



SADR LOGISTICS SERVICES COMPANY
A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT

SADR LOGISTICS SERVICES COMPANY

A Saudi Joint Stock Company

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

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

**TO THE SHAREHOLDERS OF SADR LOGISTICS SERVICES COMPANY
A SAUDI JOINT STOCK COMPANY**

(1 / 1)

INTRODUCTION

We have reviewed the accompanying 31 March 2026 interim condensed financial statements of Sadr Logistics Services Company (the "Company") which comprises:

- The interim statement of financial position as at 31 March 2026;
- The interim statement of profit or loss and other comprehensive income for the three-month period then ended;
- The interim statement of changes in equity for the three-month period then ended;
- The interim statement of cash flows for the three-month period then ended; and
- The notes to 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 International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

OTHER MATTER

The interim condensed financial statements for the three-month period ended 31 March 2025 were reviewed by another auditor, who expressed an unmodified conclusion on those interim condensed financial statements on 20 May 2025 (corresponding to 22 Dhu al Qidah 1446H).

PKF Al-Bassam
Chartered Accountants

Abdullah Al-Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
25 Dhu al-Qidah 1447H
Corresponding to: 12 May 2026



SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026
(All amounts in SAR unless otherwise stated)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant, and equipment	3	33,168,672	34,527,034
Investment properties	4	128,467,343	129,430,024
Intangible assets		2,026,818	2,076,976
Right-of-use assets	5	4,675,470	7,117,012
Net investment in finance lease – non-current portion		430,627	430,627
Total non-current assets		168,768,930	173,581,673
Current assets			
Inventory	6	59,560,853	58,728,853
Contract assets		2,723,789	6,191,639
Trade receivables	7	42,444,434	32,721,480
Prepayments and other debit balances	8	6,825,110	9,543,940
Net investment in finance lease – current portion		910,277	894,454
Cash and cash equivalents		8,484,486	8,295,713
Total current assets		120,948,949	116,376,079
Total assets		289,717,879	289,957,752
Equity and Liabilities			
Equity			
Share capital	9	175,000,000	175,000,000
Statutory reserve	10	1,941,909	1,941,909
Actuarial reserve		(1,219,058)	(1,219,058)
Accumulated losses		(8,984,764)	(11,922,690)
Total equity		166,738,087	163,800,161
Liabilities			
Non-current liabilities			
Lease liability – non-current portion	5	5,454,337	7,490,443
Employees' end of service benefits		6,273,949	6,009,906
Term loan – non-current portion	11	59,769,891	58,721,405
Total non-current liabilities		71,498,177	72,221,754
Current liabilities			
Lease liability – current portion	5	8,813,042	12,066,504
Due to related parties	12	883,925	682,675
Contract liabilities		4,354,184	6,251,674
Deferred rental income	13	9,062,500	14,500,000
Trade and other payables	14	26,311,160	18,280,576
Provision for zakat	15	2,056,804	2,154,408
Total current liabilities		51,481,615	53,935,837
Total liabilities		122,979,792	126,157,591
Total equity and liabilities		289,717,879	289,957,752

CONTINGENCIES AND COMMITMENTS

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Chief Financial Officer Ahmed Mostafa Kortam	Chief Executive Officer Majed Abdullah Al Issa	Deputy Chairman of the Board of Directors Bandar Mohamed Al-Samaani
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The accompanying notes from (1) to (24) form an integral part of these interim condensed financial statements

SADR LOGISTICS SERVICES COMPANY


A Saudi Joint Stock Company

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

(All amounts in ﷲ unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Revenues	16	41,499,906	33,786,133
Cost of revenues	17	(29,431,737)	(26,831,782)
Gross profit		12,068,169	6,954,351
Selling and marketing expenses		(3,513,879)	(2,716,470)
General and administrative expenses		(3,739,312)	(2,933,724)
Operating profit		4,814,978	1,304,157
Provision for expected credit losses for trade receivables		-	(562,760)
Provision for expected credit loss for contract assets		-	(25,941)
Other income, net		(12,184)	386,821
Finance cost, net		(1,464,868)	(448,186)
Finance income from murabha investment		-	93,062
Net profit for the period before zakat		3,337,926	747,153
Zakat expense		(400,000)	(625,000)
Net profit for the period		2,937,926	122,153
Other comprehensive income		-	-
Total comprehensive income for the period		2,937,926	122,153
Earnings per share			
Basic and diluted earnings per share of net profit for the period	18	0.017	0.001






Chief Financial Officer Ahmed Mostafa Kortam	Chief Executive Officer Majed Abdullah Al Issa	Deputy Chairman of the Board of Directors Bandar Mohamed Al-Samaani
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The accompanying notes from (1) to (24) form an integral part of these interim condensed financial statement.

SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in \$ unless otherwise stated)

	Share capital	Statutory reserve	Actuarial reserve	Accumulated losses	Total equity
For the period ended 31 March 2025					
Balance as at 1 January 2025 (Audited)	175,000,000	1,941,909	(887,366)	(8,543,611)	167,510,932
Net profit for the period	-	-	-	122,153	122,153
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	122,153	122,153
Balance as at 31 March 2025	175,000,000	1,941,909	(887,366)	(8,421,458)	167,633,085
For the period ended 31 March 2026					
Balance as at 1 January 2026 (Audited)	175,000,000	1,941,909	(1,219,058)	(11,922,690)	163,800,161
Net profit for the period	-	-	-	2,937,926	2,937,926
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	2,937,926	2,937,926
Balance as at 31 March 2026	175,000,000	1,941,909	(1,219,058)	(8,984,764)	166,738,087



Chief Financial Officer
Ahmed Mostafa Kortam



Chief Executive Officer
Majed Abdullah Al Issa



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

The accompanying notes from (1) to (24) form an integral part of these interim condensed financial statements.


SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in ﷲ unless otherwise stated)

	Note	For the three-month period ended	
		31 March 2026	31 March 2025
		(Unaudited)	(Unaudited)
<u>Operating activities</u>			
Net profit for the period before zakat		3,337,926	747,153
<u>Adjustments for non-cash items:</u>			
Depreciation of property, plant and equipment	3	1,299,370	1,024,481
Depreciation of investment properties	4	1,463,163	-
Amortization of intangible assets		50,158	132,316
Depreciation of right-of-use assets	5	2,441,542	3,096,973
Reversal of impairment provision for slow moving inventory		-	(589,069)
Expense allowance for expected credit losses for trade receivables		-	562,760
Provision for impairment losses on contract assets		-	25,941
Provision for employees' end of service benefits		339,580	210,510
Finance cost, net		1,464,868	448,186
		10,396,607	5,659,251
Changes in Operating assets and liabilities:			
Inventory		(832,000)	1,171,936
Contract assets		3,467,850	(6,403,020)
Trade receivables		(9,722,954)	(4,998,278)
Prepayments and other receivables		2,718,830	(10,747,155)
Due to related parties		201,250	156,751
Contract liabilities		(1,897,490)	1,617,546
Deferral rental income		(5,437,500)	-
Trade and other payables		8,030,584	(5,415,538)
Cash from / (used in) operation		6,925,177	(18,958,507)
Employees' end-of-service benefits paid		(75,537)	-
Zakat paid	15	(497,604)	(902,085)
Net cash flows generated from / (used in) operating activities		6,352,036	(19,860,592)
Cash flow from investing activities			
Proceeds from murabaha investments		-	15,000,000
Addition to property, plant and equipment	3	(441,490)	(9,911,487)
Insurance paid for additions to right-of-use assets	5	37,179	44,414
Net cash flows (used in) / generated from investing activities		(404,311)	5,132,927
Cash flow from financing activities			
Received from term loan		-	21,370,500
Lease liabilities paid	5	(5,758,952)	(4,842,772)
Net cash flows (used in) / generated from financing activities		(5,758,952)	16,527,728
Net change in cash and cash equivalents		188,773	1,800,063
Cash and cash equivalents at the beginning of the period		8,295,713	1,440,981
Cash and cash equivalents at the end of the period		8,484,486	3,241,044

(Continued)

SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in ﷲ unless otherwise stated)

	<u>Note</u>	For the three-month period ended	
		31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Non-cash transactions			
Deferred grant revenues from government loans		-	5,224,190
Finance costs capitalized on capital work in progress		-	295,834
Transfer computer programs under development to computer programs		126,562	1,254,750
Transfer from property, plant and equipment to investment properties	3 & 4	500,482	-





Chief Financial Officer Ahmed Mostafa Kortam	Chief Executive Officer Majed Abdullah Al Issa	Deputy Chairman of the Board of Directors Bandar Mohamed Al-Samaani
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The accompanying notes from (1) to (24) form an integral part of these interim condensed financial statements.

SADR LOGISTICS SERVICES COMPANY

A Saudi Joint Stock Company

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

(All amounts in ~~SR~~ unless otherwise stated)

1. LEGAL STATUS AND ACTIVITY

Sadr Logistics Services Company (the "Company") was incorporated as a listed joint stock company under the Companies Law in the Kingdom of Saudi Arabia under the Company's unified number 7009382412, the main commercial registration No. 1131012302 dated 20 Shaaban 1414H corresponding to 31 January 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 polishing and cutting of raw timber; the production of various types of sawdust; the manufacture of wooden containers, including packing boxes, crates, and wooden shipping containers; the manufacture of wooden cable reels and wooden pallets; the manufacture of prefabricated steel structural units; and the manufacture of finished and semi-finished metal products through forging, pressing, casting, and rolling. The Company also engages in the manufacture of furniture for all purposes made from plastics and polymers; the wholesale of wooden, cork, and plastic products; the wholesale of office furniture and wood of all kinds; and the retail sale of metal scrap, as well as carpentry and blacksmithing tools and equipment. In addition, its activities include the sale of metal, steel, and wooden boxes and caravans; land transportation of goods and light transport services; the operation and management of storage facilities for all types of goods (excluding food products); general cargo shipping and handling services; refrigerated, frozen, and dry food warehouses; general warehouses storing a variety of goods; logistics services; the management and leasing of self-storage warehouses; and the provision of integrated administrative office support services.

These interim condensed financial statements include the assets, liabilities, and business results of its branches, which are as follows:

<u>Company Name</u>	<u>Commercial Registration Number</u>	<u>Place of Issue</u>	<u>Main activities</u>
SADR logistics company – Riyadh (I) Branch	1010947309	Riyadh	Manufacture of wooden container Industry Includes Packing Boxes, Boxes and Shipping Containers Made of Wood - Wooden Pallet Industry Road Transportation of Goods - Light Transportation - Operation of Storage Facilities for All Types of Goods Except Food - Shipping and Dispersing of Goods in General - Refrigerated Food warehouses- Frozen Food warehouses- General Warehouses with a Variety of Goods - Dry Food warehouses- Logistics - Management and Leasing of Self-Storage Warehouses
SADR logistics company – Riyadh (II) Branch	1010742525	Riyadh	Wholesale of wooden, cork and plastic products - Wholesale of office furniture - Retail of metal hardware, woodworking and blacksmithing tools and tools - Sale of metal, iron, wooden boxes and caravans - Integrated office management services activities
SADR logistics company – Dammam Branch*	2050115434	Dammam	

*The commercial registration of Dammam branch expired during the year 2025 and the Company doesn't intend to renew it for the future periods.

SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in ﷲ unless otherwise stated)

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and they must be read in conjunction with the Company’s last annual financial statements for the year ended 31 December 2025. In addition, the results of the three-month period ended 31 March 2026 are not an accurate indication of the results that can be expected for the fiscal year ending 31 December 2026.

2.2 Basis of Measurement

These interim condensed financial statements are prepared on a historical cost basis, except for the end of service benefits for employees measured using the expected unit credit method.

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

2.3 Functional and Presentation Currency

These interim condensed financial statements are presented in Saudi Riyals (“ﷲ”), which is the functional and presentation currency of the Company. All amounts have been rounded to the nearest Saudi Riyal (“ﷲ”) unless otherwise stated.

2.4 Material accounting policies

The accounting policies applied during the preparation of these interim condensed financial statements are the same accounting policies applied during the preparation of the annual financial statements of the Company for the year ended 31 December 2025, unless otherwise stated.

2.5 Impact of new standards

Certain new standards and interpretations have been issued which are effective from 1 January 2026 or later, and have been explained in the Company's annual financial statements, but they do not have a material impact on the Company's interim condensed consolidated financial statements.

2.5.1 Standards and amendments effective in the current period

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management impact
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Company’s financial position, financial performance, or cash flows for the current reporting period.

SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in ~~ﷲ~~ unless otherwise stated)

2.5 Impact of new standards (continued)

2.5.1 Standards and amendments effective in the current period (continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management impact
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Company's financial position, financial performance, or cash flows for the current reporting period.

2.5.2 Standards and amendments issued but not yet effective

The following standards and amendments have been issued but are not yet effective for the reporting period ended 31 March 2026, and have not been early adopted by the Company:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.

SADR LOGISTICS SERVICES COMPANY

A Saudi Joint Stock Company

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**(All amounts in ~~SR~~ unless otherwise stated)**2.5 Impact of new standards (continued)****2.5.2 Standards and amendments issued but not yet effective (continued)**

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Based on the Company's structure, management doesn't expect to have a material impact on the Company's financial position, financial performance or cash flows.

2.6 Judgements, estimates and assumptions

Preparing the interim condensed financial statements requires management to use certain judgments, estimates and assumptions that affect the application of accounting policies and the amounts presented for assets and liabilities, revenues, and expenses. Actual results may differ from these estimates. The significant judgments taken by management in applying the Company's accounting policies and the main sources of uncertainty estimates are the same as those applied to the annual financial statements for the year ended 31 December 2025.

SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in **ﷲ** unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	For the three-month period ended 31 March 2026 (Unaudited)			For the year ended 31 December 2025 (Audited)		
	Owned by Company	Leased Assets	Total	Owned by Company	Leased Assets	Total
Cost:						
Balance at the beginning of the period / year (before restatement)	35,679,565	21,517,044	57,196,609	122,399,339	15,919,267	138,318,606
Impact of restatement	-	-	-	(11,676,432)	-	(11,676,432)
Balance as at the beginning of the period / year (after restatement)	35,679,565	21,517,044	57,196,609	110,722,907	15,919,267	126,642,174
Additions	441,490	-	441,490	63,297,686	-	63,297,686
Transfer to investment property	(500,482)	-	(500,482)	(131,377,201)	-	(131,377,201)
Transfer from / (to) leased assets	-	-	-	(5,597,777)	5,597,777	-
Transfer to inventory	-	-	-	(786,874)	-	(786,874)
Disposals	-	-	-	(579,176)	-	(579,176)
Balance as at the end of the period / year	35,620,573	21,517,044	57,137,617	35,679,565	21,517,044	57,196,609
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	692,851	606,519	1,299,370	2,684,104	1,889,977	4,574,081
Transfer from / (to) leased assets	-	-	-	1,778,800	(1,778,800)	-
Transfer to inventory	-	-	-	(98,250)	-	(98,250)
Disposals	-	-	-	(57,756)	-	(57,756)
Balance as at the end of the period / year	20,048,019	3,920,926	23,968,945	19,355,168	3,314,407	22,669,575
Net book value	15,572,554	17,596,118	33,168,672	16,324,397	18,202,637	34,527,034

Allocation of depreciation expense is as follows:

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Cost of revenue (Note 17)	1,034,955	676,240
Selling and marketing expenses	193,399	276,288
General and administrative expenses	71,016	71,953
	1,299,370	1,024,481

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

All the Company's buildings are constructed on leased land. Since the land is not owned by the Company, the buildings are depreciated over 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.

SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in ﷲ unless otherwise stated)

4 INVESTMENT PROPERTIES

	For the three- month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance as at the beginning of the period / year	131,377,201	-
Transfer from property, plant and equipment	500,482	131,377,201
Balance as at the end of the period / year	131,877,683	131,377,201
<u>Accumulated depreciation:</u>		
Balance as at the beginning of the period / year	1,947,177	-
Depreciation for the period / year	1,463,163	1,947,177
Balance as at the end of the period / year	3,410,340	1,947,177
<i>Net book value</i>	128,467,343	129,430,024

4.1 Investment properties comprises of lands, buildings and fixtures and associated non-movable machines and equipment related to Sadr Park project which were transferred from property, plant and equipment in accordance with the requirements of IAS 40 “Investment Property”. These assets are subject to an operating lease contract in accordance with the requirements of IFRS 16 “Leases”.

4.2 The Company entered into lease agreement with a third party for the “SADR Park” project for a period of ten years commencing in September 2025, with a total contract value of ﷲ 249 million. The Company assessed the nature of this lease in accordance with the requirements of IFRS 16 – “Leases”, to determine whether the lease should be classified as finance or operating lease. The assessment was performed considering the following indicators:

- a) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
- b) the lessee has the option to purchase the underlying asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised;
- c) the lease term is for the major part of the economic life of the underlying asset even if title is not transferred;
- d) at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; and
- e) the underlying asset is of such a specialised nature that only the lessee can use it without major modifications.

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

4.3 All the above assets of the Sadr Park project have been mortgaged to the Agricultural Development Fund as mentioned in the term loan note (Note 11).

4.4 The Company obtained a loan from the Agricultural Development Fund at an interest rate lower than the prevailing market rates for comparable commercial loans. The net difference between the prevailing market interest rates and below market interest rates was netted off from Investment properties as government grant (IAS 20). As of 31 December 2025, the total deferred government grants deducted from the cost of investment properties amounts to ﷲ 17,593,474 (31 December 2024: ﷲ 10,495,367) (Note 11). The effect of the grant is recognized in the statement of profit or loss through a reduction in depreciation expense over the useful lives of the related assets.

4.5 Investment properties are stated at historical cost. The fair value of the project amounted to ﷲ 254.72 million, valued by Shayeg International Professional Consulting Company license no. 1210001415 and First Valuator license no. 1210002501 appointed as an independent, professionally qualified valuers accredited by the Saudi Authority for Accredited Valuers (Taqem). The fair value measurement is classified within level 2 based on valuation techniques applied (executed transactions and market available data). The fair valuation was performed on 31 December 2025 and management expects no significant change in fair value since the year end (the last valuation date).

SADR LOGISTICS SERVICES COMPANY
A Saudi Joint Stock Company
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
(All amounts in ~~ﷲ~~ unless otherwise stated)

5 LEASES

5.1 Right-of-use assets

Right-of-use assets movement during the period is as follows:

	For the three-month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
<u>Cost</u>		
Balance as at the beginning of the period / year as previously stated	29,353,803	60,880,565
Adjustments (Note 5.1.2)	-	(24,720,841)
	29,353,803	36,159,724
Additions during the period / year	-	903,802
Contracts completed / expired during the period / year	(2,897,485)	(7,709,723)
Balance as at the end of the period / year	26,456,318	29,353,803
<u>Accumulated depreciation</u>		
Balance at the beginning of the period / year	22,236,791	42,560,401
Adjustments (Note 5.1.2)	-	(24,720,841)
Balance at the beginning of the period / year (adjusted)	22,236,791	17,839,560
Depreciation charged during the period / year	2,441,542	12,106,954
Contracts completed / expired during the period / year	(2,897,485)	(7,709,723)
Balance as at the end of the period / year	21,780,848	22,236,791
<u>Net book value</u>	4,675,470	7,117,012

Allocation of depreciation expense is as follows:

	For the three-month period ended 31 March 2026 (Unaudited)	2025 (Unaudited)
Cost of revenue (Note 17)	2,396,352	3,096,973
General and administrative expenses	45,190	-
	2,441,542	3,096,973

5.1.1 The Company leases land and buildings related to labor accommodation, warehouses and production facility for a renewable periods from 2 to 20 years.

5.1.2 Certain lease contracts had been expired in prior years and the related right-of-use assets had been fully depreciated. As a result, Management has adjusted the opening balances of both the cost and accumulated depreciation for both years by the same amount to align the records accordingly. The adjustment has no impact on balances presented on the statement of financial position and accordingly it has no impact on the profit or loss for current or previous years.

5.1.3 Certain assets were reclassified from buildings to land to reflect the appropriate asset classification.

5.2 Lease liabilities

Lease liability movement during the period / year is as follows:

	For the three-month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period / year	19,556,947	24,788,829
Additions during the period / year	-	7,772,803
Finance cost during the period / year	432,205	1,427,395
Insurance during the period / year	37,179	138,607
Payments during the period / year	(5,758,952)	(14,570,687)
Balance as at the end of the period / year	14,267,379	19,556,947

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5 LEASES (CONTINUED)

5.2 Lease liabilities (continued)

Discounted lease liabilities are presented in the interim statement of financial position based on the contractual due date as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Lease liabilities – Current portion	8,813,042	12,066,504
Lease liabilities – Non-current portion	5,454,337	7,490,443
	14,267,379	19,556,947

The maturity analysis of the lease liabilities is as follow:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Due amounts not paid	941,000	1,450,000
Not later than one year	9,179,741	12,927,032
Later than one year and not later than 5 years	5,891,968	7,515,126
Later than 5 years	387,747	387,747
	16,400,456	22,279,905
Less: Impact of discounting	(2,133,077)	(2,722,958)
	14,267,379	19,556,947

Lease liabilities include obligations relating to finance-leased assets presented within property, plant and equipment as at 31 March 2026 amounting to ﷲ 8,575,529 (31 December 2025: ﷲ 9,808,649).

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

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Finance cost of lease liabilities	432,205	463,386
Depreciation during the period	2,441,542	3,096,973
Short term and low value operating leases expense	4,400,945	1,229,876
Finance income from investment in finance lease	15,823	15,200

6 INVENTORY

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Raw materials	36,458,743	41,451,752
Work in progress	366,835	541,368
Finished products	12,668,628	12,039,281
Spare parts and supplies	1,824,518	1,741,101
Goods in transit	9,174,271	3,887,493
	60,492,995	59,660,995
Less: provision for slow moving inventory	(932,142)	(932,142)
	59,560,853	58,728,853

The movement on the provision for slow moving inventory during the period / year is as follows:

	For the three- month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period / year	932,142	2,207,290
Reversal of provision during the period / year	-	(1,275,148)
Balance as at the end of the period / year	932,142	932,142

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7 TRADE RECEIVABLES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables – government customers	8,160,098	1,907,606
Trade receivables – private customers	47,056,832	43,586,370
Less: Provision for expected credit losses	(12,772,496)	(12,772,496)
	42,444,434	32,721,480

The movement in the provision for expected credit losses of trade receivables during the period / year is as follows:

	For the three- month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance as at the beginning of the period / year	12,772,496	3,930,327
Provision charged for the period / year	-	8,842,169
Balance as at the end of the period / year	12,772,496	12,772,496

8 PREPAYMENTS AND OTHER DEBIT BALANCES

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Advances to suppliers		4,124,889	6,163,988
Less: Provision for advances to suppliers	8.1	(937,693)	(937,693)
Advances to suppliers, net		3,187,196	5,226,295
Prepayments		1,395,592	1,543,127
Advance for issuance of letter of guarantee		785,680	801,680
Prepaid rent		574,313	1,173,723
Cash advance		318,444	356,570
Employees' loan		305,502	164,054
Prepaid subscriptions		242,283	262,391
Other		16,100	16,100
		6,825,110	9,543,940

8.1 The movement on provision for advances to suppliers during the period / year is as follows:

	For the three- month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance as at the beginning of the period / year	937,693	351,492
Provision charged for the period / year	-	586,201
Balance as at the end of the period / year	937,693	937,693

9 SHARE CAPITAL

The Company's capital as at 31 March 2026 amounted to ﷲ 175,000,000 (31 December 2025: ﷲ 175,000,000) consisting of 175,000,000 shares (31 December 2025: 175,000,000 shares).

10 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.

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11 TERM LOAN

The movement on term loan is as follows:

	For the three-month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period / year	76,314,879	41,300,715
Addition to the principal of the loan	-	31,342,622
Finance cost for the period / year	1,048,486	3,671,542
Balance as at the end of the period / year	77,363,365	76,314,879
Less: grant revenue from government loan	(17,593,474)	(17,593,474)
	59,769,891	58,721,405

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

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Non-current	59,769,891	58,721,405
	59,769,891	58,721,405

11.1 During the year 2024, the Company entered into an agreement with the Agricultural Development Fund (“the Fund”) to obtain a loan of ﷲ 74.59 million, including loan administrative fees of ﷲ 16.6 million. The loan is repayable in ten equal annual installments, commencing on 11 August 2027, for the purpose of establishing a cold storage warehouse project. The loan carries an interest rate of 1.85% per annum, while the prevailing rate for comparable commercial loans was 7.1%. During 2024, the Company received the first installment of ﷲ 40.76 million, and during the year 2025, the Company received additional net proceeds (after deducting administrative fees) of ﷲ 31.34 million.

11.2 The loan is secured by a mortgage over the project assets (machinery and equipment) and a real estate mortgage over the Company’s land (Note 4). The Company has provided two guarantees amounting to ﷲ 74,855,947 and ﷲ 37,389,453 respectively against the project assets and real estate.

11.3 As the loan was obtained at interest rates below the prevailing market rates for comparable commercial loans, the loan was discounted using market rates for similar borrowings, and the resulting difference was deducted from additions to investment properties (Note 4).

12 RELATED PARTY TRANSCATIONS AND BALANCES

Related party transactions primarily involve salaries, allowances of Board of Directors, committee members and senior management.

Key management personnel are those who exercise authority and responsibility for planning, directing and controlling the Company’s activities, directly or indirectly, including members of Board of Directors (whether executive or otherwise).

	For the three-month period ended 31 March 2026 (Unaudited)		For the three-month period ended 31 March 2025 (Unaudited)	
	BOD and committee members	Executive Management	BOD and committee members	Executive Management
BOD members and committees’ remuneration	201,250	-	201,250	-
BOD and committee’s attendance allowance	19,500	-	28,500	-
Salaries and wages	-	614,333	-	592,792
Bonus and commissions	-	263,750	-	12,500
End of service	-	30,625	-	29,375
	220,750	908,708	229,750	634,667

As at 31 March 2026, the amount due to above related parties with respect to remuneration for BOD members and Committees amounted to ﷲ 883,925 (as at 31 December 2025: ﷲ 682,675).

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The Company entered into a lease agreement with a third party (Note 4.2) for a period of 10 years commencing in September 2025, with a contract value of **ﷲ** 249 million. The third party paid an advance rental of **ﷲ** 21,750,000, representing one year's rent. Rental income relating to the three months amounting to **ﷲ** 5,437,500 has been recognized during current period. **ﷲ** 7,250,000 was recognized as revenue during the year 2025. The remaining balance as of 31 March 2026 amounted to **ﷲ** 9,062,500 represents the deferred rental income (31 December 2025: **ﷲ** 14,500,000).

14 TRADE PAYABLES AND OTHER CREDIT BALANCES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Trade payables	19,158,205	11,989,727
Accrued expenses	3,511,971	3,321,465
Employees' accruals	1,764,765	1,440,571
Value-added tax payable	1,043,095	999,202
Accrued commission	824,286	518,806
Others	8,838	10,805
	26,311,160	18,280,576

15 PROVISION FOR ZAKAT

The movement in provision for zakat for the year is as follow:

	For the three-month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period / year	2,154,408	3,752,861
Charge during the period / year	400,000	1,646,617
Paid during the period / year	(497,604)	(3,245,070)
Balance as at the end of the period / year	2,056,804	2,154,408

Zakat position

The Company has submitted its zakat returns to the Zakat, Tax and Customs Authority (ZATCA) up to the year ended 31 December 2025 and has obtained a valid certificate from ZATCA, effective until 14 DhuleI-Qaeda 1447H (corresponding to 30 April 2026). The Company has applied for the renewal of the zakat certificate which is currently pending with the ZATCA.

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

16 REVENUES

The Company derives its revenue from the contracts with customers for the transfer of goods and services over time and point in time in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segment in Note 20.

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16 REVENUES (CONTINUED)

Below is the disaggregation of the Company's revenue from contracts with customers:

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
<i>Sale of products</i>		
Steel products	5,741,997	286,290
Wooden products	9,385,704	13,319,862
Other products	106,000	1,074,825
	15,233,701	14,680,977
<i>Projects Revenues</i>		
Providing and installation racking systems	10,101,171	12,212,319
Logistics services	16,165,034	6,826,695
Other services	-	66,142
	26,266,205	19,105,156
	41,499,906	33,786,133

Timing of revenue recognition

Goods or services transferred to customers:

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Point in time	15,233,701	14,747,119
Over a period of time	26,266,205	19,039,014
	41,499,906	33,786,133

Geographical markets

Goods or services transferred to customers:

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Local revenues	41,133,726	32,961,133
Export revenues	366,180	825,000
	41,499,906	33,786,133

Other products comprise forklifts, refrigeration systems and other equipment related to warehouse solutions. Other services comprise installation of above equipment (if required), removal and installation of warehouse equipment at customers warehouses and epoxy coating of warehouse floors.

17 COST OF REVENUES

	Note	For the three-month period ended 31 March	
		2026	2025
Raw and manufactured materials		16,023,956	18,824,869
Industrial expenses		6,348,900	2,175,661
Depreciation of right-of-use assets	5	2,396,352	3,096,973
Salaries, wages and benefits		2,153,897	1,826,120
Depreciation	3 & 4	2,498,118	676,240
Others		10,514	231,919
		29,431,737	26,831,782

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18 EARNINGS PER SHARE

Basic earnings per share was calculated by dividing the periods' net profit by the weighted average number of shares during the period. Diluted earnings per share is same as basic earnings per share as the Company has neither convertible securities nor derivative financial instruments to exercise.

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Net profit for the period	2,937,926	122,153
Weighted average number of shares	175,000,000	175,000,000
Basic and diluted earnings per share from the net profit of the period	0.017	0.001

19 CONTINGENCIES AND COMMITMENTS

19.1 Capital Commitments

There is a capital commitment for intangible assets to develop an enterprise resource planning system "ERP" from local companies estimated at ﷲ 2,522,251. An amount of ﷲ 1,829,140 has been invoiced and the remaining amount will be invoiced and paid in upcoming years.

The Company has entered into agreements with local vendors for the purchase of machinery and equipment amounting to ﷲ 209,502. An amount of ﷲ 106,902 has been invoiced and the remaining amount will be invoiced and paid in the current year.

The Company has also entered into an agreement with international vendor for the purchase of machinery and equipment amounting to USD 26,500 equivalent to ﷲ 99,375. An amount of USD 8,480 equivalent to ﷲ 31,800 has been invoiced and the remaining amount will be invoiced and paid in the current year.

19.2 Contingent liabilities

The Company has issued letter of guarantees amounting to ﷲ 785,680 as at 31 March 2026 which are 100% covered in cash (31 December 2025: ﷲ 801,680) as stated in Prepayment and other debit balances (Note 8).

The Company has outstanding letter of credit amounting to ﷲ Nil as at 31 March 2026 (31 December 2025: ﷲ 234,387).

20 SEGMENT INFORMATION

Regarding to the information reported to the decision maker (the Company's Chief Operating Decision-maker) for the purposes of allocating resources and assessing segment performance, it focuses on the Company's business categories (products or services provided to customers). The Company's activities are represented in the main segment, namely Steel sector, Wood sector, Logistics services sector, and the "all other sectors".

The Company is engaged in sale of steel products (i.e., pallets) and delivery and installation of steel racking systems at customers' warehouses. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment because the nature of the products and production processes are similar.

Wood segment represents sale of wooden pallets, boxes and raw material.

Logistics services represent providing storage services, transportation for others and rental of storage facilities, as the Company engaged in long-term contract with customers.

Other segment represents sale of plastics products, forklifts and refrigerating systems and rendering of other services i.e., removal and re-installation, epoxy flooring etc.

Items of revenue, cost of revenue and long-term assets have been distributed among these segments and the rest of items are difficult to distribute among segments.

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The financial information as at 31 March 2026 and 31 December 2025 and for the period ended 31 March 2026 and 2025, summarized by each segment, is as follows:

	<u>Steel</u>	<u>Wood</u>	<u>Logistics services</u>	<u>Others</u>	<u>Total</u>
<u>As at 31 March 2026</u>					
Total Assets	107,336,785	40,785,613	138,220,102	3,375,379	289,717,879
Total Liabilities	38,123,736	27,055,554	55,340,906	2,459,596	122,979,792
<u>As at 31 December 2025</u>					
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	56,278,189	2,810,257	126,157,591
<u>For the three-month period ended 31 March 2026</u>					
Revenues	15,843,168	9,385,704	16,165,034	106,000	41,499,906
Depreciation and amortization	(533,053)	(369,872)	(4,351,147)	(157)	(5,254,229)
Finance cost, net	(51,512)	(40,619)	(1,372,737)	-	(1,464,868)
Profit / (loss) before zakat	1,087,794	(714,959)	3,159,005	(193,914)	3,337,926
Net profit / (loss)	907,794	(794,959)	3,039,005	(213,914)	2,937,926
<u>For the three-month period ended 31 March 2025</u>					
Revenues	12,498,609	13,319,862	6,826,695	1,140,967	33,786,133
Depreciation and amortization	(543,123)	(663,091)	(3,047,474)	(80)	(4,253,768)
Finance cost, net	(98,881)	(72,376)	(276,929)	-	(448,186)
Finance income from murabha investment	-	-	93,062	-	93,062
Profit / (loss) before zakat	1,538,192	(1,096,594)	445,496	(139,941)	747,153
Net profit / (loss) after zakat	1,256,942	(1,221,594)	257,996	(171,191)	122,153

The accounting policies of the reportable segments are the same as the Company's accounting policies described in audited financial statement. Segment profit represents the profit earned by each segment with allocation of central administration costs including directors' salaries, finance income, non-operating gains and losses in respect of financial instruments and 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 segment performance.

For the purposes of monitoring segment performance and allocating resources between 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 any exception. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments. The Company's assets and the principal markets of its operations are located in the Kingdom of Saudi Arabia, therefore the geographical information has not been presented in these financial statements.

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20 SEGMENT INFORMATION (CONTINUED)

Major Customers

During the current period, revenue from three customers contributed ﷲ 19,128,737 to the total revenue, which represents 46.09% of total revenue (31 March 2025: three customers contributed ﷲ 16,974,013 to the total revenue which represents 50.24%).

Segment-wise customers

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

- Wood Segment: Revenue of approximately ﷲ 4.58 million, representing 48.80% of total segment revenue from three customers (for the three-month period ended 31 March 2025: ﷲ 9.12 million, representing 68.5% from the two customers).
- Steel Segment: Revenue of approximately ﷲ 8.61 million, representing 54.36% of total segment revenue from two customers (for the three-month period ended 31 March 2025: ﷲ 4.73 million, representing 37.86%).
- Logistics Segment: Revenue of approximately ﷲ 15.80 million, representing 97.79% from three customers (for the three-month period ended 31 March 2025: ﷲ 6.10 million, representing 89.45 %).

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 three-month periods ended 31 March 2026 and 31 March 2025.

20.1 Impairment for wood sector

As at 31 December 2025, management identified certain impairment indicators in one of Sadr's reportable segments, the wood sector. These indicators were primarily driven by the continued losses incurred by the segment during the current and prior years. Although these losses alone are not considered an indicator of impairment when taking other factors into account, given that the factory is new and the operations are still in their early stages. Accordingly, management performed an impairment assessment of the related property, plant and equipment.

The recoverable amount of the relevant cash-generating unit was determined based on value in use using a discounted cash flow model. The calculations use cash flow projections based on financial budgets approved by management. These projections reflect management's expectations regarding future revenue growth, operating margins and capital expenditure.

The key assumptions used in the impairment assessment include a discount rate of 11% and expected revenue growth of 39% for 2026, followed by a long-term average growth rate ranging between 1% and 3% for the remaining forecast years.

Based on the analysis performed, the recoverable amount of the cash-generating unit exceeded its carrying amount and therefore no impairment loss has been recognised in the financial statements.

Sensitivity analysis

Sensitivity analysis has been performed for long-term growth rates, growth to be are of 3 % for the year 2026 and average of 1.5 over the remains years. Reasonably possible changes in these assumptions would not result in the carrying amount exceeding the recoverable amount.

Sensitivity analysis was performed on the key assumptions used in the impairment model. In particular, the analysis considered a reasonably possible change in the revenue growth assumptions to 3% for 2026 and an average growth rate of 1% : 2%for the remaining forecast period. The results of the analysis indicate that such changes would not result in the carrying amount exceeding the recoverable amount.

The cash flow projections used in the impairment assessment are derived from management's approved budgets and strategic forecasts and therefore inherently involve significant judgement. These projections assume that the Company will achieve the forecasted future revenues and operating performance over the forecast period. Changes in these assumptions could have a significant impact on the estimated recoverable amount.

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21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its use of financial instruments which comprise of, market risk including currency risk and interest risk, credit risk, and liquidity risk.

Financial instruments in the Company's interim statement of financial position include, cash and cash equivalents, other assets, trade receivables, contract assets, net investment in finance lease, due to related parties, term loan and lease liabilities.

21.1 Financial instruments by category

	For the three-month period ended 31 March 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Financial assets at amortized cost:		
Trade receivables	42,444,434	32,721,480
Net investment in finance lease	1,340,904	1,325,081
Contract assets	2,723,789	6,191,639
Other debit balances	1,425,726	1,388,404
Cash and cash equivalents	8,484,486	8,295,713
Total financial assets	56,419,339	49,922,317
Financial liabilities at amortized cost:		
Term loan	59,769,891	58,721,405
Lease liabilities	14,267,379	19,556,947
Due to related parties	883,925	682,675
Trade and other payables	25,268,065	17,281,374
Total financial liabilities	100,189,260	96,242,401

The Company has no financial assets or financial liabilities at fair value.

The fair values of the financial assets and liabilities measured at amortised cost of the Company at the reporting date are not materially different from their carrying values as at 31 March 2026 and 31 December 2025.

22 SIGNIFICANT EVENT

The Company continues to monitor regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC region, as all of the Company's operations are conducted within the GCC. The Company also relies on imported raw materials for the manufacture of its steel and wooden products.

While the situation continues to evolve, management has assessed the potential implications of these developments on the Company's operations, supply chain, and the related estimates and assumptions used in the preparation of these interim condensed financial statements.

As of 31 March 2026, these developments have not had a material impact on the Company's financial position, results of operations, or 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.

23 SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events except those disclosed in the interim condensed financial statements since the end of the year that would require disclosure or amendment to these interim condensed financial statements.

24 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 20 Dhu al-Qidah 1447 H corresponding to 07 May 2026.