

**SAL SAUDI LOGISTICS  
SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2025  
with  
**INDEPENDENT AUDITOR'S REPORT**

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2025

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<b>Index</b>	<b>Pages</b>
Independent auditor's report on review of condensed interim financial statements	1
Condensed statement of financial position	2
Condensed statement of profit or loss and other comprehensive income	3
Condensed statement of changes in equity	4
Condensed statement of cash flows	5
Notes to the condensed interim financial statements	6 - 21



## KPMG Professional Services Company

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جدة 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

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

To the Shareholders of SAL Saudi Logistics Services Company (A Saudi Joint Stock Company)

## Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of SAL Saudi Logistics Services Company ("the Company") which comprises:

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

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

## Scope of review

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

## Conclusion

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

## KPMG Professional Services Company

Abdullah Oudah Althagafi  
License No. 455



Jeddah, 20 May 2024  
Corresponding to 22 Dhul Qadah 1446H

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، مسجلة في المملكة العربية السعودية، رأسمالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة التابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو 1010425494.

**SAL SAUDI LOGISTICS SERVICES COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

	<u>Notes</u>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
<b><u>ASSETS</u></b>			
Property and equipment	5	724,842	720,154
Right-of-use assets	6	532,020	522,503
Intangible assets		11,308	11,686
Trade receivables – net		42,298	--
<b>Non-current assets</b>		<b>1,310,468</b>	<b>1,254,343</b>
Long-term loan receivable – current portion	7	11,790	11,790
Trade receivables		472,472	480,352
Sublease		10,494	10,494
Prepayments and other receivables		118,969	113,414
Cash and cash equivalents		1,262,078	1,362,043
<b>Current assets</b>		<b>1,875,803</b>	<b>1,978,093</b>
<b>Total assets</b>		<b>3,186,271</b>	<b>3,232,436</b>
<b><u>EQUITY</u></b>			
Share capital		800,000	800,000
Statutory reserve		114,918	114,918
Retained earnings		547,832	501,141
Actuarial losses		(13,750)	(13,750)
<b>Total equity</b>		<b>1,449,000</b>	<b>1,402,309</b>
<b><u>LIABILITIES</u></b>			
Long-term loans – non-current portion	8	535,199	559,649
Employees' benefits obligations		103,355	100,101
Lease liabilities – non-current portion		695,474	683,700
<b>Non-current liabilities</b>		<b>1,334,028</b>	<b>1,343,450</b>
Long-term loan – current portion	8	64,500	57,000
Lease liabilities – current portion		53,933	34,377
Trade payables		47,456	127,395
Accrued expenses and other liabilities		192,216	229,862
Dividend payable		295	--
Accrued Zakat	12	44,843	38,043
<b>Current liabilities</b>		<b>403,243</b>	<b>486,677</b>
<b>Total liabilities</b>		<b>1,737,271</b>	<b>1,830,127</b>
<b>Total equity and liabilities</b>		<b>3,186,271</b>	<b>3,232,436</b>



Chief Financial Officer



Chief Executive Officer



Authorised Board Representative

The attached notes from 1 to 17 form an integral part of these condensed interim financial statements.

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the three-months period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

	<u>Notes</u>	<b>31 March 2025</b> (Unaudited)	31 March 2024
Revenue	11	384,057	452,526
Cost of sales		(169,907)	(191,543)
<b>Gross profit</b>		<b>214,150</b>	<b>260,983</b>
Other income		11,042	490
Selling and distribution expenses		(9,432)	(7,165)
General and administration expenses		(32,680)	(30,191)
Impairment (charge) / reversal on trade receivables		(18,099)	3,727
<b>Operating profit</b>		<b>164,981</b>	<b>227,844</b>
Finance income		11,259	14,669
Finance costs		(16,349)	(20,267)
<b>Net finance costs</b>		<b>(5,090)</b>	<b>(5,598)</b>
<b>Profit before Zakat</b>		<b>159,891</b>	<b>222,246</b>
Zakat	12	(6,800)	(13,800)
<b>Profit for the period</b>		<b>153,091</b>	<b>208,446</b>
<b><u>Other comprehensive income:</u></b>			
<b><i>Items that will not be reclassified to profit or loss:</i></b>			
Remeasurement gain / (loss) on defined benefit obligation		--	--
<b>Total comprehensive income for the period</b>		<b>153,091</b>	<b>208,446</b>
<b>Earnings per share:</b>			
Basic and diluted earnings per share from net profit for the period attributable to the shareholders (in Saudi Riyals)	14	1.91	2.61



Chief Financial Officer



Chief Executive Officer



Authorised Board Representative

The attached notes from 1 to 17 form an integral part of these condensed interim financial statements.

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

	<u>Notes</u>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Actuarial losses</u>	<u>Total</u>
As at 1 January 2024		800,000	114,918	333,306	(14,097)	1,234,127
Dividends	9	--	--	(120,800)	--	(120,800)
<b><u>Total comprehensive income for the period:</u></b>						
Profit for the period		--	--	208,446	--	208,446
Other comprehensive income for the period		--	--	--	--	--
Total comprehensive income for the period		--	--	208,446	--	208,446
<b>As at 31 March 2024 (Unaudited)</b>		<b>800,000</b>	<b>114,918</b>	<b>420,952</b>	<b>(14,097)</b>	<b>1,321,773</b>
As at 1 January 2025		800,000	114,918	501,141	(13,750)	1,402,309
Dividends	9	--	--	(106,400)	--	(106,400)
<b><u>Total comprehensive income for the period:</u></b>						
Profit for the period		--	--	153,091	--	153,091
Other comprehensive income for the period		--	--	--	--	--
Total comprehensive income for the period		--	--	153,091	--	153,091
<b>As at 31 March 2025 (Unaudited)</b>		<b>800,000</b>	<b>114,918</b>	<b>547,832</b>	<b>(13,750)</b>	<b>1,449,000</b>



Chief Financial Officer



Chief Executive Officer



Authorised Board Representative


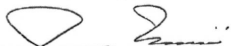
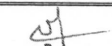
The attached notes from 1 to 17 form an integral part of these condensed interim financial statements

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CASH FLOWS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

	Notes	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
<b><u>OPERATING ACTIVITIES</u></b>			
Profit before Zakat		159,891	222,246
<i>Adjustments for:</i>			
Depreciation on property and equipment	5	12,550	16,431
Depreciation on right-of-use assets		8,322	14,430
Amortisation of intangible assets		763	875
Finance costs		16,349	20,267
Interest income		(11,259)	(14,669)
Provision for employees' benefits obligation		3,516	9,149
Impairment charge / (reversal) on trade receivables		18,099	(3,727)
<b>Operating cashflows before working capital changes</b>		<b>208,231</b>	<b>265,002</b>
<i>Changes in:</i>			
Trade receivables		(52,517)	(64,730)
Prepayments and other receivables		4,469	(23,381)
Trade payables		(79,939)	(3,300)
Accrued expenses and other liabilities		(37,646)	(18,451)
<b>Cash generated from operations</b>		<b>42,598</b>	<b>155,140</b>
Employees' benefit obligations paid		(262)	(6,551)
Interest received		1,235	14,669
Interest paid		(4,122)	(4,980)
<b>Net cash from operating activities</b>		<b>39,449</b>	<b>158,278</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Additions to property and equipment	5	(14,379)	(30,542)
Additions to intangible assets		(385)	(536)
Redemption of short term murabaha		--	500,000
<b>Net cash (used in) / generated from investing activities</b>		<b>(14,764)</b>	<b>468,922</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Repayment of long-term loan		(17,500)	(17,500)
Repayments of finance cost on lease liabilities		(210)	(14,960)
Principal repayment of lease liabilities		(835)	(11,981)
Dividends paid	9	(106,105)	(120,800)
<b>Net cash used in financing activities</b>		<b>(124,650)</b>	<b>(165,241)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>		<b>(99,965)</b>	<b>461,959</b>
Cash and cash equivalent at the beginning of the period		1,362,043	710,426
<b>Cash and cash equivalents at the end of the period</b>		<b>1,262,078</b>	<b>1,172,385</b>
			
Chief Financial Officer	Chief Executive Officer	Authorised Board Representative	

The attached notes from 1 to 17 form an integral part of these condensed interim financial statements.

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

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**1. REPORTING ENTITY**

SAL Saudi Logistics Services Company (the “Company” or “SAL”) is a Saudi Joint Stock Company registered in Kingdom of Saudi Arabia under Commercial Registration number 4030367493 dated 17 Safar 1441H corresponding to 16 October 2019. The Company was converted from a limited liability company to a closed joint stock company pursuant to resolution number 265 dated 11 Sha’ban 1442H (corresponding to 24 March 2021) issued by the Ministry of Commerce.

On 1 November 2023, the Company completed its Initial Public Offering (“IPO”) and its ordinary shares were listed on the Saudi Stock Exchange (“Tadawul”) accordingly the Company has been categorised as a Saudi Joint Stock Company.

The main objectives of the Company are to provide cargo ground handling services at airport terminals, freight brokerage services, warehouse management services, administrative services and storage services.

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

Prince Sultan Street,  
As Salamah District,  
P.O. Box 23525, Jeddah 2661,  
Kingdom of Saudi Arabia.

The accompanying condensed interim financial statements include the activities of the Company’s head office and its following branches:

<u>Location of the branch</u>	<u>CR number</u>	<u>Location of the branch</u>	<u>CR number</u>
Riyadh	1010607713	Dawadmi	1116627628
Dammam	2050130835	Hail	3350155544
Madinah	4650215858	Jizan	5900129855
Abha	5850132986	Najran	5950124524
Al Ahsa	2031111679	Rabigh	4602115044
Al Baha	5800109670	Rafha	3453106254
AlQaysoma	2512100942	Sharura	5951129034
Al-Quraiat	3452148133	Skaka	3400122047
ArAr	3450178231	Tabuk	3550140013
Al Ula	4651104016	Taif	4032252408
Al Wajh	3552102272	Turaif	3451102634
Beesha	5851877774	Wadi Al Dawasir	1185105013
Buraidah	1131315681	Yanbu	4700119152



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

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**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements of the Company for the period ended 31 March 2025 have been prepared in accordance with International Accounting Standards (IAS) - 34 "Interim Financial Reporting" as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim financial statements do not include all the information required for complete set of financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024 (last annual financial statements). Accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since last annual financial statements. In addition, results for the interim period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. Certain comparative figures have been reclassified to conform with the current year's presentation to these condensed interim financial statements.

**2.2 Basis of measurement**

These condensed interim financial statements are prepared under the historical cost convention, except for employees' end of service benefits liabilities, which have been measured at present value of defined benefit obligations using Projected Unit Credit Method.

**2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Saudi Arabian Riyals (SR), which is the functional and presentational currency of the Company and all values are rounded to the nearest thousand (SR '000), except when otherwise indicated.

**2.4 Significant accounting judgements, estimates and assumptions**

The preparation of these condensed interim financial statements requires management to make judgments, 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

**3. MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in these condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024. New IFRS pronouncements, effective 1 January 2025 (refer note 4) did not have any effect on the condensed interim financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**4. STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE**

**a) Standards, interpretations and amendments issued but not yet effective**

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's condensed interim financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective.

<b><u>Standard / Interpretation</u></b>	<b><u>Description</u></b>	<b><i>Effective from periods beginning on or after the following date</i></b>
IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without Public Accounting	1 January 2027
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

**b) Standards, interpretations and amendments that became effective during the period**

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2025, but they did not have a material effect on the Company's financial statements:

<b><u>Effective date</u></b>	<b><u>New Standards or amendments</u></b>
1 January 2025	Lack of exchangeability (amendments to IAS 21)

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**5. PROPERTY AND EQUIPMENT**

The movement of property and equipment during the period is as follows:

	<u>Leasehold improvements</u>	<u>Equipment</u>	<u>Furniture and fixtures</u>	<u>Computers</u>	<u>Capital work- in-progress (CWIP)</u>	<u>Total</u>
<b>Cost:</b>						
As at 1 January 2025	519,549	233,917	4,433	18,102	187,352	963,353
Additions during the period	180	4,134	54	185	12,685	17,238
<b>As at 31 March 2025</b>	<b>519,729</b>	<b>238,051</b>	<b>4,487</b>	<b>18,287</b>	<b>200,037</b>	<b>980,591</b>
<b>Accumulated depreciation:</b>						
As at 1 January 2025	(111,442)	(118,815)	(2,991)	(9,951)	--	(243,199)
Charge for the period	(6,817)	(5,117)	(159)	(457)	--	(12,550)
<b>As at 31 March 2025</b>	<b>(118,259)</b>	<b>(123,932)</b>	<b>(3,150)</b>	<b>(10,408)</b>	<b>--</b>	<b>(255,749)</b>
<b><u>Carrying amount:</u></b>						
<b>As at 31 March 2025 (Unaudited)</b>	<b>401,470</b>	<b>114,119</b>	<b>1,337</b>	<b>7,879</b>	<b>200,037</b>	<b>724,842</b>

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**5. PROPERTY AND EQUIPMENT (continued)**

The movement of property and equipment during the year is as follows:

	<u>Leasehold improvements</u>	<u>Equipment</u>	<u>Furniture and fixtures</u>	<u>Computers</u>	<u>Capital work- in-progress</u>	<u>Total</u>
Cost:						
As at 1 January 2024	518,252	225,692	3,875	11,301	133,087	892,207
Additions during the year	1,297	4,974	558	1,774	62,670	71,273
Transfers from CWIP	--	3,251	--	5,154	(8,405)	--
Disposals during the year	--	--	--	(127)	--	(127)
As at 31 December 2024	519,549	233,917	4,433	18,102	187,352	963,353
Accumulated depreciation:						
As at 1 January 2024	(81,539)	(92,027)	(2,328)	(6,852)	--	(182,746)
Charge for the year	(29,903)	(26,788)	(663)	(3,128)	--	(60,482)
Disposals during the year	--	--	--	29	--	29
As at 31 December 2024	(111,442)	(118,815)	(2,991)	(9,951)	--	(243,199)
Carrying amounts						
As at 31 December 2024 (Audited)	408,107	115,102	1,442	8,151	187,352	720,154

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**5. PROPERTY AND EQUIPMENT (continued)**

- 5.1 Capital work in progress (CWIP) mainly represents costs incurred incidental to projects in progress in respect of the Cargo Terminals. The projects are expected to be completed in 2025 and 2027.
- 5.2 During the three-month period ended 31 March 2025 finance charges amounting to SR 19.71 million (31 December 2024: SR 20.40 million) and depreciation on right-of-use assets amounting to SR 2.85 million (31 December 2024: SR 3.50 million) have been capitalized to CWIP.

**6. RIGHT-OF-USE ASSETS & LEASE LIABILITIES**

In applying IFRS-16 Leases, the Company elected to use the recognition exemptions for lease contracts that, at the inception date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

During the period ended 31 March 2025, the Company executed two new lease agreements for its Headquarters in Jeddah (ten-year term) and land in Medina (sixteen-year term). These agreements resulted in the recognition of Right-of-Use (ROU) assets and lease liabilities amounting to SR 27.4 million and SR 7.13 million, respectively.

**7. LONG-TERM LOAN RECEIVABLE – CURRENT PORTION**

The Company's long-term loan receivable, which is measured at amortized cost, is as follows:

	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Long-term loan receivable - current portion	<u>11,790</u>	<u>11,790</u>

Long-term loan receivable relates to the sale of permanent utilities on leasehold land relating to Jeddah new terminal facility on behalf of Jeddah Airports Company (lessor). As per the agreement, the amount was recoverable from the lease liability payment over a period of 3 years. The amount is not subject to any credit risk and settlement is expected within 12 months from the reporting date.

**8. LONG-TERM LOANS**

The Company's long-term loans, which is measured at amortized cost, are as follows:

	<b>31 March 2025 (Unaudited)</b>	31 December 2024 (Audited)
Long-term loans	<b>610,890</b>	628,390
Upfront fees paid	<u>(11,191)</u>	<u>(11,741)</u>
	<b>599,699</b>	616,649
Long-term loans – current portion	<u>(64,500)</u>	<u>(57,000)</u>
Long-term loans – non-current portion	<u><b>535,199</b></u>	<u>559,649</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

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**8. LONG-TERM LOANS (continued)**

- 8.1 The Company has an agreement with a commercial bank to obtain a loan facility of SR 500 million in order to finance the cargo terminal projects under construction. As at 31 March 2025, the Company had drawn SR 500 million (2024: SR 500 million) out of sanctioned amount. This loan carries markup at commercial rates (SIBOR plus an agreed margin) and is repayable in semi-annual instalments starting from 30 March 2024 up to 30 March 2030. The loan agreement includes certain covenants, which include, but are not limited to, dividend payments and maintenance of certain financial ratios. The Company expects to comply with the quarterly covenants within 12 months after the reporting date.
- 8.2 During 2023, the Company entered into an agreement with Saudi Industrial Development Fund (SIDF) to obtain a loan financing of SR 234.2 million to finance cargo terminal projects. As at 31 March 2025, the Company had been advanced SR 112.1 million (2024: SR 112.1 million) out of granted amount of SR 234.2 million (2024: SR 234.2 million). This loan carries markup at an agreed cost and is repayable in semi-annual instalments starting from 18 October 2024 up to 18 February 2030. The Company further obtained a loan financing of SR 195.8 million to finance cargo terminal project in the year 2024. As at 31 March 2025, the Company had been advanced SR 60.3 million (2024: SR 60.3 million) out of facility amount of SR 195.8 million. This loan carries markup at an agreed cost and is repayable in semi-annual instalments starting from 18 October 2024 up to 18 February 2030. The loan agreement also includes certain covenants which include but are not limited to current ratio and maintenance of certain financial ratios. The Company expects to comply with the quarterly covenants within 12 months after the reporting date.

**9. DIVIDEND**

During the period ended 31 March 2025 the Company's Board of Directors approved distribution of cash dividends amounting to SR 106.4 million (SR 1.33 per share) (31 March 2024: SR 120.8 million (SR 1.51 per share)).

**10. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties includes the Company's shareholders having control and significant influence and government entities including entities controlled, jointly controlled or significantly influenced by government entities including key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management. All outstanding balances with these related parties are priced on mutually agreed terms.

The Company's parent entity is Saudi Arabian Airline Corporation ("Saudia"). The Company's ultimate parent entity is the Government of Saudi Arabia. The Company operates in an economic regime whereby there are various entities that are directly or indirectly controlled by the Government of Kingdom of Saudi Arabia through its government authorities, agencies, affiliations and other organisations, collectively referred to as government related entities ('GRE'). The Company applies the exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government related parties.

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Significant related party transactions with major shareholder, their subsidiaries, entities with significant influence, government entities and other related parties for the period and balance arising therefrom are described as under:

**Nature of transaction**

	<b>31 March 2025 (Unaudited)</b>	<b>31 March 2024 (Unaudited)</b>
Cost charge	(13,979)	(19,248)
Revenue	137,684	171,908
Shared service recovery	245	324
Finance cost	(11,944)	(12,451)

	<b>Closing balance 31 March 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Trade receivables	<u>449,976</u>	<u>412,993</u>
Trade payables	<u>4,240</u>	<u>48,712</u>
Prepayments and other receivables	<u>1,831</u>	<u>--</u>
Accrued expenses and other liabilities	<u>9,328</u>	<u>6,796</u>
Lease liability	<u>650,433</u>	<u>656,539</u>
Term loan	<u>152,199</u>	<u>151,649</u>
Sublease	<u>10,494</u>	<u>10,494</u>

Compensation to Company's key management personnel includes salaries, non-cash benefits, and contributions to post-employment defined benefit plan. The following table illustrates details of remuneration and compensation paid to Board of Directors, Audit and Executive committees and Key Management Personnel:

	<b>31 March 2025 (Unaudited)</b>	<b>31 March 2024 (Unaudited)</b>
Short term employee benefits	11,843	15,239
Post retirement benefits	<u>380</u>	<u>627</u>
	<u>12,223</u>	<u>15,866</u>

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Board of Directors, Audit committee and Executive committee compensation charged during the three-month period ended 31 March 2025 amounted to SR 1.8 million (31 March 2024: SR 1.4 million).

Transactions in relation to cost charge for the period are as follows:

<u>Name of entity</u>	<u>Relationship</u>	<u>For the period ended</u>	
		<u>31 March 2025</u>	<u>31 March 2024</u>
Government	Government	(6,018)	(7,049)
Saudi Airlines Cargo Company	Entity under common control	(3,792)	(6,246)
Saudi Ground Services Company	Entity under common control	(3,534)	(5,704)
Saudi Airlines Air Transport Company	Entity under common control	(378)	(256)
Saudi Private Aviation	Entity under common control	(60)	7
Catrion Catering Holding Company	Entity under common control	(98)	--
Prince Sultan Aviation Academy	Entity under common control	(99)	--
		<u>(13,979)</u>	<u>(19,248)</u>

Transactions in relation to revenue for the period are as follows:

<u>Name of entity</u>	<u>Relationship</u>	<u>For the period ended</u>	
		<u>31 March 2025</u>	<u>31 March 2024</u>
Government	Government	57,687	85,910
Saudi Airlines Cargo Company	Entity under common control	49,102	64,262
Saudia Aerospace Engineering Industries Company	Entity under common control	21,228	19,740
Saudi Airlines Air Transport Company	Entity under common control	4,368	787
Saudi Private Aviation	Entity under common control	3,846	313
Flyadeal Company	Entity under common control	673	291
Saudia Royal Fleet	Entity under common control	780	605
		<u>137,684</u>	<u>171,908</u>



**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Transaction with related party in relation to shared service is as follows:

<u>Name of entity</u>	<u>Nature of transaction</u>	<b>31 March 2025</b>	31 March 2024
Government	Shared service recovery	<b>245</b>	324

Transaction with related party in relation to finance cost is as follows:

<u>Name of entity</u>	<u>Nature of transaction</u>	<b>31 March 2025</b>	31 March 2024
Government	Finance cost	<b>(11,944)</b>	(12,451)

Amounts due from related parties under trade receivables comprises of the following:

<u>Name of entity</u>	<u>Relationship</u>	<u>Closing balance</u>	
		<b>31 March 2025</b>	31 December 2024
Government	Government	<b>310,308</b>	279,256
Saudia Aerospace Engineering Industries Company	Entity under common control	<b>106,638</b>	95,500
Saudi Airlines Cargo Company	Entity under common control	<b>24,178</b>	23,881
Saudia Royal Fleet	Entity under common control	<b>991</b>	2,222
Saudi Airlines Air Transport Company	Entity under common control	<b>4,098</b>	10,039
Saudi Private Aviation	Entity under common control	<b>3,100</b>	1,266
Flyadeal Company	Entity under common control	<b>663</b>	829
		<b>449,976</b>	412,993

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Amounts due to related parties under trade payables comprises of the following:

<u>Name of entity</u>	<u>Relationship</u>	<u>Closing balance</u>	
		<u>31 March 2025</u>	<u>31 December 2024</u>
Government	Government	1,615	41,981
Saudi Ground Services Company	Entity under common control	1,301	5,134
Saudi Arabian Airlines Corporation	Parent	763	763
Saudi Airlines Air Transport Company	Entity under common control	559	--
Prince Sultan Aviation Academy	Entity under common control	--	384
Saudi Private Aviation	Entity under common control	--	323
Saudi Airlines Cargo Company	Entity under common control	2	127
		<u>4,240</u>	<u>48,712</u>

Amounts due to related parties under prepayments and other receivables comprises of the following:

<u>Name of entity</u>	<u>Relationship</u>	<u>Closing balance</u>	
		<u>31 March 2025</u>	<u>31 December 2024</u>
Saudi Airlines Cargo Company	Entity under common control	1,831	--

Amount due to related parties under accrued expenses and other liabilities comprises of the following:

<u>Name of entity</u>	<u>Relationship</u>	<u>Closing balance</u>	
		<u>31 March 2025</u>	<u>31 December 2024</u>
Saudi Ground Services Company	Entity under common control	4,344	3,515
Government	Government	4,887	1,339
Prince Sultan Aviation Academy	Entity under common control	--	652
Saudi Airlines Cargo Company	Entity under common control	10	602
Saudi Airlines Air Transport Company	Entity under common control	--	435
Saudi Private Aviation	Entity under common control	87	154
Saudi Arabian Airlines Corporation	Parent	--	80
Catiron Catering Holding Company	Entity under common control	--	19
		<u>9,328</u>	<u>6,796</u>

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**10. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Amounts due to a related party classified under lease liabilities comprises of the following:

<u>Name of entity</u>	<u>Closing balance</u>	
	<b>31 March 2025</b>	31 December 2024
Government	<b>650,433</b>	656,539

Amounts due to a related party classified under term loan comprises of the following:

<u>Name of entity</u>	<u>Closing balance</u>	
	<b>31 March 2025</b>	31 December 2024
Government	<b>152,199</b>	151,649

Amounts due to a related party classified under sublease comprises of the following:

<u>Name of entity</u>	<u>Closing balance</u>	
	<b>31 March 2025</b>	31 December 2024
Government	<b>10,494</b>	10,494

**11. REVENUE**

**11.1 Revenue streams**

Revenue for the period comprise of the following streams:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Airline handling revenue	<b>121,609</b>	157,308
Logistics revenue	<b>62,157</b>	86,711
Terminal handling revenue	<b>200,049</b>	208,408
Others	<b>242</b>	99
	<b>384,057</b>	452,526

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**11. REVENUE (continued)**

**11.2 Disaggregation of revenue from contracts with customers**

*i) Primary geographical markets*

The revenue from contracts with customers is derived from the primary geographical market that is the Kingdom of Saudi Arabia.

*ii) Major service lines*

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Handling	<b>321,900</b>	365,815
Logistics	<b>62,157</b>	86,711
	<b><u>384,057</u></b>	<u>452,526</u>

**12. ZAKAT**

**Status of assessments**

The Company has filed its annual Zakat declarations up to year ended 31 December 2024. ZATCA has reviewed the declarations filed and issued assessment dated 17 September 2024 for the year 2020 and 2021 determining additional zakat liability of SR 8.44 million and SR 19.82 million respectively. The Company Submitted its objection to ZATCA against this assessment for the year 2020 and 2021, and settled the non-objected amounts of SR 0.28 million, and 4.07 million respectively. The Company's objections were later rejected by ZATCA, and the Company raised its objections to General Secretariate of Zakat, Tax and Customs Committees ("GSTC") pending review. Additionally, the Company's filed declaration for the year 2022 is currently under review by ZATCA, and as of 31 March 2025, there are no updates relating to this declaration.

ZATCA issued its assessment for the year ended 31 December 2023 claiming additional zakat of SR 0.79 million and the Company settled the amount due and finalize the Zakat status with ZATCA for the said year.

**13. COMMITMENTS AND CONTINGENCIES**

In addition to contingencies disclosed in note 12, below are the commitments and contingencies of the Company.

At 31 March 2025, the Company has outstanding commitments for capital expenditures amounting to SR 95.50 million (31 December 2024: SR 91.05 million).

At 31 March 2025, the Company's bankers have issued letters of guarantee amounting to SR 31.06 million (31 December 2024: SR 29.63 million).

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**14. BASIC AND DILUTIVE EARNINGS PER SHARE**

Basic earnings per share (EPS) is calculated by dividing profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue outstanding during the period.

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Profit for the period attributable to shareholders of the Company (SR '000')	<u><b>153,091</b></u>	<u>208,446</u>
The weighted average number of ordinary shares for the purposes of basic and diluted earnings ('000')	<u><b>80,000</b></u>	<u>80,000</u>
Basic and diluted earnings per share based on profit for the period attributable to shareholders of the Company (SR)	<u><b>1.91</b></u>	<u>2.61</u>

The diluted EPS is same as the basic EPS as the Company does not have any dilutive instruments in issue.

**15. SEGMENT INFORMATION**

The reportable segments have been identified as follows and derive their revenue from the following operations:

- Handling: Cargo handling services to air cargo carriers operating at the Kingdom's airports and consignees for warehouse handling and storage thereof.
- Logistics: End to end logistic solutions services, customs clearance, inventory management and provision of warehouse management solutions.

The executive committee assesses the performance of the operating segments based on profit before tax.

**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**15. SEGMENT INFORMATION (continued)**

**A. Information about reportable segments**

*i) Reconciliation of revenue and profits:*

	<u>Handling</u>		<u>Logistics</u>		<u>Total</u>	
	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
<b>External revenue</b>	<b>321,900</b>	365,815	<b>62,157</b>	86,711	<b>384,057</b>	452,526
Segment revenue	<b>323,768</b>	369,596	<b>62,157</b>	86,714	<b>385,925</b>	456,310
Inter-segment revenue	<b>(1,868)</b>	(3,781)	<b>--</b>	(3)	<b>(1,868)</b>	(3,784)
Operating and administration costs	<b>(133,063)</b>	(120,238)	<b>(75,420)</b>	(73,198)	<b>(208,483)</b>	(193,436)
Other income	<b>12,000</b>	490	<b>(958)</b>	--	<b>11,042</b>	490
<b>EBITDA</b>	<b>200,837</b>	246,067	<b>(14,221)</b>	13,513	<b>186,616</b>	259,580
Depreciation and amortization	<b>(20,311)</b>	(30,000)	<b>(1,324)</b>	(1,736)	<b>(21,635)</b>	(31,736)
<b>Operating profit</b>	<b>180,526</b>	216,067	<b>(15,545)</b>	11,777	<b>164,981</b>	227,844
Finance income	<b>11,259</b>	14,669	<b>--</b>	--	<b>11,259</b>	14,669
Finance costs	<b>(16,146)</b>	(19,694)	<b>(203)</b>	(573)	<b>(16,349)</b>	(20,267)
<b>Profit before Zakat</b>	<b>175,639</b>	211,042	<b>(15,748)</b>	11,204	<b>159,891</b>	222,246

*ii) Reconciliation of assets and liabilities:*

	<u>Handling</u>		<u>Logistics</u>		<u>Total</u>	
	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<b>Total assets</b>	<b>2,972,990</b>	3,066,468	<b>213,281</b>	165,968	<b>3,186,271</b>	3,232,436
<b>Total liabilities</b>	<b>1,537,456</b>	1,696,083	<b>199,815</b>	134,044	<b>1,737,271</b>	1,830,127

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month period ended 31 March 2025

(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

**15. SEGMENT INFORMATION (continued)**

**B. Reconciliations of information on reportable segments to IFRS measures**

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Total revenue for reportable segments	<b>385,925</b>	456,310
Elimination of intersegment revenue	<b>(1,868)</b>	(3,784)
Total revenue	<b><u>384,057</u></b>	<u>452,526</u>

All assets, liabilities and total profits relates to reportable segments and there are no intersegment assets, liabilities and profits.

**C. Geographical information**

The revenue from contracts with customers is derived from the primary geographical market that is the Kingdom of Saudi Arabia.

**D. Major customer**

Revenue from one customer of the Company's Air cargo handling segment represented approximately 13% (31 March 2024: 14%) of the Company's total revenue for the period ended 31 March 2025.

**16. SUBSEQUENT EVENTS**

On 13 May 2025, the Board of Directors of the Company recommended distributing dividend of SR 114.4 million (SR 1.43 per share) for the three-month period ended 31 March 2025, subject to approval by the General Assembly.

There have been no other significant events since the period ended 31 March 2025, that would require disclosures or adjustments in these condensed interim financial statements.

**17. APPROVAL OF THE FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by the Board of Directors of the Company on 13 May 2025, corresponding to 15 Dhul Qadah 1446H.