segments: "Other Segments" include the sale of plastic products, forklifts, and other services, such as dismantling and reinstallation, and epoxy flooring, among others.

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

19- SEGMENT INFORMATION (continued)

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

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

For the six-months period ended 30 June 2025 - (Unaudited)

	Iron	Wood	Logistics services	Other Segments	Total
As at 30 June 2025 (unaudited)					
Total Assets	103,302,254	36,462,376	132,958,041	3,227,511	275,950,182
Total Liabilities	35,645,503	25,822,657	51,578,362	2,575,570	115,622,092
For the six-months period ended 30 June 2025					
Revenue	28,860,980	20,059,199	14,125,448	2,693,067	65,738,694
Cost of revenue	(18,176,247)	(21,727,841)	(10,230,408)	(2,435,878)	(52,570,374)
Gross profit / (loss)	10,684,733	(1,668,642)	3,895,040	257,189	13,168,320
Net (loss) / profit for the period	2,352,049	(9,567,230)	270,430	(238,092)	(7,182,843)

For the 31 December 2024 (audited)

	Iron	Wood	Logistics services	Other Segments	Total
As at 31 December 2024					
Total Assets	94,525,248	36,821,742	134,050,905	2,867,962	268,265,857
Total Liabilities	31,426,170	22,766,047	44,292,003	2,270,704	100,754,924
For the six-months period ended 30 June 2024 (unaudited)					
revenue	23,360,063	15,610,420	12,179,897	1,776,365	52,926,745
Cost of revenue	(16,705,710)	(17,323,439)	(8,882,987)	(1,451,885)	(44,364,021)
Gross profit	6,654,353	(1,713,019)	3,296,910	324,480	8,562,724
Net (loss) / profit for the period	(2,468,057)	(4,783,042)	1,711,415	233,434	(5,306,250)

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

- the purposes of monitoring segment performance allocating resources among segments, the Company's Chief Operating Decision Maker monitors tangible, intangible, and financial assets attributed to each segment. All assets are allocated to the reporting segments without exception. Assets used jointly by the reporting segments are allocated based on the revenues generated by each individual segment.

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

19. SEGMENT INFORMATION (continued)

- Revenues from customers whose contribution exceeds 10% of total revenues are as follows:

Wood Segment: Revenue of approximately SAR 10.5 million, representing 16% of total segment revenue from one customer (for the period ended 30 June 2024: SAR 7.01 million, representing 13% from the same customer).

Iron Segment: Revenue of approximately SAR 6.2 million, representing 9% of total segment revenue for one customer (for the period ended 30 June 2024: SAR 9.6 million, representing 18% from another customer).

Logistics Segment: Revenue of approximately SAR 9.07 million, representing 14% from a single customer (for the period ended 30 June 2024: SAR 10.1 million, representing 19% from the same customer).

These revenues arise from sales to the Company's three largest customers, and no other customer contributed 10% or more of the Company's revenue during the six-month periods ended 30 June 2025 and 30 June 2024.

20. Contingent Liabilities and Capital Commitments

- There are capital commitments for the purchase of machinery and equipment from foreign companies amounting to USD 14,684 (equivalent to SAR 55,200), of which payments of USD 4,405 (equivalent to SAR 16,560) have been made. The remaining balance of USD 10,279 (equivalent to SAR 38,640) is expected to be settled during the remaining periods of 2025.
- There is also a capital commitment for the purchase of machinery, equipment, and works related to the Sadr Park project from local companies amounting to SAR 75,023,200, of which SAR 49,537,604 has been paid. The remaining balance is expected to be settled during the remaining periods of 2025.
- There is a capital commitment for intangible assets related to the development of the accounting software from local companies amounting to SAR 2,522,251, of which SAR 1,829,140 has been paid. The remaining balance will be settled during the remaining periods of 2025.
- The banks dealing with the Company have issued letters of guarantee, as of 30 June 2025, fully cash-backed, amounting to SAR 285,725 (31 December 2024: SAR 334,156), as reflected in trade and other receivables and prepaid payments (Note 8).
- The Company is a party to several legal claims with total claims amounting to SAR 3.80 million during the ordinary course of business, which are currently under litigation. Although the final outcome of these claims cannot be determined based on legal counsel advice, the Company does not expect these claims to have a material adverse effect on its interim statement of financial position or operational results.

21. Fair Value of Financial Instruments and Risk Management

21-1 Fair Value of Financial Instruments

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

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

SADR LOGISTIC COMPANY
(A Listed Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

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

21-2 Liquidity Risk

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

22. Comparative Figures

During the period, the Company's management has reclassified certain comparative figures to align with the presentation of the current period. This primarily resulted from the recalculation of the present value of amounts receivable from loans after deducting prepaid administrative expenses, as well as adjustments to the accounting treatment of related government grant income. The amortization of deferred grant income was suspended pending the start of depreciation of the related assets, and previously recorded amortization was reversed, as these assets are still under construction. The deferred grants will be amortized over the useful lives of the related assets once they are ready for use.

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

	31 December 2024	Reclassification	31 December 2024
	Before		(After
	Reclassification		reclassification)
Property, plant and equipment	12,067,106	(1,181,065)	118,886,041
Non-current of deferred grant revenues from government loan	10,671,504	(176,137)	10,495,367
current of deferred grant revenues from government loan	1,004,928	(1,004,928)	-

23.SUBSEQUENT EVENTS

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

24-DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were approved and authorized for issue on 15 Safar 1447 H (corresponding 09 August 2025) by the Board of Directors of the Company.