

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three-month and six-month periods ended 30 June 2024  
with  
**INDEPENDENT AUDITOR'S REPORT**

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three-month and six-month periods ended 30 June 2024

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## KPMG Professional Services

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

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص.ب 55078  
جده 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 30 June 2024 condensed interim financial statements of SAL Saudi Logistics Services Company ("the Company") which comprises:

- the condensed statement of financial position as at 30 June 2024;
- the condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed statement of cash flows for the six-month period ended 30 June 2024; 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 30 June 2024 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

Abdullah Oudah Althagafi  
License No: 455



Jeddah, 11 August 2024  
Corresponding to 7 Safar 1446H

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") 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. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مسجلة بصفة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للفرزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة ولتابعة لـ كي بي إم جي العلمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.

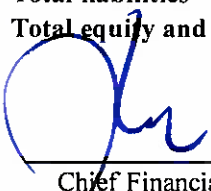
**SAL SAUDI LOGISTICS SERVICES COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2024

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

	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>			
Property and equipment	5	720,519	709,461
Right-of-use assets	6	504,631	885,642
Intangible assets		12,494	14,256
Long-term loan receivable	7	11,790	11,790
<b>Non-current assets</b>		<u>1,249,434</u>	<u>1,621,149</u>
Current portion of long-term loan receivable	7	11,790	11,790
Trade receivables		534,206	390,533
Prepayments and other receivables		106,897	51,075
Short term murabaha deposits	8	500,000	500,000
Cash and cash equivalents		694,658	710,426
<b>Current assets</b>		<u>1,847,551</u>	<u>1,663,824</u>
<b>Total assets</b>		<u>3,096,985</u>	<u>3,284,973</u>
<b>EQUITY</b>			
Share capital		800,000	800,000
Statutory reserve		114,918	114,918
Retained earnings		435,604	333,306
Actuarial loss		(14,097)	(14,097)
<b>Total equity</b>		<u>1,336,425</u>	<u>1,234,127</u>
<b>LIABILITIES</b>			
Long-term loan – non-current portion	9	602,624	567,116
Employees' end of service benefits		93,945	87,176
Lease liabilities – non-current portion		651,336	1,011,134
<b>Non-current liabilities</b>		<u>1,347,905</u>	<u>1,665,426</u>
Long-term loan – current portion	9	39,424	36,240
Lease liabilities – current portion		73,200	68,961
Trade payables		49,917	44,735
Accruals and other liabilities		223,966	194,637
Dividend payable		311	--
Zakat provision	13	25,837	40,847
<b>Current liabilities</b>		<u>412,655</u>	<u>385,420</u>
<b>Total liabilities</b>		<u>1,760,560</u>	<u>2,050,846</u>
<b>Total equity and liabilities</b>		<u>3,096,985</u>	<u>3,284,973</u>

  
Chief Financial Officer

  
Chief Executive Officer

  
Authorised Board Representative

The attached notes from 1 to 18 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-month and six-month periods ended 30 June 2024  
(Expressed in thousand Saudi Arabian Riyals, unless stated otherwise)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024	2023	2024	2023
		(Unaudited)		(Unaudited)	
Revenue	12	405,484	339,355	858,010	679,327
Cost of revenue		(183,058)	(156,037)	(374,601)	(316,052)
<b>Gross profit</b>		<b>222,426</b>	<b>183,318</b>	<b>483,409</b>	<b>363,275</b>
Other income		376	1,470	866	2,702
Selling and distribution expenses		(14,735)	(6,172)	(21,900)	(14,676)
General and administration expenses		(53,038)	(41,328)	(83,229)	(88,239)
Impairment reversal / (charge) on trade receivables		12,515	(9,815)	16,242	(11,356)
<b>Operating profit</b>		<b>167,544</b>	<b>127,473</b>	<b>395,388</b>	<b>251,706</b>
Finance income		14,326	12,898	28,995	23,519
Finance costs		(19,383)	(21,749)	(39,650)	(42,308)
<b>Profit before Zakat</b>		<b>162,487</b>	<b>118,622</b>	<b>384,733</b>	<b>232,917</b>
Zakat	13	(7,035)	(9,800)	(20,835)	(19,750)
<b>Profit for the period</b>		<b>155,452</b>	<b>108,822</b>	<b>363,898</b>	<b>213,167</b>
<b>Other comprehensive income:</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement gain / (loss) on defined benefit obligation		--	--	--	--
<b>Total comprehensive income for the period</b>		<b>155,452</b>	<b>108,822</b>	<b>363,898</b>	<b>213,167</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per share from profit for the period attributable to the shareholders (in SR)	15	<u>1.94</u>	<u>1.36</u>	<u>4.55</u>	<u>2.66</u>

  
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Chief Executive Officer

  
Authorised Board Representative

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

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2024

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

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Actuarial losses</u>	<u>Total</u>
As at 1 January 2023	800,000	63,947	226,561	(17,381)	1,073,127
Dividend (note 10)	--	--	(200,000)	--	(200,000)
<b><u>Total comprehensive income for the period:</u></b>					
Profit for the period	--	--	213,167	--	213,167
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	213,167	--	213,167
<b>As at 30 June 2023 (Unaudited)</b>	<b>800,000</b>	<b>63,947</b>	<b>239,728</b>	<b>(17,381)</b>	<b>1,086,294</b>
<b>As at 1 January 2024</b>	<b>800,000</b>	<b>114,918</b>	<b>333,306</b>	<b>(14,097)</b>	<b>1,234,127</b>
Dividend (note 10)	--	--	(261,600)	--	(261,600)
<b><u>Total comprehensive income for the period:</u></b>					
Profit for the period	--	--	363,898	--	363,898
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	363,898	--	363,898
<b>As at 30 June 2024 (Unaudited)</b>	<b>800,000</b>	<b>114,918</b>	<b>435,604</b>	<b>(14,097)</b>	<b>1,336,425</b>

  
Chief Financial Officer

  
Chief Executive Officer

  
Authorised Board Representative

The attached notes from 1 to 18 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 six-month period ended 30 June 2024

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

	Notes	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b><u>OPERATING ACTIVITIES</u></b>			
Profit before Zakat		384,733	232,917
<i>Adjustments for:</i>			
Depreciation on property and equipment	5	32,051	32,053
Depreciation on right-of-use assets		25,107	33,807
Amortisation of intangible assets		1,749	1,482
Lease terminations		--	(113)
Finance costs		39,650	42,308
Finance income		(28,995)	(23,519)
Provision for employees' end of service benefits		14,720	5,042
Impairment (reversal)/charge on trade receivables		(16,242)	11,356
		<u>452,773</u>	<u>335,333</u>
<i>Changes in:</i>			
Trade receivables		(127,431)	(36,865)
Prepayments and other receivables		(55,822)	45,133
Construction work in progress		--	(10,690)
Trade payables		5,182	(32,537)
Accrued and other liabilities		29,329	42,620
Cash generated from operations		<u>304,031</u>	<u>342,994</u>
Employees' benefit paid		(7,951)	(2,030)
Zakat paid during the period		(35,845)	(7,434)
Finance costs paid		(12,041)	(7,595)
Net cash from operating activities		<u>248,194</u>	<u>325,935</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Additions to property and equipment	5	(42,524)	(32,531)
Additions to intangible assets		(572)	(1,466)
Redemption of / (investment in) short term murabaha deposits		--	(205,000)
Finance income received		28,995	23,519
Net cash used in investing activities		<u>(14,101)</u>	<u>(215,478)</u>
<b><u>FINANCING ACTIVITIES</u></b>			
Repayment of long-term loan		(17,500)	--
Proceeds from long-term loan		56,192	--
Interest paid on lease liability		(60)	(203)
Payment of lease liability		(27,204)	(7,601)
Dividend paid	10	(261,289)	(200,000)
Net cash used in financing activities		<u>(249,861)</u>	<u>(207,804)</u>
<b>Net change in cash and cash equivalents during the period</b>		<b>(15,768)</b>	<b>(97,347)</b>
Cash and cash equivalent at the beginning of the period		<u>710,426</u>	<u>940,069</u>
<b>Cash equivalents at the end of the period</b>		<b><u>694,658</u></b>	<b><u>842,722</u></b>
_____ Chief Financial Officer	_____ Chief Executive Officer	_____ Authorised Board Representative	

The attached notes from 1 to 18 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 six-month period ended 30 June 2024

(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 six-month period ended 30 June 2024

(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 30 June 2024 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 as per International Financial Reporting Standards (IFRS) and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023 (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 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**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 unit credit method of actuarial valuation.

**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 2023. New IFRS pronouncements, effective 1 January 2024 (refer note 4) did not have any effect on the condensed interim financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2024

(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 financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IAS 21	Lack of exchangeability (amendments to IAS 21)	1 January 2025
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 16	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 2024, but they did not have a material effect on the Company's financial statements:

<u>Effective date</u>	<u>New Standards or amendments</u>
1 January 2024	Classification of liabilities as current or non-current (amendments to IAS 1)
1 January 2024	Non-current Liabilities with Covenants (amendments to IAS 1)
1 January 2024	Lease Liability in a Sale and Leaseback – (amendments to IFRS 16)
1 January 2024	Supplier finance arrangements (amendments to IAS 7 and IFRS 7)

Following are the new IFRS sustainability disclosure standards effective for annual periods beginning on or after 1 January 2024 subject to endorsement of the standards by SOCPA.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS S1	General requirements for disclosure of sustainability-related financial information	1 January 2024
IFRS S2	Climate-related disclosures	1 January 2024

**SAL SAUDI LOGISTICS SERVICES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2024

(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 2024	518,252	225,692	3,875	11,301	133,087	892,207
Additions during the period	74	1,933	33	1,048	39,436	42,524
Transfers from CWIP	--	3,251	--	5,154	(8,405)	--
Transfers from intangible assets	--	--	--	585	--	585
<b>As at 30 June 2024</b>	<b>518,326</b>	<b>230,876</b>	<b>3,908</b>	<b>18,088</b>	<b>164,118</b>	<b>935,316</b>
<b>Accumulated depreciation:</b>						
As at 1 January 2024	(81,539)	(92,027)	(2,328)	(6,852)	--	(182,746)
Charge for the period	(15,562)	(14,531)	(321)	(1,637)	--	(32,051)
<b>As at 30 June 2024</b>	<b>(97,101)</b>	<b>(106,558)</b>	<b>(2,649)</b>	<b>(8,489)</b>	<b>--</b>	<b>(214,797)</b>
<b>Carrying amount:</b>						
<b>As at 30 June 2024 (Unaudited)</b>	<b>421,225</b>	<b>124,318</b>	<b>1,259</b>	<b>9,599</b>	<b>164,118</b>	<b>720,519</b>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2024

(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 (CWIP)</u>	<u>Total</u>
<b>Cost:</b>						
As at 1 January 2023	508,847	221,335	4,050	11,665	82,426	828,323
Additions during the year	12,687	4,736	78	809	51,336	69,646
Transfers from CWIP	624	--	--	19	(643)	--
Transfers from intangible assets	--	--	--	211	--	211
Write-offs during the year	(2,342)	(243)	(239)	(1,403)	(32)	(4,259)
Disposals during the year	(1,564)	(136)	(14)	--	--	(1,714)
<b>As at 31 December 2023</b>	<b>518,252</b>	<b>225,692</b>	<b>3,875</b>	<b>11,301</b>	<b>133,087</b>	<b>892,207</b>
<b>Accumulated depreciation:</b>						
As at 1 January 2023	(52,252)	(62,782)	(1,842)	(6,081)	--	(122,957)
Charge for the year	(32,519)	(29,509)	(739)	(2,174)	--	(64,941)
Write-offs during the year	1,670	185	239	1,403	--	3,497
Disposals during the year	1,562	79	14	--	--	1,655
<b>As at 31 December 2023</b>	<b>(81,539)</b>	<b>(92,027)</b>	<b>(2,328)</b>	<b>(6,852)</b>	<b>--</b>	<b>(182,746)</b>
<b><u>Carrying amount:</u></b>						
<b>As at 31 December 2023 (Audited)</b>	<b>436,713</b>	<b>133,665</b>	<b>1,547</b>	<b>4,449</b>	<b>133,087</b>	<b>709,461</b>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2024

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

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

- 5.1 Capital work in progress mainly represents costs incurred incidental to projects in progress in respect of the Cargo Terminals. The projects are expected to be completed in 2026 and 2027.
- 5.2 During the six-month period ended 30 June 2024 finance charges amounting to SR 10.85 million (31 December 2023: SR 19.59 million) have been capitalized to Capital work in progress (CWIP).

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

In applying IFRS-16, 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).

The lease modification during the period relates to reduction in lease rentals and finalizing a 20 year term for the Riyadh terminal lease which resulted in decrease in carrying value of lease liabilities and right of use assets. The company has committed to upgrading the Riyadh terminal over a 20 year period.

**7. LONG-TERM LOAN RECEIVABLE**

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

	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
Non-current portion of long-term loan receivable	<b>11,790</b>	11,790
Current portion of long-term loan receivable	<b>11,790</b>	11,790
	<b><u>23,580</u></b>	<u>23,580</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 is recoverable from the lease liability payment over a period of 3 years. The amount is not subject to any credit risk.

**8. SHORT TERM MURABAHA DEPOSITS**

Short term murabaha deposits comprise of the following:

	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
Short term murabaha deposits	<b><u>500,000</u></b>	<u>500,000</u>

- 8.1 At 30 June 2024, short term murabaha deposits represent deposits with local banks that have an original maturity of more than three months from the investment date.

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**8. SHORT TERM MURABAHA DEPOSITS (continued)**

8.2 These deposits earn commission at an average rate of 6.15% per annum as at 30 June 2024 (31 December 2023: 6.29% per annum).

**9. LONG-TERM LOAN**

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

	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
Long-term loan	<b>654,890</b>	612,105
Upfront fees paid	<b>(12,842)</b>	(8,749)
	<b>642,048</b>	603,356
Long-term loan – current portion	<b>(39,424)</b>	(36,240)
Long-term loan – non-current portion	<b>602,624</b>	567,116

9.1 During 2021, the Company entered into an agreement with a commercial bank to obtain a loan facility of SR 600 million in order to finance the cargo terminal projects under construction. As at 30 June 2024, the Company had drawn SR 500 million (31 December 2023: SR 500 million) out of sanctioned amount of SR 600 million. 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.

9.2 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 one of the two cargo terminal projects. As at 30 June 2024, the Company had been advanced SR 112.1 million (31 December 2023: SR 112.1 million) out of sanctioned amount of SR 234.2 million. This loan carries markup at an agreed rate and is repayable in semi-annual instalments starting from 18 October 2024 up to 28 February 2030. The Company further obtained a loan financing of SR 195.8 million to finance 2<sup>nd</sup> cargo terminal project. As at 30 June 2024, the Company had been advanced SR 60.3 million (31 December 2023: SR Nil) out of sanctioned amount of SR 195.8 million. This loan carries markup at an agreed rate and is repayable in semi-annual instalments starting from 03 July 2024 up to 18 February 2030.

**10. DIVIDEND**

During the period ended 30 June 2024 the Company's Board of Directors approved distribution of cash dividend amounting to SR 261.6 million (SR 3.27 per share) (30 June 2023: SR 200 million (SR 2.50 per share)).

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**11. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties include the Company's shareholders, government entities, key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. 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 applies exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government related parties.

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:

<u>Nature of transaction</u>	<u>For the three-month period ended</u>		<u>For the six-month period ended</u>	
	<u>30 June 2024</u> (Unaudited)	<u>30 June 2023</u> (Unaudited)	<u>30 June 2024</u> (Unaudited)	<u>30 June 2023</u> (Unaudited)
Cost charge	<b>(15,127)</b>	(11,352)	<b>(28,671)</b>	(23,381)
Revenue	<b>113,096</b>	82,205	<b>285,004</b>	165,472
Shared service recovery	<b>324</b>	1,373	<b>648</b>	2,605
Finance cost	<b>(14,167)</b>	(17,195)	<b>(26,618)</b>	(34,310)
			<u>Closing balance</u>	
			<u>30 June 2024</u> (Unaudited)	<u>31 December 2023</u> (Audited)
Trade receivables			<b>389,946</b>	266,330
Prepayments and other receivables			<b>--</b>	35,111
Trade payables			<b>8,125</b>	6,502
Accruals and other liabilities			<b>30,630</b>	7,044
Lease liability			<b>647,962</b>	1,073,461

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:

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

	<b>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
Short term employee benefits	20,141	16,232
Post retirement benefits	922	256
	<b>21,063</b>	<b>16,488</b>

Board of Directors, audit and executive committees' compensation charged during the six-month period ended 30 June 2024 amounted to SR 2.8 million (period ended 30 June 2023: SR 2.3 million).

**12. REVENUE**

**12.1 Revenue streams**

Revenue for the period comprise of the following streams:

	<b>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
Airline handling revenue	289,004	277,952
Logistic solutions revenue	158,231	84,002
Terminal handling revenue	410,052	316,678
Fulfillment revenue	298	--
Other	425	695
	<b>858,010</b>	<b>679,327</b>

**12.2 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>30 June 2024 (Unaudited)</b>	30 June 2023 (Unaudited)
Air cargo handling	699,481	595,325
Logistic solutions	158,231	84,002
Fulfillment	298	--
	<b>858,010</b>	<b>679,327</b>

*iii) Timing of recognition of revenue*

All revenues of the Company are recognized at point of time when the service is provided.



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**13. ZAKAT**

**Status of assessments**

The Company has filed its annual Zakat declarations up to year ended 31 December 2023. The Zakat Customs and Tax Authority ("Authority" or "ZATCA") is currently reviewing the declarations filed.

**14. COMMITMENTS AND CONTINGENCIES**

At 30 June 2024, the Company has outstanding commitments for capital expenditures amounting to SR 17.82 million (31 December 2023: SR 23.6 million).

At 30 June 2024, the Company's bankers have issued letters of guarantee amounting to SR 34.7 million (31 December 2023: SR 32.2 million).

At 30 June 2024, there were no outstanding contingencies (31 December 2023: Nil).

**15. 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>30 June 2024 (Unaudited)</b>	<b>30 June 2023 (Unaudited)</b>
Profit for the period attributable to shareholders of the Company (SR '000')	<u><u>363,898</u></u>	<u><u>213,167</u></u>
The weighted average number of ordinary shares for the purposes of basic and diluted earnings ('000')	<u><u>80,000</u></u>	<u><u>80,000</u></u>
Basic and diluted earnings per share based on profit for the period attributable to shareholders of the Company (SR)	<u><u>4.55</u></u>	<u><u>2.66</u></u>

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

**16. SEGMENT INFORMATION**

The executive committee, which has been identified as the Chief Operating Decision Maker (CODM) considers the business according to business type, being air cargo handling, logistic solutions and fulfillment segments. The inter-company revenue has been eliminated within the segment as the transactions are between divisions of the Company.

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

- Air cargo handling: The provision of cargo handling services to air cargo carriers operating at the Kingdom's airports.
- Logistic solutions: The provision of end-to-end logistic solutions services, customs clearance, warehousing and inventory management.
- Fulfillment: The provision of warehouse management solutions.

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

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#### 16. SEGMENT INFORMATION (continued)

##### A. Information about reportable segments

###### i) Reconciliation of revenue and profits:

	<u>Air cargo handling</u>		<u>Logistic solutions</u>		<u>Fulfillment</u>		<u>Total</u>	
	<u>30 June</u> <u>2024</u> (Unaudited)	<u>30 June</u> <u>2023</u> (Unaudited)	<u>30 June</u> <u>2024</u> (Unaudited)	<u>30 June</u> <u>2023</u> (Unaudited)	<u>30 June</u> <u>2024</u> (Unaudited)	<u>30 June</u> <u>2023</u> (Unaudited)	<u>30 June</u> <u>2024</u> (Unaudited)	<u>30 June</u> <u>2023</u> (Unaudited)
<b>External revenue</b>	<b>699,481</b>	595,325	<b>158,231</b>	84,002	<b>298</b>	--	<b>858,010</b>	679,327
Segment revenue	<b>704,780</b>	597,957	<b>158,231</b>	84,002	<b>303</b>	--	<b>863,314</b>	681,959
Inter-segment revenue	<b>(5,299)</b>	(2,632)	--	--	<b>(5)</b>	--	<b>(5,304)</b>	(2,632)
Operating and administration costs	<b>(277,553)</b>	(283,969)	<b>(122,861)</b>	(79,012)	<b>(4,167)</b>	--	<b>(404,581)</b>	(362,981)
Other income	<b>6,435</b>	3,683	<b>(4,569)</b>	(981)	<b>(1,000)</b>	--	<b>866</b>	2,702
<b>EBITDA</b>	<b>428,363</b>	315,039	<b>30,801</b>	4,009	<b>(4,869)</b>	--	<b>454,295</b>	319,048
Depreciation and amortization	<b>(55,436)</b>	(66,535)	<b>(1,451)</b>	(807)	<b>(2,020)</b>	--	<b>(58,907)</b>	(67,342)
<b>Operating profit</b>	<b>372,927</b>	248,504	<b>29,350</b>	3,202	<b>(6,889)</b>	--	<b>395,388</b>	251,706
Finance income	<b>28,995</b>	23,519	--	--	--	--	<b>28,995</b>	23,519
Finance costs	<b>(38,678)</b>	(42,149)	<b>(388)</b>	(159)	<b>(584)</b>	--	<b>(39,650)</b>	(42,308)
<b>Profit before zakat</b>	<b>363,244</b>	229,874	<b>28,962</b>	3,043	<b>(7,473)</b>	--	<b>384,733</b>	232,917

###### ii) Reconciliation of assets and liabilities:

	<u>Air cargo handling</u>		<u>Logistic solutions</u>		<u>Fulfillment</u>		<u>Total</u>	
	<u>30 June</u> <u>2024</u> (Unaudited)	<u>31 December</u> <u>2023</u> (Audited)	<u>30 June</u> <u>2024</u> (Unaudited)	<u>31 December</u> <u>2023</u> (Audited)	<u>30 June</u> <u>2024</u> (Unaudited)	<u>31 December</u> <u>2023</u> (Audited)	<u>30 June</u> <u>2024</u> (Unaudited)	<u>31 December</u> <u>2023</u> (Audited)
<b>Total assets</b>	<b>2,981,461</b>	3,016,009	<b>107,961</b>	265,286	<b>7,563</b>	3,678	<b>3,096,985</b>	3,284,973
<b>Total liabilities</b>	<b>1,667,135</b>	1,989,179	<b>78,080</b>	42,560	<b>15,345</b>	19,107	<b>1,760,560</b>	2,050,846

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**16. SEGMENT INFORMATION (continued)**

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

	<b>30 June <u>2024</u> (Unaudited)</b>	30 June <u>2023</u> (Unaudited)
Total revenue for reportable segments	<b>863,314</b>	681,959
Elimination of intersegment revenue	<b><u>(5,304)</u></b>	<u>(2,632)</u>
Total revenue	<b><u><u>858,010</u></u></b>	<u><u>679,327</u></u>

All assets, liabilities and total profits relate to reportable segment 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 14% (period ended 30 June 2023: 19%) of the Company's total revenue for the period ended 30 June 2024.

**17. SUBSEQUENT EVENTS**

On 6 August 2024, the Board of Directors of the Company approved dividend of SR 116 million (SR 1.45 per share) for the six-month period ended 30 June 2024.

There have been no other significant events since the period ended 30 June 2024, that would require disclosures or adjustments in these condensed interim financial statements.

**18. APPROVAL OF THE FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by Board of Directors of the Company on 6 August 2024, corresponding to 2 Safar 1446H.