SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

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

SADR LOGISTICS SERVICES COMPANY
A SAUDI LISTED JOINT STOCK COMPANY
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 Listed Joint Stock Company

Introduction

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

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

Scope of Review

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

Conclusion

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

Other Matter

The Company's financial statements for the financial year ended 31 December 2025 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 14 Shawwal 1447H (corresponding to 2 April 2026). The interim condensed financial statements for the three and nine-month periods ended 30 September 2025 were reviewed by the same predecessor auditor, who expressed an unmodified conclusion on 21 Jumada Al-Awwal 1447H (corresponding to 12 November 2025).

For Alzoman and Alfahad & Alhajjaj Professional Services

شركة الزومان والفهد والحجاج للاستشارات المهنية
Alzoman, Alfahad & Alhajjaj Professional Services
CR 1010461402

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No (562)

Riyadh, Kingdom of Saudi Arabia

Date: 30 Jumada Al-Awwal 1448H
Corresponding to: 10 November 2026

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SADR LOGISTICS SERVICES COMPANY
A SAUDI LISTED JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2026
(ALL AMOUNTS IN SAUDI RIYALS "﷼" UNLESS OTHERWISE STATED)

	Note	**30 September 2026**	31 December 2025	1 January 2025
		(Unaudited)	(Audited)	(Audited)
ASSETS			(Restated - Note 25)	(Restated - Note 25)
NON-CURRENT ASSETS				
Property, plant and equipment	5	**30,211,646**	33,065,564	108,105,765
Investment properties	6	**126,192,370**	130,632,389	-
Right-of-use assets	7-1	**5,597,361**	7,117,012	18,320,164
Intangible assets		**1,926,503**	2,076,976	3,630,114
Net investment in finance lease – non-current portion		**-**	430,627	217,628
TOTAL NON-CURRENT ASSETS		**163,927,880**	173,322,568	130,273,671
CURRENT ASSETS				
Inventories	8	**76,344,501**	58,728,853	46,406,810
Trade receivables	9	**38,472,641**	32,721,480	42,985,614
Prepayments, and other debit balances	10	**9,110,032**	9,543,940	15,118,239
Contract assets		**2,321,315**	6,191,639	5,406,339
Net investment in finance lease – current portion		**447,002**	894,454	853,927
Other financial assets - Murabaha investments		**-**	-	15,000,000
Cash and cash equivalents		**2,050,878**	8,295,713	1,440,981
TOTAL CURRENT ASSETS		**128,746,369**	116,376,079	127,211,910
TOTAL ASSETS		**292,674,249**	289,698,647	257,485,581
EQUITY AND LIABILITIES				
EQUITY				
Share capital	11	**175,000,000**	175,000,000	175,000,000
Statutory reserve	12	**1,941,909**	1,941,909	1,941,909
Remeasurement reserve of employees' defined benefit obligations		**(1,219,058)**	(1,219,058)	(887,366)
Accumulated losses		**(4,358,762)**	(11,120,483)	(8,828,520)
TOTAL EQUITY		**171,364,089**	164,602,368	167,226,023
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term loan – non-current portion	13	**53,057,141**	58,721,405	30,805,348
Lease liabilities – non-current portion	7-2	**8,462,348**	7,490,443	11,901,735
Employees' defined benefit obligations		**6,439,558**	6,009,906	5,179,123
TOTAL NON-CURRENT LIABILITIES		**67,959,047**	72,221,754	47,886,206
CURRENT LIABILITIES				
Long-term loan – current portion	13	**8,866,221**	-	-
Lease liabilities – current portion	7-2	**3,999,490**	12,066,504	12,887,094
Trade payables, accrued expenses and other payables	16	**28,164,201**	18,280,576	17,348,357
Contract liabilities		**9,984,000**	6,251,674	7,539,252
Deferred rental income	15	**338,860**	13,438,688	-
Due to related parties	14	**478,654**	682,675	845,788
Zakat provision	17	**1,519,687**	2,154,408	3,752,861
TOTAL CURRENT LIABILITIES		**53,351,113**	52,874,525	42,373,352
TOTAL LIABILITIES		**121,310,160**	125,096,279	90,259,558
TOTAL EQUITY AND LIABILITIES		**292,674,249**	289,698,647	257,485,581

Chief Financial Officer
Ahmed Mostafa Kortam

Chief Executive Officer
Majid Abdullah Al-Issa

Chairman of the Board of Directors
Bandar Mohamed Al-Samaani

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

SADR LOGISTICS SERVICES COMPANY

A SAUDI LISTED JOINT STOCK COMPANY

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

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2026

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

	Note	For the three-month period ended		For the nine-month period ended	
		30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
		(Unaudited)	(Unaudited) (Restated - Note 25)	**(Unaudited)**	(Unaudited) (Restated - Note 25
Revenues	18	**39,324,555**	33,926,351	**119,722,152**	99,665,045
Gain on sublease of right-of-use assets		**-**	953,263	**-**	953,263
Cost of revenues	19	**(29,062,069)**	(22,939,809)	**(86,012,391)**	(75,504,640)
Gross profit for the period		**10,262,486**	11,939,805	**33,709,761**	25,113,668
Selling and marketing expenses		**(4,039,361)**	(3,327,492)	**(10,328,540)**	(9,518,792)
General and administrative expenses		**(3,148,497)**	(2,939,849)	**(10,340,767)**	(9,087,944)
Expected credit losses expense for trade receivables	9-1	**(274,080)**	(3,020,579)	**(481,909)**	(9,320,101)
Reversal / (expense) of expected credit losses on contract assets		**378,186**	116,732	**-**	78,872
Reversal of expected credit loss expense on net investment in finance leases		**-**	11,371	**-**	11,371
Reversal / (expense) of Impairment loss on advances to suppliers	10-1	**270,982**	21,220	**270,982**	(187,377)
Profit / (loss) for the period from operating activities		**3,449,716**	2,801,208	**12,829,527**	(2,910,303)
Other (expenses) / income, net		**(212,452)**	(22,108)	**(135,034)**	361,977
Finance costs, net		**(1,417,556)**	(628,965)	**(4,423,272)**	(1,439,552)
Finance income from Murabaha investments		**-**	-	**-**	93,072
Net income / (loss) for the period before Zakat		**1,819,708**	2,150,135	**8,271,221**	(3,894,806)
Zakat	17	**(500,000)**	189,861	**(1,509,500)**	(935,139)
Net income / (loss) for the period		**1,319,708**	2,339,996	**6,761,721**	(4,829,945)
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income / (loss) for the period		**1,319,708**	2,339,996	**6,761,721**	(4,829,945)
Basic and diluted earnings / (loss) per share for the period from:	20				
Profit / (loss) for the period from operating activities		**0.020**	0.016	**0.073**	(0.017)
Net income / (loss) for the period		**0.008**	0.013	**0.039**	(0.028)

Chief Financial Officer
Ahmed Mostafa Kortam

Chief Executive Officer
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Chairman of the Board of Directors
Bandar Mohamed Al-Samaani

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

SADR LOGISTICS SERVICES COMPANY
A SAUDI LISTED JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2026
(ALL AMOUNTS IN SAUDI RIYALS "﷼" UNLESS OTHERWISE STATED)

	Note	Share capital	Statutory reserve	Remeasurement reserve of employees' defined benefit obligations	Accumulated losses	Total Equity
Balance as at 1 January 2025 (Audited)		175,000,000	1,941,909	(887,366)	(8,543,611)	**167,510,932**
Prior years restatements	25	-	-	-	(284,909)	**(284,909)**
Balance as at 1 January 2025 (Restated)		175,000,000	1,941,909	(887,366)	(8,828,520)	**167,226,023**
Net loss for the period (Restated)	25	-	-	-	(4,829,945)	**(4,829,945)**
Other comprehensive income for the period		-	-	-	-	**-**
Total comprehensive loss for the period		-	-	-	(4,829,945)	**(4,829,945)**
Balance as at 30 September 2025 (Unaudited)(Restated)	25	175,000,000	1,941,909	(887,366)	(13,658,465)	**162,396,078**
Balance as at 1 January 2026 (As previously reported)		175,000,000	1,941,909	(1,219,058)	(11,922,690)	**163,800,161**
Prior years restatements	25	-	-	-	802,207	**802,207**
Balance as at 1 January 2026 (Restated)		175,000,000	1,941,909	(1,219,058)	(11,120,483)	**164,602,368**
Net income for the period		-	-	-	6,761,721	**6,761,721**
Other comprehensive income for the period		-	-	-	-	**-**
Total comprehensive income for the period		-	-	-	6,761,721	**6,761,721**
Balance as at 30 September 2026 (Unaudited)		**175,000,000**	**1,941,909**	**(1,219,058)**	**(4,358,762)**	**171,364,089**

Chief Financial Officer
Ahmed Mostafa Kortam

Chief Executive Officer
Majid Abdullah Al-Issa

Chairman of the Board of Directors
Bandar Mohamed Al-Samaani

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

SADR LOGISTICS SERVICES COMPANY
A SAUDI LISTED JOINT STOCK COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2026
(ALL AMOUNTS IN SAUDI RIYALS "﷼" UNLESS OTHERWISE STATED)

	Note	For the nine-month period ended 30 September 2026 (Unaudited)	30 September 2025 (Unaudited) (Restated - Note 25)
OPERATING ACTIVITIES			
Net income / (loss) for the period before Zakat		**8,271,221**	(3,894,806)
Adjustments to reconcile net income / (loss) before Zakat:			
Depreciation of property, plant and equipment	5	**3,723,862**	3,327,804
Depreciation of investment properties	6	**4,395,875**	405,376
Depreciation of right-of-use assets	7-1	**6,040,306**	9,535,602
Amortization of intangible assets		**150,473**	396,949
(Gain) / loss on disposal of property, plant and equipment		**(19,900)**	89,960
Provision for employees' defined benefit obligations		**496,598**	876,179
Provision for expected credit losses on trade receivables	9-1	**481,909**	9,320,101
Reversal of expected credit losses on contract assets		**-**	(78,872)
Reversal / (expense) of Impairment loss on advances to suppliers	10-1	**(270,982)**	187,377
Provision / (Reversal) for slow-moving inventory	8-1	**455,114**	(589,069)
Finance costs		**4,423,272**	1,439,552
Reversal of impairment allowance on net investment in finance leases		**-**	(11,371)
		28,147,748	21,004,782
Changes in working capital:			
Inventories		**(16,879,967)**	(13,287,777)
Trade receivables		**(6,233,070)**	(23,168,350)
Net investment in finance lease – non-current portion		**878,079**	(180,116)
Contract assets		**3,870,324**	1,545,129
Prepayments, and other debit balances		**704,890**	6,237,604
Trade payables, accrued expenses and other payables		**9,931,645**	29,152,078
Contract liabilities		**3,732,326**	18,254,667
Deferred rental income		**(13,099,828)**	(265,328)
Due to related parties		**(204,021)**	(339,534)
Cash flows generated from operating activities		**10,848,126**	38,953,155
Employees' defined benefit obligations paid		**(209,075)**	(672,505)
Zakat paid	17	**(2,144,221)**	(2,498,676)
Net cash flows generated from operating activities		**8,494,830**	35,781,974
INVESTING ACTIVITIES			
Payments for the acquisition of property, plant and equipment	5	**(869,944)**	(67,205,645)
Payments for the acquisition of investment properties	6	**(1,146,651)**	-
Proceeds from the sale of property, plant and equipment		**19,900**	431,460
Net cash flows used in investing activities		**(1,996,695)**	(66,774,185)
FINANCING ACTIVITIES			
Payments of lease liabilities	7-2	**(12,742,970)**	(12,066,328)
Proceeds from a long-term loan		**-**	28,005,985
Net cash flows (used in) / generated from financing activities		**(12,742,970)**	15,939,657
Net change in cash and cash equivalents during the period		**(6,244,835)**	(15,052,554)
Cash and cash equivalents at the beginning of the period		**8,295,713**	16,440,981
Cash and cash equivalents at the end of the period		**2,050,878**	1,388,427
Significant non-cash transactions			
Accrued finance costs on long-term loan	13	**3,201,957**	2,317,756
Transferred from property, plant and equipment to investment properties		**-**	116,721,910
Transferred from deferred grant related to a government loan to additions to property, plant and equipment		**-**	6,420,697
Transferred from investment properties to inventories	6	**1,190,795**	-
Additions to right-of-use assets against lease liabilities	7-1	**4,520,655**	903,802

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**
Ahmed Mostafa Kortam	Majid Abdullah Al-Issa	Bandar Mohamed Al-Samaani

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

1- FORMATION AND ACTIVITIES

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

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

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

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

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

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

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

* The commercial registration of the Dammam branch was cancelled on 22 January 2026.

2- BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

2-1 Statement of Compliance

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

2-2 Basis of Measurement

These interim condensed financial statements of the Company have been prepared on the historical cost basis, except for employees' defined benefit obligations, which are measured at the present value of the future obligations using the projected unit credit method. The Agricultural Development Fund loan is also recognized at the present value of the future obligations.
Historical cost generally is based on the fair value of the consideration given in exchange for goods and services provided.

2-3 Functional and Presentation Currency

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

3- SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Amendments to IFRS 7 and IFRS 9 regarding the classification and measurement of financial instruments
The Amendments include:

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amendments to IFRS 7 and IFRS 9 regarding power purchase arrangements
The amendments apply only to contracts that reference nature-dependent electricity, and they:

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

Annual Improvements to IFRS Accounting Standards - Volume 11
The pronouncement comprises the following amendments:

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

3-2 New and revised standards, interpretations and amendments issued but not yet effective:
The following new and revised standards, interpretations and amendments are effective for periods beginning on or after 1 January 2027 and earlier application is permitted; however, the Company has not early adopted them in preparing these interim-condensed financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the International Accounting Standard Board issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Company has not early adopted the new accounting standard in preparing these interim financial statements.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

b) Management-defined performance measures

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

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

c) Principles of aggregation and disaggregation

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

The Company is currently assessing how to aggregate and disaggregate information in the primary financial statements and the accompanying notes based on the characteristics of assets, liabilities, income, expenses and cash flows, ensuring that items with similar characteristics are appropriately aggregated and items with dissimilar characteristics are separately presented when the resulting information is material.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company currently uses profit before zakat as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments to IAS 7 also include new requirements regarding the classification of cash flows related to interest and dividends, which the Company will consider when applying IFRS 18.

4- USE OF JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

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

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

5- PROPERTY, PLANT AND EQUIPMENT

	For the nine-month period ended 30 September 2026 (Unaudited)			For the financial year ended 31 December 2025 (Audited)		
	Owned by the Company	**Leased assets ***	**Total**	Owned by the Company	Leased assets *	Total
Cost						
Balance as at the beginning of the period/year	**34,477,200**	**21,517,044**	**55,994,244**	110,722,907	15,919,267	126,642,174
Additions during the period/year	**869,944**	**-**	**869,944**	63,297,686	-	63,297,686
Transfer to investment properties (Note 25)	**-**	**-**	**-**	(1,202,365)	-	(1,202,365)
Transferred to investment properties during the period/year	**-**	**-**	**-**	(131,377,201)	-	(131,377,201)
Transferred from/(to) leased assets during the period/year	**3,428,501**	**(3,428,501)**	**-**	(5,597,777)	5,597,777	-
Transferred to inventory during the period/year	**-**	**-**	**-**	(786,874)	-	(786,874)
Disposals during the period/year	**(223,671)**	**-**	**(223,671)**	(579,176)	-	(579,176)
Balance as at the end of the period/year	**38,551,974**	**18,088,543**	**56,640,517**	34,477,200	21,517,044	55,994,244
Accumulated Depreciation						
Balance as at the beginning of the period/year	**19,614,273**	**3,314,407**	**22,928,680**	15,048,270	3,203,230	18,251,500
Prior years restatements (Note 25)	**-**	**-**	**-**	284,909	-	284,909
Depreciation for the period/year	**1,974,172**	**1,749,690**	**3,723,862**	2,658,300	1,889,977	4,548,277
Transferred from/(to) leased assets during the period/year	**1,153,425**	**(1,153,425)**	**-**	1,778,800	(1,778,800)	-
Transferred to inventory during the period/year	**-**	**-**	**-**	(98,250)	-	(98,250)
Disposals during the period/year	**(223,671)**	**-**	**(223,671)**	(57,756)	-	(57,756)
Balance as at the end of the period/year	**22,518,199**	**3,910,672**	**26,428,871**	19,614,273	3,314,407	22,928,680
Net book value at the end of the period/year	**16,033,775**	**14,177,871**	**30,211,646**	14,862,927	18,202,637	33,065,564
Cost of fully depreciated property, plant and equipment at the end of the period/year	**10,797,955**	**-**	**10,797,955**	9,569,692	-	9,569,692

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

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

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

The depreciation expense for the period was allocated as follows:

		For the nine-month period ended	
	Note	**30 September 2026**	30 September 2025
		(Unaudited)	(Unaudited)
Cost of revenues	19	**3,045,811**	2,438,045
Selling and marketing expenses		**503,928**	612,650
General and administrative expenses		**174,123**	277,109
		3,723,862	3,327,804

6- INVESTMENT PROPERTIES

	Note	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Cost			
Balance at the beginning of the period/year		**132,579,566**	-
Additions during the period/year		**1,146,651**	1,202,365
Transferred to inventories during the period/year		**(1,283,491)**	-
Transferred from property, plant and equipment during the period/year	5	**-**	131,377,201
Balance at the end of the period/year		**132,442,726**	132,579,566
Accumulated depreciation			
Balance at the beginning of the period/year		**1,947,177**	-
Depreciation for the period/year *	19	**4,395,875**	1,947,177
Transferred to inventories during the period/year		**(92,696)**	-
Balance at the end of the period/year		**6,250,356**	1,947,177
Net book value at the end of the period/year		**126,192,370**	130,632,389

* Depreciation expense for the period is included in cost of revenues - Note 19.

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

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

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

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

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

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

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

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

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

6-4 The Company obtained a loan from the Agricultural Development Fund at an interest rate lower than prevailing market rates for similar commercial loans. The difference between the market interest rate and the lower rate was treated as a government grant in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The total government deferred grant netted off investment property cost ﷼ 17,593,474 at 30 September 2026 (31 December 2025: ﷼ 17,593,474) (Note 13). The grant is recognized in profit or loss and other comprehensive income through a reduction in depreciation expense of related productive assets.

6-5 Investment properties are recognized using the cost model. Their fair value amounted to ﷼ 254.72 million as at 31 December 2025, based on valuations performed by Shayeq Professional Consulting Company (License No. 210001415) and Al Muqayem Al Awal Company (License No. 1210002501), both of which are independent, professionally qualified valuers accredited by the Saudi Authority for Accredited Valuers (Taqeem). The fair value measurement has been categorized within Level 2 of the fair value hierarchy, based on the valuation techniques applied (executed transactions and available market data). The valuation was performed on 31 December 2025, and management does not expect a material change in the fair value of the investment properties as at 30 September 2026 from that stated in the valuation reports as at 31 December 2025.

6-6 The balance of investment properties as at 31 December 2025 includes borrowing costs capitalized during the construction phase up to the date of completion of the project, amounting to ﷼ 2,858,034. The Company did not capitalize any borrowing costs during 2026, and recognized them in the statement of profit or loss and other comprehensive income.

7- LEASE CONTRACTS - COMPANY AS A LESSEE

The Company leases land and buildings related to labor accommodation, warehouses and the production facility for renewable periods from 2 to 20 years, as follows:

7-1 Right-of-Use Assets

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

	30 September 2026	31 December 2025
Cost	**(Unaudited)**	(Audited)
Balance at the beginning of the period/year	**29,353,803**	36,159,724
Additions during the period/year	**4,520,655**	903,802
Disposals during the period/year	**(27,757,792)**	(7,709,723)
Balance at the end of the period/year	**6,116,666**	29,353,803
Accumulated depreciation		
Balance at the beginning of the period/year	**22,236,791**	17,839,560
Depreciation for the period/year	**6,040,306**	12,106,954
Disposals during the period/year	**(27,757,792)**	(7,709,723)
Balance at the end of the period/year	**519,305**	22,236,791
Net book value at the end of the period/year	**5,597,361**	7,117,012

Allocation of depreciation expense is as follows:

	Note	**For the nine-month period ended**	
		30 September 2026	30 September 2025
		(Unaudited)	(Unaudited)
Cost of revenue	19	**5,904,735**	9,458,659
General and administrative expenses		**135,571**	76,943
		6,040,306	9,535,602

7-2 Lease liabilities

	30 September 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	**19,556,947**	24,788,829
Additions during the period/year	**4,520,655**	7,772,803
Finance cost for the period/year	**1,127,206**	1,427,395
Payments during the period/year	**(12,742,970)**	(14,432,080)
Balance at the end of the period/year	**12,461,838**	19,556,947

The lease liabilities in the interim condensed statement of financial position are classified as follows:

	30 September 2026	31 December 2025
	(Unaudited)	(Audited)
Lease liabilities - non-current portion	**8,462,348**	7,490,443
Lease liabilities - current portion	**3,999,490**	12,066,504
	12,461,838	19,556,947

7-2-1 Lease liabilities include liabilities relating to assets held under finance leases and presented within property, plant and equipment, amounting to ﷼ 6,209,583 as at 30 September 2026 (31 December 2025: ﷼ 9,808,649). The lease agreement transfers ownership of the underlying assets to the lessee (the Company) at the end of the lease term.

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

	For the nine-month period ended	
	30 September 2026	30 September 2025
	(Unaudited)	(Unaudited)
Depreciation expense during the period	**6,040,306**	9,535,602
Finance costs related to lease liabilities	**1,127,206**	1,162,083
Expense relating to short-term leases and low-value asset leases	**1,725,546**	503,534

8- INVENTORIES

	Note	**30 September 2026**	31 December 2025
		(Unaudited)	(Audited)
Raw materials		**45,354,374**	41,451,752
Finished goods	8-2	**12,933,907**	12,039,281
Spare parts and supplies		**1,717,779**	1,741,101
Work in progress		**360,301**	541,368
Goods in transit		**17,365,396**	3,887,493
		77,731,757	59,660,995
(Less): provision for slow-moving inventory	8-1	**(1,387,256)**	(932,142)
		76,344,501	58,728,853

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

		30 September 2026	31 December 2025
		(Unaudited)	(Audited)
Balance at the beginning of the period/year		**932,142**	2,207,290
Provision / (Reversal) during the period/year	19-1	**455,114**	(1,275,148)
Balance at the end of the period/year		**1,387,256**	932,142

8-2 Inventories of finished goods include items transferred from investment properties as at 30 September 2026, with net amount ﷼ 1,190,795 (Note 6).

9- TRADE RECEIVABLES

	Note	**30 September 2026**	31 December 2025
		(Unaudited)	(Audited)
Trade receivables – private sector		**45,446,418**	43,586,370
Trade receivables – related party	14-2	**3,694,341**	-
Trade receivables – government		**2,586,287**	1,907,606
(Less): Allowance for expected credit losses	9-1	**(13,254,405)**	(12,772,496)
		38,472,641	32,721,480

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

	30 September 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	**12,772,496**	3,930,327
Provision made during the period/year	**481,909**	8,842,169
Balance at the end of the period/year	**13,254,405**	12,772,496

10- PREPAYMENTS, AND OTHER DEBIT BALANCES

	Note	**30 September 2026**	31 December 2025
		(Unaudited)	(Audited)
Advance payments to suppliers		**7,692,940**	6,163,988
(Less): Allowance for impairment of advance payments to suppliers	10-1	**(666,711)**	(937,693)
		7,026,229	5,226,295
Prepaid expenses		**1,504,742**	1,543,127
Employee advances and custodies		**336,453**	520,624
Letter of guarantee margin		**95,680**	801,680
Prepaid subscriptions		**35,621**	262,391
Prepaid rent		**31,548**	1,173,723
Others		**79,759**	16,100
		9,110,032	9,543,940

10- PREPAYMENTS, AND OTHER DEBIT BALANCES (CONTINUED)

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

	30 September 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	**937,693**	351,492
Provision / (Reversal) during the period/year	**(270,982)**	586,201
Balance at the end of the period/year	**666,711**	937,693

11- SHARE CAPITAL

As of 30 September 2026, the Company's share capital amounted to ﷼ 175,000,000 (31 December 2025: ﷼ 175,000,000), divided into 175,000,000 shares (31 December 2025: 175,000,000 shares).

12- STATUTORY RESERVE

During 2023, the Company amended its Articles of Association to comply with the new Saudi Companies Law issued by Royal Decree No. (M/132) dated 30 June 2022. Accordingly, the Company is no longer required to set aside a statutory reserve. Consequently, the balance of the statutory reserve formed in prior years is subject to a future decision by the shareholders, whether to retain it as a general reserve or to reverse it to retained earnings. No decision has been taken regarding the existing statutory reserve of ﷼ 1,941,909 as at 30 September 2026 (31 December 2025: ﷼ 1,941,909).

13- LONG-TERM LOAN

The movement in the term loan is as follows:

	30 September 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	**76,314,879**	41,300,715
Amount received during the period/year	**-**	31,342,622
Finance costs for the period/year	**3,201,957**	3,671,542
Balance at the end of the period/year	**79,516,836**	76,314,879
(Less): Deferred income from a government loan	**(17,593,474)**	(17,593,474)
	61,923,362	58,721,405

13-1 The long-term loan has been classified in the interim condensed statement of financial position as follows:

	30 September 2026	31 December 2025
	(Unaudited)	(Audited)
Non-current portion	**53,057,141**	58,721,405
Current portion	**8,866,221**	-
	61,923,362	58,721,405

13-2 During 2024, the Company entered into an agreement with the Agricultural Development Fund (the "Fund") to obtain a loan of ﷼ 74.59 million. Administrative fees and interest on the loan amounted to ﷼ 16.6 million. The loan is repayable in 10 equal annual instalments commencing on 11 August 2027 and ending on 11 August 2036, for the purpose of constructing a cold storage warehouse project. The loan carries interest at a rate of 1.85% per annum, whereas the yield rate on comparable commercial loans was 7.1%. During 2024, the Company received the first tranche of the loan amounting to ﷼ 40.76 million, and subsequently received ﷼ 31.34 million during 2025.

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

13-4 Since the loan was obtained at interest rates lower than the prevailing market rates for comparable commercial loans, the loan was discounted using market rates for comparable loans. The difference between the nominal value of the loan and its fair value was recognized within the cost of investment properties (Note 6).

14- RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of business, the Company enters into transactions with related parties. These related parties include the following:

14-1 Related party transactions mainly comprise the salaries and allowances of key management personnel, senior executives, members of the Board of Directors, and members of the Board committees.

Key management personnel are those individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Company, either directly or indirectly, including members of the Board of Directors (whether executive or non-executive).

	For the nine-month period ended 30 September 2026		For the nine-month period ended 30 September 2025	
	BOD members and committees	**Executive management**	BOD members and committees	Executive management
	(Unaudited)		(Unaudited)	
BOD members and committees' remuneration	**603,750**	**500,000**	603,750	200,000
BOD and committees' attendance allowance	**84,000**	**-**	82,500	-
Salaries and wages	**-**	**1,853,975**	-	1,722,042
Remuneration and commissions	**-**	**41,250**	-	37,500
End of service-Formed	**-**	**91,875**	-	87,799
	687,750	**2,487,100**	686,250	2,047,341

14-1-1 As at 30 September 2026, the balance due to the related parties mentioned above in respect of remuneration of the Board of Directors and Board committee members amounted to ﷼ 478,654 (31 December 2025: ﷼ 682,675).

14-2 Other related parties, which include entities having common board members with the Company's Board of Directors.

Name of related party	**Nature of Relations**	**Nature of Transacti**	**For the nine-month period ended 30 September 2026**	30 September 2025
			(Unaudited)	(Unaudited)
SAUDI CERAMIC COMPANY (A Saudi Joint Stock Company)	Related Party to the Chief Executive Officer	Sales	**9,709,970**	-
		Receipts	**(6,497,500)**	-

14-2-1 A member of the Board of Directors of Saudi Ceramic Company is also the Chief Executive Officer of the Company.

14-2-2 The related party balance is included in trade receivables in the interim condensed statement of financial position (Note 9).

15- DEFERRED RENTAL INCOME

The Company entered into a lease agreement with a third party (Note 6-2) for a period of 10 years commencing in September 2025, with a contractual value of ﷼ 249 million. The third party paid advance rent of ﷼ 21,750,000 and ﷼ 5,600,625, representing one year and three months of rent, respectively. Rental income relating to the nine-month period ended 30 September 2026 was recognized in the amount of ﷼ 18,700,453 (30 September 2025: ﷼ 2,077,828), and an amount of ﷼ 8,311,312 was recognized as income during 2025. The remaining balance of ﷼ 338,860 as at 30 September 2026 represents deferred rental income (31 December 2025: ﷼ 13,438,688).

16- TRADE PAYAPLE,ACCURED EXPENSE AND OTHER PAYAPLE

	30 September 2026	31 December 2025
	(Unaudited)	(Audited)
Trade payables	**17,012,173**	10,121,228
Accrued expenses	**5,189,423**	3,321,465
Value-added tax payable *	**2,165,477**	999,202
Work guarantee	**1,868,499**	1,868,499
Employees' accruals	**1,155,199**	1,440,571
Accrued commission	**760,271**	518,806
Others	**13,159**	10,805
	28,164,201	18,280,576

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

17- ZAKAT

17-1 Zakat provision	**30 September 2026**	31 December 2025
The movement in Zakat provision is as follows:	**(Unaudited)**	(Audited)
Balance at the beginning of the period/year	**2,154,408**	3,752,861
Provision made during the period/year	**1,509,500**	1,646,617
Paid during the period/year	**(2,144,221)**	(3,245,070)
Balance at the end of the period/year	**1,519,687**	2,154,408

17-2 Zakat position

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

A Zakat assessment was issued for the Company for the year 2025, and no adjustments or additional assessments were made by the Authority to the Zakat return submitted for the year 2025.

18- REVENUES

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

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

	For the three-month period ended		For the nine-month period ended	
Revenue from Sale of Products	**30 September 2026**	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Supply of Wood Products	**13,960,512**	4,748,704	**32,916,591**	24,807,903
Supply of Steel Products	**2,173,305**	724,503	**9,469,724**	1,010,793
Supply of Other Products*	**133,248**	280,875	**794,590**	2,907,800
Total Revenue from Sale of Products	**16,267,065**	5,754,082	**43,180,905**	28,726,496
Project Revenue				
Logistics Operations	**11,832,242**	9,769,873	**44,572,546**	23,895,321
Supply and Installation of Metal Shelving Units	**11,225,248**	18,384,162	**31,908,701**	46,958,852
Other Services**	**-**	18,234	**60,000**	84,376
Total Projects and Services Revenue	**23,057,490**	28,172,269	**76,541,247**	70,938,549
Total Revenue	**39,324,555**	33,926,351	**119,722,152**	99,665,045

18-2 Timing of Revenue Recognition	For the three-month period ended		For the nine-month period ended	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
At a Point in Time				
Supply of Wood Products	**13,960,512**	4,748,704	**32,916,591**	24,807,903
Supply of Steel Products	**2,173,305**	724,503	**9,469,724**	1,010,793
Supply of Other Products *	**133,248**	280,875	**794,590**	2,907,800
Total	**16,267,065**	5,754,082	**43,180,905**	28,726,496
Over Time				
Logistics Operations	**11,832,242**	9,769,873	**44,572,546**	23,895,321
Supply and Installation of Metal Shelving Units	**11,225,248**	18,384,162	**31,908,701**	46,958,852
Other Services **	**-**	18,234	**60,000**	84,376
Total	**23,057,490**	28,172,269	**76,541,247**	70,938,549
Total revenue	**39,324,555**	33,926,351	**119,722,152**	99,665,045

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

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

18-3 Geographic Markets	For the three-month period ended		For the nine-month period ended	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Within the Kingdom of Saudi Arabia	**36,385,304**	33,706,351	**115,045,031**	97,584,045
Outside the Kingdom of Saudi Arabia	**2,939,251**	220,000	**4,677,121**	2,081,000
	39,324,555	33,926,351	**119,722,152**	99,665,045

19- COST OF REVENUES

	Note	For the nine-month period ended	
		30 September 2026	30 September 2025
		(Unaudited)	(Unaudited)
Raw Materials and Manufactured Goods	19-1	**49,047,584**	48,740,854
Operating Expenses		**17,253,711**	8,990,369
Salaries, wages and related benefits		**6,364,675**	5,471,337
Depreciation of right-of-use assets	7-1	**5,904,735**	9,458,659
Depreciation of Investment Properties	6	**4,395,875**	405,376
Depreciation of Property, Plant and Equipment	5	**3,045,811**	2,438,045
		86,012,391	75,504,640

19-1 The cost of raw materials and finished goods includes a provision / (reversal) of the slow-moving inventory provision amounting to : ﷼ 455,114 as at 30 September 2026 (30 September 2025: ﷼ 589,069) (Note 8-1).

20- BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

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

	For the three-month period ended		For the nine-month period ended	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit / (loss) for the period from operating activities	3,449,716	2,801,208	12,829,527	(2,910,303)
Net income / (loss) for the period	1,319,708	2,339,996	6,761,721	(4,829,945)
Weighted average number of shares outstanding during the period	175,000,000	175,000,000	175,000,000	175,000,000
Basic and diluted earnings (loss) per share for the period from:				
Profit / (loss) for the period from operating activities	**0.020**	0.016	**0.073**	(0.017)
Net income / (loss) for the period	**0.008**	0.013	**0.039**	(0.028)

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

21- SEGMENT INFORMATION

For information reported to the Company's Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance, the focus is placed on the Company's business categories (products or services provided to customers). The Company's activities are organized into the following principal segments: Steel Segment, Wood Segment, Logistics Services Segment, and All Other Segments.

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

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

The Logistics Services Segment represents the provision of storage and transportation services to third parties, as well as the leasing of storage facilities. The Company enters into long-term contracts with its customers for these services.

The Other Segments represent the sale of plastic products, forklifts, and refrigeration systems, in addition to providing other services such as dismantling, reinstallation, epoxy coating works, and other related services.

Assets, liabilities, revenues, depreciation, amortization, and finance costs have been allocated among these segments, while the allocation of other items has not been practicable.

The financial information as of 30 September 2026 and 31 December 2025, and for the nine-month periods ended 30 September 2026 and 30 September 2025, summarized by segment, is presented as follows:

Interim Condensed Statement of Financial Position (Unaudited)
As at 30 September 2026 (Unaudited)

	Steel	**Wood**	**Logistics Services**	**Other Segments**	**Total**
Total Assets	105,934,699	39,441,154	144,021,481	3,276,915	**292,674,249**
Total Liabilities	37,733,364	26,250,884	54,599,483	2,726,429	**121,310,160**

As at 31 December 2025 (Audited) - (Restated)

	Steel	Wood	Logistics Services	Other Segments	Total
Total Assets	109,774,812	41,059,613	135,399,830	3,464,392	289,698,647
Total Liabilities	38,893,525	28,175,620	55,216,877	2,810,257	125,096,279

Interim Condensed Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2026

	Steel	**Wood**	**Logistics Services**	**Other Segments**	**Total**
Revenue	41,378,425	32,916,591	44,572,546	854,590	**119,722,152**
Depreciation and Amortization	(2,102,297)	(1,065,301)	(11,142,446)	(472)	**(14,310,516)**
Finance Costs	(120,257)	(92,329)	(4,210,686)	-	**(4,423,272)**
Gross Profit for the Period	13,282,299	2,994,848	17,206,837	225,777	**33,709,761**
Net Profit / (Loss) for the Period	339,072	(2,062,071)	8,879,552	(394,832)	**6,761,721**

For the nine-month period ended 30 September 2025 (Restated)

	Steel	Wood	Logistics Services	Other Segments	Total
Revenue	47,969,645	24,807,903	23,895,321	2,992,176	99,665,045
Depreciation and Amortization	(1,589,942)	(1,723,354)	(10,352,182)	(253)	(13,665,731)
Finance Costs	(56,968)	(83,419)	(1,299,165)	-	(1,439,552)
Gross Profit for the Period	19,297,367	(1,995,158)	7,512,116	299,343	25,113,668
Net Profit / (Loss) for the Period	6,543,896	(12,629,877)	1,737,133	(481,097)	(4,829,945)

21- SEGMENT INFORMATION (CONTINUED)

The accounting policies of the reportable segments are consistent with the Company's accounting policies described in the audited financial statements. Segment profit represents the profit earned by each segment after allocating central administration costs, including Board members' salaries, finance income, non-operating gains and losses relating to financial instruments, finance costs, and Zakat. This measure is the one reported to the Company's chief operating decision maker for the purpose of allocating resources and assessing segment performance.

For the purpose of monitoring segment performance and allocating resources among them, the Company's chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to the reportable segments without exception. Assets used jointly by the segments are allocated on the basis of the revenue earned by each of those segments.

21-1 Major customers

During the current period, revenue earned from two customers amounted to approximately ﷼ 41.86 million of total revenue, representing 35 % of total revenue (30 September 2025: revenue earned from three customers amounted to approximately ﷼ 35.51 million of total revenue, representing 35.7% of total revenue).

21-2 Customers by segment

Revenue from customers whose contribution exceeds 10% of the total segment revenue is as follows:

- Steel segment: revenue of approximately ﷼ 22.62 million, representing 54.70% of total segment revenue, from four customers (30 September 2025: ﷼ 15.58 million, representing 32.50%, from two customers).
- Wood segment: revenue of approximately ﷼ 13.18 million, representing 40% of total segment revenue, from three customers (30 September 2025: ﷼ 14.90 million, representing 60.1%, from two customers).
- Logistics services segment: revenue of approximately ﷼ 42.40 million, representing 95.10% of total segment revenue, from three customers (30 September 2025: ﷼ 19.10 million, representing 80.90%, from two customers).

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

21-3 Impairment of the Wood segment

As at 30 September 2026, the results of the Wood segment showed an improvement in operating performance compared to the comparative period; however, the segment continues to report a net loss. Management assessed whether there were any indicators of impairment of the assets related to the segment as at the reporting date, taking into consideration the segment's performance during the current period and the subsequent period, as well as the available future forecasts. Based on the information available up to that date, management did not identify any new indicators that would require performing an impairment test in this period. Management will update the recoverable amount assessment and consider impairment in more detail as part of the preparation of the annual financial statements for the year ended 31 December 2026, based on the actual results for the year and updated forecasts.

As at 31 December 2025, management identified indicators of impairment in one of the reportable segments of Sadr Logistics Services Company, namely the Wood segment. These indicators mainly resulted from the continued losses incurred by the segment during the current and prior periods. However, these losses alone are not considered an indicator of impairment when other factors are taken into account, since the factory is new and operations are still in their early stages. Accordingly, management performed an impairment test on the related property, plant and equipment.

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

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

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

21- SEGMENT INFORMATION (CONTINUED)

21-4 Sensitivity Analysis

A sensitivity analysis was performed on the long-term growth rates, whereby growth of 3% was adopted for 2026 and an average growth of 1.5% over the remaining years. Reasonably possible changes in these assumptions did not cause the carrying amount to exceed the recoverable amount.

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

The cash flow projections used in the impairment test are based on approved budgets and management's strategic forecasts, and therefore inherently involve a high degree of judgement and estimation. These projections rely on the assumption that the Company will achieve the expected revenue and operating performance during the forecast period, and any changes in these assumptions could materially affect the estimated recoverable amount.

22- FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

22-1 Financial Instruments by Category

Financial Assets	**30 September 2026**	31 December 2025
	(Unaudited)	(Audited)
Net Investment in a Finance Lease	**447,002**	1,325,081
Trade Receivables	**38,472,641**	32,721,480
Other Receivables	**511,892**	1,338,404
Cash and Cash Equivalents	**2,050,878**	8,295,713
Total Financial Assets	**41,482,413**	43,680,678
Financial Liabilities		
Long-term Loan	**61,923,362**	58,721,405
Lease Liabilities	**12,461,838**	19,556,947
Trade Payables, Accrued Expenses and Other Payables	**28,164,201**	18,280,576
Due to Related Parties	**478,654**	682,675
Total Financial Liabilities	**103,028,055**	97,241,603

The Company has no financial assets or financial liabilities measured at fair value. Furthermore, the fair values of the Company's financial assets and liabilities measured at amortized cost at the reporting date do not differ materially from their carrying amounts as at 30 September 2026 and 31 December 2025.

23- CAPITAL COMMITMENTS AND CONTINGENCIES

23-1 Capital Commitments

There is a capital commitment relating to intangible assets for the development of the Company's enterprise resource planning (ERP) system from local companies, estimated at ﷼ 693,111.

23-2 Contingencies

The Company issued letters of guarantee amounting to ﷼ 95,680 as at 30 September 2026, which are 100% cash-covered (31 December 2025: ﷼ 801,680), as disclosed in prepayments and other debit balances (Note 10).

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

24- INTERIM RESULTS

The results of operations for the interim condensed periods may not be considered an accurate indication of the results of operations for the full year.

25- RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES

During the current period, the Company has restated and reclassified the comparative figures as at 1 January 2025 and 31 December 2025 as follows:

- During the current period, management identified that operating lease income relating to the "Sadr Park" project operating had been recognized during the year ended 31 December 2025 based on the annual rental amount specified in the lease agreement, rather than being recognized on a straight-line basis over the lease term, as required by IFRS 16 – Leases. Accordingly and the company accounting policy , the Company corrected this accounting error during the period ended 30 September 2026 by recalculating the operating lease income on a straight-line basis over the lease term.

- In previous years, the Company depreciated certain leasehold improvements over a useful life of 20 years, while the Company's accounting policy requires such improvements to be depreciated over the shorter of the related lease terms or their expected useful lives, in accordance with the requirements of International Financial Reporting Standards (IFRS). Accordingly, the Company corrected this accounting error and restated the comparative figures in accordance with the Company's accounting policy.

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

25- RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES (CONTINUED)

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

Statement of Financial Position (Audited)	**1 January 2025 As previously reported**	**Impact of the adjustment**	**1 January 2025 After restatement**
Non-current Assets			
Property, plant and equipment	108,390,674	(284,909)	108,105,765
Equity			
Accumulated losses	8,543,611	284,909	8,828,520

Statement of Financial Position (Audited)	**31 December 2025 As previously reported**	**Impact of the adjustment**	**Reclassification**	**31 December 2025 After restatement**
Non-current Assets				
Property, plant and equipment	34,527,034	(259,105)	(1,202,365)	33,065,564
Investment properties	129,430,024	-	1,202,365	130,632,389
Equity				
Accumulated losses	11,922,690	(802,207)	-	11,120,483
LIABILITIES				
Deferred rental income	(14,500,000)	1,061,312	-	(13,438,688)

STATEMENT OF CHANGES IN EQUITY (Audited)	**31 December 2025**	**1 January 2025**
Balance before restatement	163,800,161	167,510,932
Impact of restatements on accumulated losses:		
Impact of revising the useful lives of certain assets	(259,105)	(284,909)
Impact of adjustment to operating lease revenue	1,061,312	-
Net impact on accumulated losses	802,207	(284,909)
Total impact on equity	**802,207**	**(284,909)**
Balance after restatement	**164,602,368**	**167,226,023**

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)	**For the nine-month period ended 30 September 2025 As previously reported**	**Impact of the adjustment**	**30 September 2025 after restatement**
Revenues	99,399,717	265,328	99,665,045
Cost of revenues	(75,512,954)	8,314	(75,504,640)
General and administrative expenses	(9,098,983)	11,039	(9,087,944)
Net loss for the period before Zakat	(4,179,487)	284,681	(3,894,806)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)			
Accumulated losses	(13,658,237)	(228)	(13,658,465)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

The restatement of comparative figures had no impact on this statement.

26- SIGNIFICANT EVENTS

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

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

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

27- SUBSEQUENT EVENTS

Subsequent to the reporting period, official announcements were issued regarding revisions to electricity and water tariffs in the Kingdom of Saudi Arabia, with the revised tariffs expected to become effective on 1 January 2027.

The Company is currently assessing the potential impact of these changes on its operating costs and future expenses. As of the date of authorization of these interim condensed financial statements, the Company has not yet completed its assessment and, accordingly, has not been able to determine the expected financial impact of these changes.

The Company will continue to assess the impact of the revised tariffs and reflect the relevant financial effects in its financial statements, as applicable, once the revised tariffs become effective.

Management believes that there were no significant subsequent events, other than those disclosed above, since the end of the period ended 30 September 2026 that would require adjustments to, or disclosure in, these interim condensed financial statements.

28- APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Company’s interim condensed financial statements were approved by the Board of Directors on 25 Jumada Al-Awwal 1448H (corresponding to 5 November 2026).