

**Saudi Automotive Services Co. (SASCO)**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED)**

**30 September 2023**

Saudi Automotive Services Co. (SASCO)  
(A Saudi Joint Stock Company)

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 September 2023

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

To the shareholders of Saudi Automotive Services Company (SASCO)  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Automotive Services Company ("SASCO") - A Saudi Joint Stock Company- (the "Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2023, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2023, and the related interim condensed consolidated statements of cash flows and changes in equity for the nine-month period then ended, and explanatory notes. Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of review

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

### Conclusion

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

for Ernst & Young Professional Services

Fahad M. Al-Toaimi  
Certified Public accountant  
License No. (354)



Riyadh: 14 Rabi Al-Thani 1445 H  
(29 October 2023)

Saudi Automotive Services Co. (SASCO)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 30 September 2023

		30 September 2023 (unaudited) SR	31 December 2022 (audited) SR
	Notes		
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	1,911,453,835	1,741,039,332
Projects in progress	7	157,827,229	203,526,909
Investment properties	8	89,481,000	89,481,000
Right of-use-assets	9	2,233,788,700	2,220,556,646
Intangible assets – Goodwill		495,348,204	495,348,204
Other intangible assets		3,311,457	3,563,911
Investments at fair value through other comprehensive income (FVOCI)	10	171,420,433	158,212,887
Investments in debt instruments	11	250,000,000	250,000,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,312,630,858</b>	<b>5,161,728,889</b>
<b>CURRENT ASSETS</b>			
Inventories		96,490,522	82,574,432
Trade receivables	12	149,935,995	133,038,185
Prepayments and other current assets		107,418,140	97,542,789
Bank balances and cash on hands	13	159,717,460	636,973,481
<b>TOTAL CURRENT ASSETS</b>		<b>513,562,117</b>	<b>950,128,887</b>
<b>TOTAL ASSETS</b>		<b>5,826,192,975</b>	<b>6,111,857,776</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital		600,000,000	600,000,000
Statutory reserve		74,529,931	74,529,931
Retained earnings		71,141,100	30,830,473
Fair value reserve of financial assets at FVOCI		133,087,249	129,879,703
<b>Total Equity attributable to the shareholders of the Company</b>		<b>878,758,280</b>	<b>835,240,107</b>
Non-controlling interests		110,777,346	161,408,430
<b>TOTAL EQUITY</b>		<b>989,535,626</b>	<b>996,648,537</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	14	2,119,127,042	2,113,667,861
Long-term loans	15	1,274,510,805	1,561,140,565
Employees' defined benefit liabilities		45,273,291	41,644,697
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,438,911,138</b>	<b>3,716,453,123</b>
<b>CURRENT LIABILITIES</b>			
Murabaha financing & short-term loans	15	10,000,000	30,000,000
Current portion of long-term loans	15	65,184,620	51,809,756
Trade payables		807,377,575	777,655,481
Accrued expenses and other current liabilities		194,917,828	194,685,427
Current portion of lease liabilities	14	265,758,696	253,649,968
Dividends payable to shareholders		48,244,732	77,264,901
Zakat payable	16	6,262,760	13,690,583
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,397,746,211</b>	<b>1,398,756,116</b>
<b>TOTAL LIABILITIES</b>		<b>4,836,657,349</b>	<b>5,115,209,239</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,826,192,975</b>	<b>6,111,857,776</b>

Islam Mohammed Khairi Ahmed  
Chief Financial Officer

Riyadh Bin Saleh Al Malik  
Chief Executive Officer

Sultan Bin Mohammad Al-Hudaiti  
Vice Chairman and Managing Director

The attached notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Saudi Automotive Services Co. (SASCO)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023

	Notes	For the three-months period ended 30 September		For the nine-months period ended 30 September	
		2023 SR	2022 SR	2023 SR	2022 SR
Revenue	17	2,322,444,659	2,240,507,072	6,778,611,682	5,578,455,198
Cost of revenue	18	(2,254,341,341)	(2,167,381,984)	(6,552,484,396)	(5,399,952,195)
<b>GROSS PROFIT</b>		<b>68,103,318</b>	<b>73,125,088</b>	<b>226,127,286</b>	<b>178,503,003</b>
Selling and marketing expenses		(1,422,575)	(1,120,514)	(4,118,291)	(2,675,910)
General and administrative expenses		(22,097,823)	(23,967,335)	(74,951,053)	(146,739,975)
Provision for expected credit losses, Net		671,016	(268,962)	(3,124,181)	(750,000)
<b>INCOME FROM MAIN OPERATIONS</b>		<b>45,253,936</b>	<b>47,768,277</b>	<b>143,933,761</b>	<b>28,337,118</b>
Finance cost		(37,180,712)	(28,363,802)	(117,813,535)	(66,152,798)
Dividends recieved from investment at FVOCI		2,994,893	-	2,994,893	-
(losses) profit from investment at FVPL		-	(228,392)	-	1,627
Net profit from investment at OCI		-	982,479	7,597	1,076,626
Other income-net	19	5,244,617	8,341,299	29,140,779	106,789,859
<b>Income before zakat</b>		<b>16,312,734</b>	<b>28,499,861</b>	<b>58,263,495</b>	<b>70,052,432</b>
Zakat	16	(1,402,749)	(1,720,752)	(8,931,064)	(4,810,027)
<b>Income for the period</b>		<b>14,909,985</b>	<b>26,779,109</b>	<b>49,332,431</b>	<b>65,242,405</b>
<b>Attributable To:</b>					
Shareholders of the parent company		12,984,691	23,533,392	40,032,937	61,235,107
Non-controlling interests		1,925,294	3,245,717	9,299,494	4,007,298
		<b>14,909,985</b>	<b>26,779,109</b>	<b>49,332,431</b>	<b>65,242,405</b>
<b>Earnings per share (in Saudi Riyals)</b>					
Basic and diluted earnings per share for the period attributable to the shareholders of the parent	20	<b>0.22</b>	<b>0.39</b>	<b>0.67</b>	<b>1.02</b>

Islam Mohammed Khairi Ahmed  
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Vice Chairman and Managing Director

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Saudi Automotive Services Co. (SASCO)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023

	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	2023	2022	2023	2022
	SR	SR	SR	SR
<b>Income for the period</b>	<b>14,909,985</b>	<b>26,779,109</b>	<b>49,332,431</b>	<b>65,242,405</b>
<b>OTHER COMPREHENSIVE INCOME:</b>				
<i>Items that will not be re-classified subsequently to the statement of income:</i>				
Net change in fair value of investments at FVOCI	(774,654)	182,724	3,207,546	4,980,604
Actuarial gains on re-measurement of employees' benefit obligations	-	-	347,112	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>14,135,331</b>	<b>26,961,833</b>	<b>52,887,089</b>	<b>70,223,009</b>
<b>Attributable To:</b>				
Shareholders of the parent company	12,210,036	23,716,116	43,518,173	66,215,711
Non-controlling interests	1,925,295	3,245,717	9,368,916	4,007,298
	<b>14,135,331</b>	<b>26,961,833</b>	<b>52,887,089</b>	<b>70,223,009</b>

  
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Saudi Automotive Services Co. (SASCO)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the nine-month period ended 30 September 2023

	Note	For the nine months-period ended 30 June	
		2023 SR	2022 SR
<b>OPERATING ACTIVITIES</b>			
Income before zakat		58,263,495	70,052,432
<i>Adjustments for:</i>			
Depreciation of right of-use-assets	9	167,714,618	134,697,589
Depreciation of property, plant and equipment	6	79,292,559	66,026,949
Provision of employees' defined benefit liabilities		6,442,619	5,236,910
Provision for slow moving inventories		2,489,575	5,833,918
Provision for expected credit losses, Net	12	3,124,181	750,000
Accrued interest on lease liabilities	14	67,508,152	56,234,228
Finance costs		52,445,995	9,918,570
Net gain from investments at FVTPL		(7,597)	(1,078,253)
Grans from sale and leaseback of property, plant and equipment		-	(95,058,304)
Gains from sale of property, plant and equipment	19	(151,677)	(5,282,612)
Gains from disposal of leases	9	(3,034,361)	(5,145,507)
Modufucation on lease contracts		(788,194)	-
Amortisation of intangible assets		798,634	741,596
		<u>434,097,999</u>	<u>242,927,516</u>
<i>Working capital adjustments:</i>			
Trade receivables	12	(20,021,991)	(9,749,258)
Prepayments and other current assets		(9,875,351)	18,169,986
Retentions by banks for dividend distribution payable to shareholders	13	29,020,169	10,544,854
Inventory		(16,405,666)	(6,771,340)
Trade payables		29,722,094	217,145,698
Accrued expenses and other current liabilities		(4,631,359)	54,699,188
<b>Cash from operations</b>		<u>441,905,895</u>	<u>526,966,644</u>
Zakat paid	16	(16,358,887)	(1,425,156)
Employees' defined benefits liabilities paid		(2,466,913)	(1,999,854)
<b>Net cash from operating activities</b>		<u>423,080,095</u>	<u>523,541,634</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of investments at FVOCI	10	(10,000,000)	-
Proceeds from sale of investments at FVOCI		-	38,016,999
Purchase of investments at FVTPL		-	(1,445,699,999)
Proceeds from sale of investments at FVTPL		-	1,446,776,627
Proceeds from dividends of investments at OCI		2,994,893	-
Purchase of property, plant and equipment	6	(68,341,301)	(42,935,153)
Proceeds from sale of property, plant and equipment		2,182,346	13,645,949
Acquisition of a subsidiary, net		-	(854,723,130)
Additions to projects in progress	7	(131,242,273)	(91,072,879)
Addition to intangible assets		(237,167)	(1,855,966)
<b>Net cash used in investing activities</b>		<u>(204,643,502)</u>	<u>(937,847,552)</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from sale and leaseback of property, plant and equipment		-	381,702,607
Dividends paid to the shareholders for prior years		(29,020,169)	(10,544,854)
Dividends Paid	22	(60,000,000)	(45,000,000)
Finance cost paid		(63,562,045)	(57,500,088)
Proceeds from long term loans	15	89,973,111	1,340,000,000
Repayment of long-term loans	15	(363,228,008)	(335,968,812)
Net change in Murabaha and short-term loans		(20,000,000)	45,000,000
Lease liabilities paid	14	(220,835,334)	(193,116,540)
<b>Net cash (used in) from financing activities</b>		<u>(666,672,445)</u>	<u>1,124,572,313</u>
Decrease in cash and cash equivalents		(448,235,852)	710,266,395
Cash and cash equivalents at the beginning of the period	13	559,708,580	96,503,913
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	13	<u>111,472,728</u>	<u>806,770,308</u>

The attached notes 1 to 27 form as integral part of these interim condensed consolidated financial statements.

Saudi Automotive Services Co. (SASCO)  
(A Saudi Joint Stock Company)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(Unaudited) (Continued)

For the nine-month period ended 30 September 2023

		For the nine-months period ended 30 June	
		2023	2022
	Notes	SR	SR
<b>SIGNIFICANT NON-CASH TRANSACTIONS:</b>			
Transfer from projects in progress to property, plant and equipment	7	183,396,428	14,576,518
Additions to the right of-use-assets due to leaseback		-	94,480,304
Additions to lease liabilities due to leaseback		-	206,392,946
Additions to right of-use-assets	9	234,973,125	215,192,321
Additions to lease liabilities	14	234,973,125	215,192,321
Disposal of right of-use-assets	9	(75,805,301)	(41,762,655)
Disposal to lease liabilities	14	(48,634,677)	(46,908,162)

  
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Vice Chairman and Managing Director

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Saudi Automotive Services Co. (SASCO)  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2023

	<i>Attributable to shareholders of the Parent</i>					
	Share Capital SR	Statutory Reserve SR	Retained Earnings SR	Fair value reserve of financial assets through other comprehensive income (FVOCI) SR	Total SR	Non- Controlling Interests SR
Balance as at 1 January 2022 (audited)	600,000,000	65,559,289	17,522,636	128,854,625	811,936,550	-
Income for the period	-	-	61,235,107	-	61,235,107	4,007,298
Other comprehensive income	-	-	-	4,980,604	4,980,604	-
Total comprehensive income for the period	-	-	61,235,107	4,980,604	66,215,711	4,007,298
Disposal of investments at FVOCI	-	-	8,070,791	(8,070,791)	-	-
Dividends to the parent shareholders (note 22)	-	-	(45,000,000)	-	(45,000,000)	-
Acquisition of a subsidiary	-	-	-	-	-	161,098,432
Balance as at 30 September 2022 (Unaudited)	600,000,000	65,559,289	41,828,534	125,764,438	833,152,261	165,105,730
Balance as at 1 January 2023 (audited)	600,000,000	74,529,931	30,830,473	129,879,703	835,240,107	161,408,430
Income for the period	-	-	40,032,937	-	40,032,937	9,299,494
Other comprehensive income	-	-	277,690	3,207,546	3,485,236	69,422
Total comprehensive income for the period	-	-	40,310,627	3,207,546	43,518,173	9,368,916
Dividends paid to non-controlling interests	-	-	-	-	-	(60,000,000)
Balance as at 30 September 2023 (Unaudited)	600,000,000	74,529,931	71,141,100	133,087,249	878,758,280	110,777,346

  
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Vice Chairman and Managing Director

The attached notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

**Saudi Automotive Services Co. (SASCO)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**30 September 2023**

**1. ACTIVITIES**

The Saudi Automotive Services Company (SASCO) (the “Company” or the “Parent Company”), is a Saudi Joint Stock Company incorporated in Riyadh, Kingdom of Saudi Arabia pursuant to Ministerial Resolution No. (563) dated 23 Dhu Al-Hijjah 1402H (corresponding to 12 October 1982), under the Commercial Registration No. 1010054361 dated 28 Rajab 1404H (corresponding to 30 April 1984). The Company’s head office is located in Riyadh, King Abdulaziz district, Makkah Al Mukarramah Road (Khurais), P. O Box 12411, Kingdom of Saudi Arabia.

The accompanying interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively with the Company referred to as the “Group”). The main activity of the Group is to provide services to vehicles and travelers by establishing central workshops to provide the highest level of maintenance and repair and establishing a network of vehicle service stations, as well as providing rest houses and restaurants, importing and selling foodstuffs, drinks, beverages and raw materials required therefor, importing vehicles and spare parts of all kinds for the Group’s business and trading in them after obtaining the necessary licenses, carrying out all types of contracting for establishment, management, maintenance and operation of residential and commercial buildings, contracting for maintenance of vehicles and equipment for individuals and companies, and participation with bodies or companies that carry out activities similar to the Group’s activity or merging with them or establishing subsidiaries owned by the Group or with others.

The following are the details of the subsidiaries included in these interim condensed consolidated financial statements under the Company’s control:

<b>Name of subsidiary</b>	<b>Commercial Registration #</b>	<b>Principle field of activity</b>	<b>Direct &amp; indirect ownership percentage %</b>	
			<b>30 September 2023</b>	<b>31 December 2022</b>
Fleet Transportation Company	1010283443	Water transportation and distribution, road transportation of goods, transportation of refrigerated and frozen goods, transportation of goods and equipment, transportation of liquids and gases and transportation of cars.	<b>100%</b>	100%
Saudi Automobile Club Company	1010197186	Participation in the local international clubs for cars and motorcycles, local and international bodies interested in automobile affairs, issuing cars’ customs traffic document (TripTik), international driving licenses, establishing, managing, maintaining and operating motorsports and motorcycle circuits, and holding races and events related to motorsports and	<b>100%</b>	100%
Automobile and Equipment Investment Company Limited	1010284946	Establishing workshops for repairing cars and heavy equipment, car service stations and travelers on the main roads between the cities of the Kingdom to provide fuel and oils, maintain cars and heavy equipment, establishing rest houses, motels and restaurants, providing food meals, drinks and beverages, washing and lubricating cars and equipment, importing and selling equipment and tools, and constructing roads	<b>100%</b>	100%

**Saudi Automotive Services Co. (SASCO)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**30 September 2023**

**1. ACTIVITIES (CONTINUED)**

The following are the details of the subsidiaries included in these interim condensed consolidated financial statements under the Company's control: (Continued)

Name of subsidiary	Commercial Registration #	Principle field of activity	Direct & indirect ownership percentage %	
			30 September 2023	31 December 2022
The First Palm Company	1010356035	General contracting for buildings (construction, repair, demolition, restoration), construction, management and operation, maintenance of residential and commercial buildings and road	<b>100%</b>	100%
SASCO Company	Palm 1010302217	Catering, retail of food and beverages in kiosks and markets, groceries, refrigerated food stores, frozen food stores, distribution centers for food and beverages and dry food stores.	<b>100%</b>	100%
SASCO Company	Oasis 1010309488	Hotels as per the license of the General Authority for Tourism and National Heritage.	<b>100%</b>	100%
Zaiti Petroleum Services Company	1010236767	Retail of car and motorcycle fuel (Fuel stations).	<b>100%</b>	100%
SASCO Investment Franchise Company	1010434138	Providing marketing services on behalf of third parties.	<b>100%</b>	100%
Nakhla Properties Company	1010647886	Management and rental of owned or leased (residential) properties, management and rental of owned or leased (non-residential) properties and management activities of properties against commission.	<b>100%</b>	100%
North Front Real Estate Company	010671792	Buying, selling and zoning lands and real estate, off-plan sale activities, managing and renting owned and leased (residential) properties, managing and renting owned and leased (non-residential) properties, management activities of properties against commission and real estate registration service.	<b>100%</b>	100%
Naft Services Company Limited	4030060592	Operation of fuel stations and related activities.	<b>80%</b>	<b>80%</b>
Automotive Services Care Company *	7009292033	Washing and lubricating cars	<b>100%</b>	-

\* During the period ended 30 June 2023, the Company converted one of its branch to a company (Automotive Services Care Company), under the commercial register number 700929203 and the company is a limited liability company wholly owned by SASCO.

**Saudi Automotive Services Co. (SASCO)**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**30 September 2023**

**1. ACTIVITIES (CONTINUED)**

In addition to the above subsidiaries, the accompanying interim condensed consolidated financial statements include the assets, liabilities, and operating results of the main commercial registration of the Company and all the following sub-commercial registrations:

<b>Branch</b>	<b>Commercial Registration #</b>	<b>Commercial Registration Date</b>	<b>City</b>
Saudi Company for Automotive Services and Equipment SASCO	1010358658	10 Safar 1434H (Corresponding to 10 January 2013)	Riyadh
Saudi Company for Automotive Services and Equipment SASCO	1010671615	16 Rabi Al-Thani 1442H (corresponding to 13 December 2020)	Riyadh
Saudi Company for Automotive Services and Equipment SASCO	1010681876	26 Jumada Al Ula 1442H (Corresponding to 10 January 2021)	Riyadh
Saudi Company for Automotive Services and Equipment SASCO	1018000425	10 Safar 1434H (Corresponding to 23 December 2012)	Huraymila
Saudi Company for Automotive Services and Equipment SASCO	1128184243	16 Dhu Al-Qida 1441H (corresponding to 1 July 2020)	Onaizah
Saudi Company for Automotive Services and Equipment SASCO	1131306676	16 Dhu Al-Qida 1441H (corresponding to 7 July 2020)	Buraydah
Saudi Company for Automotive Services and Equipment SASCO	2050093628	6 Shawwal 1434H (Corresponding to 13 August 2013)	Dammam
Saudi Company for Automotive Services and Equipment SASCO	3550122825	17 Rajab 1439H (corresponding to 3 April 2018)	Tabuk
Saudi Company for Automotive Services and Equipment SASCO	4030254775	6 Dhu Al-Qida 1434H (Corresponding to 11 September 2013)	Jeddah
Saudi Company for Automotive Services and Equipment SASCO	4030308874	29 Dhul Hijjah 1439H (corresponding to 10 September 2018)	Jeddah
Saudi Company for Automotive Services and Equipment SASCO	4031216803	29 Dhul Hijjah 1439H (corresponding to 10 September 2018)	Makkah Mukarrama
Saudi Company for Automotive Services and Equipment SASCO	4032229606	29 Dhul Hijjah 1439H (corresponding to 10 September 2018)	Taif
Saudi Company for Automotive Services and Equipment SASCO	4650202976	15 Muharram 1440H (corresponding to 26 Sept 2018)	Al Madinah Al Munawwarah
Saudi Company for Automotive Services and Equipment SASCO	5850121385	7 Safar 1440H (Corresponding to 18 October 2018)	Abha
Saudi Company for Automotive Services and Equipment SASCO	5900126408	26 Jumada Al Ula 1442H (Corresponding to 10 January 2021)	Jazan
Saudi Company for Automotive Services and Equipment SASCO (*)	1010950315	28 Safar 1445H (Corresponding to 3 September 2023)	Riyadh

(\*) During the period ended 30 September 2023, the Company established a branch for retail sale of automobile and motorcycle fuel under commercial registration number 1010950315.

**2. BASIS OF PREPERATION**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS 34), "Interim Financial Reporting" as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and therefore should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

An interim period is considered an integral part of the whole fiscal year, however, the results of the operations for the interim periods may not be a fair indication of the results of the full year operations.

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**3. BASIS OF MEASUREMENT**

These interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets, such as “investments carried at fair value through profit or loss” and “investments carried at fair value through other comprehensive income”. Employees’ defined benefit obligations are recognized at the present value of the future obligations using the projected unit credit method. Also, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting and will continue to operate on the going concern basis.

***Functional currency and presentation***

The interim condensed consolidated financial statements are presented in Saudi Riyals (“SR”) which is the functional and presentation currency of the Group. These financial statements have been rounded-off to the nearest Saudi Riyal, unless otherwise stated.

**4. NEW STANDARDS ISSUED**

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

**STANDARDS ISSUED AND EFFECTIVE**

Below are the standards and amendments effective in annual periods beginning on or after 1 January 2023 or after (unless otherwise stated), which do not have a material impact on the Group's interim condensed consolidated financial statements.

<b>Standard, Amendment or Interpretation</b>	<b>Effective date</b>
- IFRS (17) Insurance Contracts	1 January 2023
- Definition of Accounting Estimates- Amendments to IAS (8)	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS (12)	1 January 2023
- Disclosure of Accounting Policies - Amendments to IAS (1) and IFRS Practice Statement (2)	1 January 2023

**NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The new amended, issued standards and interpretations, which are not effective yet, have not been adopted early by the Group and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date.

<b>Standard, Amendment or Interpretation</b>	<b>Effective date</b>
- Amendments to IAS (1): Classification of Liabilities as Current or Non-current	1 January 2024
- Amendments to IFRS (16): lease liabilities from sale and leaseback	1 January 2024

**5. SIGNIFICANT JUDGMENTS, ASSUMPTIONS AND ESTIMATES**

In preparing these interim condensed consolidated financial statements, management has made certain judgments, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about assumptions and estimates may result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Differences result from adjustments to estimates recognized prospectively.

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**5. SIGNIFICANT JUDGMENTS, ASSUMPTIONS AND ESTIMATES (CONTINUED)**

***Estimations and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of preparing the interim condensed consolidated financial statements that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial period. The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

***Impairment of non-financial assets***

An impairment exists when the carrying value of an asset or cash generating units (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

***Expected Credit Losses of Trade Receivables***

The Group has applied the standard's simplified approach of impairment in accordance with IFRS (9) and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

***Employee' defined benefits liabilities***

Defined benefit obligations to employees are determined using actuarial valuation processes. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation ("DBO") is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

***Useful lives and residual values of property and equipment***

The useful life of each of the Group's items of property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation, experience with similar assets and application of judgment as to when the assets become available for use and the commencement of the depreciation charge.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. Any change in the estimated useful life or depreciation method will be accounted for prospectively.

***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities recorded in the interim condensed consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instrument.

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**5. SIGNIFICANT JUDGMENTS, ASSUMPTIONS AND ESTIMATES (CONTINUED)**

***Leases - Estimating the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (e.g. subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (e.g. credit rating of a subsidiary).

***Going concern***

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the interim condensed consolidated financial statements have been prepared on a going concern basis.

**Judgments**

***Determining the lease term of contract with extension and termination options – Group as lessee***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several leases that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

***Property Lease Classification – Group as a Lessee***

The Group has entered into lease agreements for its properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property that it retains substantially all the risks and rewards incidental to ownership of these properties. Therefore, the Group accounts for such contracts as operating leases.

**6. PROPERTY, PLANT AND EQUIPMENT**

Depreciation is calculated on a straight-line basis over the useful life as follows:

<u>Item</u>	<u>Years</u>	<u>Item</u>	<u>Years</u>
Buildings	33 – 50	Furniture and fixtures	10
Equipment and machinery	10	Computers	6
Motor vehicles	5 - 14 with 20% residual value	Electronic devices	10
Communication devices and phones	4	Billboards	6
Improvements of fixed assets	3 – 25		

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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Lands* SR	Buildings SR	Equipment and machinery SR	Motors vehicles SR	Communi- ca-tion devices and phones SR	Furniture and fixtures SR	Computers SR	Electronic devices SR	Billboards SR	Improvement of fixed assets SR	TOTAL For the nine months period ended 30 September 2023 SR	TOTAL For the year ended 31 December 2022 SR
<b>Cost:</b>												
At the beginning of the period/year	773,357,222	833,278,822	186,775,223	133,498,386	1,561,163	48,984,671	28,133,680	39,877,005	33,459,389	355,509,289	<b>2,434,434,850</b>	1,769,958,614
Additions from the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	921,481,093
Additions during the period/year	25,800,000	453,061	4,691,438	17,452,182	-	1,149,822	465,482	1,415,804	1,294,498	15,619,014	68,341,301	66,627,910
Transferred from projects in progress (note 7)	-	59,643,232	14,059,650	1,130,000	-	1,158,962	10,822,455	4,781,542	2,176,379	89,624,208	<b>183,396,428</b>	33,667,084
Disposals	-	(2,685)	(5,728,046)	(3,184,219)	(936,426)	(2,673,114)	(967,505)	(2,626,476)	(1,281,333)	(239,071)	<b>(17,638,875)</b>	(161,009,584)
Disposals of leased stations	-	-	-	-	-	-	-	-	-	-	-	(4,377,906)
Disposals of sales and leaseback	-	-	-	-	-	-	-	-	-	-	-	(191,912,361)
At the end of the period /year	<u>799,157,222</u>	<u>893,372,430</u>	<u>199,798,265</u>	<u>148,896,349</u>	<u>624,737</u>	<u>48,620,341</u>	<u>38,454,112</u>	<u>43,447,875</u>	<u>35,648,933</u>	<u>460,513,440</u>	<b><u>2,668,533,704</u></b>	<u>2,434,434,850</u>
<b>Depreciation:</b>												
At the beginning of the period/year	-	325,616,654	92,389,629	59,947,693	1,275,369	34,101,349	15,525,120	24,751,124	19,917,760	119,870,820	<b>693,395,518</b>	473,165,148
Additions from the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	300,964,567
Charge for the period / year	-	22,228,785	13,655,973	7,176,379	43,953	3,291,529	2,974,524	2,462,495	2,659,886	24,799,035	<b>79,292,559</b>	92,271,245
Disposals	-	(1,497)	(4,501,670)	(2,556,680)	(936,288)	(2,646,818)	(963,865)	(2,578,680)	(1,183,640)	(239,070)	<b>(15,608,208)</b>	(151,708,676)
Disposals of leased stations	-	-	-	-	-	-	-	-	-	-	-	(4,116,066)
Disposals of sale and leaseback	-	-	-	-	-	-	-	-	-	-	-	(17,180,700)
At the end of the period /year	<u>-</u>	<u>347,843,942</u>	<u>101,543,932</u>	<u>64,567,392</u>	<u>383,034</u>	<u>34,746,060</u>	<u>17,535,779</u>	<u>24,634,939</u>	<u>21,394,006</u>	<u>144,430,785</u>	<b><u>757,079,869</u></b>	<u>693,395,518</u>
<b>Net book amounts:</b>												
At 30 September 2023	<u>799,157,222</u>	<u>545,528,488</u>	<u>98,254,333</u>	<u>84,328,957</u>	<u>241,703</u>	<u>13,874,281</u>	<u>20,918,333</u>	<u>18,812,936</u>	<u>14,254,927</u>	<u>316,082,655</u>	<b><u>1,911,453,835</u></b>	
At 31 December 2022	<u>773,357,222</u>	<u>507,662,168</u>	<u>94,385,594</u>	<u>73,550,693</u>	<u>285,794</u>	<u>14,883,322</u>	<u>12,608,560</u>	<u>15,125,881</u>	<u>13,541,629</u>	<u>235,638,469</u>		<u>1,741,039,332</u>

Property, plant and equipment pledged to local banks as a security for loans and banking facilities provided from such banks as of 30 September 2023 (31 December 2022: SR 99,384,518).

(\*) During the period ended 30 September 2023, the group has acquired a land with a value of SAR 23 M on Makkah road, with the purpose of establishing a gas station. The legal procedures for transferring land ownership have not yet been completed



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**6. PROPERTY, PLANT AND EQUIPMENTS (CONTINUED)**

Depreciation expense was charged to the interim condensed consolidated statement of income as follows:

	For the nine-month period	
	30 September 2023 SR	30 September 2022 SR
Cost of revenue (note 18)	<b>76,322,073</b>	62,209,567
General and administrative expenses	<b>2,970,486</b>	3,817,382
	<b>79,292,559</b>	66,026,949

**7. PROJECTS IN PROGRESS**

This represents the cost of establishing and developing projects related to fuel stations in various regions in the Kingdom of Saudi Arabia. This item includes costs of contractors in addition to expenditures of project management, finance costs, and other miscellaneous expenses eligible for capitalization.

The movement of the projects in progress during the period / year is as follows:

	30 September 2023 SR	31 December 2022 SR
At the beginning of the period /year	<b>203,526,909</b>	88,822,197
Additions from the acquisition of a subsidiary	-	17,040,108
Additions during the period/year	<b>115,007,844</b>	102,835,709
Depreciation of right of use assets ("A")	<b>6,763,488</b>	13,436,036
Lease liabilities' interest ("B")	<b>4,943,073</b>	7,595,008
loans and Murabah interest ("C")	<b>11,291,356</b>	7,464,935
Transferred to property, plant and equipment (note 6 "D")	<b>(183,396,428)</b>	(33,667,084)
Transferred to intangible assets	<b>(309,013)</b>	-
At the end of the period/ year	<b>157,827,229</b>	203,526,909

- This represents capitalization of right of use assets' depreciation relating to these projects in progress (note 9).
- This represents interests on payments of lease liabilities capitalized on construction work in progress.
- This item represents finance costs eligible for capitalization. The rate used to determine finance costs qualified for capitalization is the weighted average rate of borrowing costs 6.56% (31 December 2022: 5.4%) on the Group's outstanding loans during the period, used to finance these projects.
- Transfers to property, plant and equipment represent mainly the cost of establishing new stations in various regions of the Kingdom such as Al Hashim Station, Al Rashud Station, Prince Mashaal Station, Al Ulia station, Kilo 154 station and the Group's Head Office.
- The Group regularly inspects the completion percentage of projects in progress.

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**8. INVESTMENT PROPERTIES**

This item represents investment properties of the Group. The investment properties at the end of the period/year is as follows:

		<b>TOTAL</b>	
		30 September	31 December
	Lands	2023	2022
	SR	SR	SR
Investment properties	89,481,000	<b>89,481,000</b>	89,481,000
<b>Net book amounts:</b>			
<b>As at the end of the Period/year</b>	89,481,000	<b>89,481,000</b>	89,481,000

As of 31 December 2022, the fair value of the land was determined at SAR 89.5 million based on the valuation operations conducted by the Estand Office, an independent valuation expert certified with license number 1210000037 by the "Saudi Authority for Accredited Valuers". The fair value measurement was classified into the third level based on the applied valuation methods.

**9. RIGHT OF-USE-ASSETS**

The Group has leases related to fuel filling stations for which lease terms usually range between 5-25 years. The Group's obligations under leases are secured by the lessor's title deeds for the leased lands and buildings. There are several leases that include extension and termination options and variable rental payments. The movement of right of use assets during the period / year is as follows:

	30 September	31 Decmeber
	2023	2022
	SR	SR
<b>Cost:</b>		
At the beginning of the period /year	<b>2,750,375,640</b>	1,647,399,912
Additions from the acquisition of a subsidiary, net	-	823,118,487
Additions	<b>234,973,125</b>	252,931,117
Additions due to sale and leaseback of property, plant and equipment	-	94,480,304
Adjustments to modified leases	<b>(1,298,276)</b>	41,576,906
Disposals	<b>(75,805,301)</b>	(109,131,086)
At the end of the period/ year	<b>2,908,245,188</b>	2,750,375,640
<b>Accumulated depreciation:</b>		
At the beginning of the period /year	<b>529,818,994</b>	393,707,695
Charge for the period / year	<b>167,714,618</b>	177,829,653
Charge for projects in progress during the period/ year (note 7)	<b>6,763,488</b>	13,436,036
Disposals during the period/ year	<b>(29,840,612)</b>	(55,154,390)
At the end of the period/ year	<b>674,456,488</b>	529,818,994
<b>Net book value:</b>	<b>2,233,788,700</b>	2,220,556,646

During the period ended 30 September 2023, the Company terminated some leases for a number of stations before the end of their terms. Therefore, these disposals resulted in gains of SR 3,034,361 (30 September 2022: SR 5,145,507) in the interim condensed consolidated statement of income.

- Modified leases represent changes made to lease payments and / or terms agreed with the lessors.
- There were no leases which included guarantees of residual value committed by the Group.
- Uncapitalized depreciation was charged to the interim condensed consolidated statement of income under cost of revenue.

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**9. RIGHT OF-USE-ASSETS (continued)**

The following are the amounts recognized in the interim condensed consolidated statement of income:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
	SR	SR	SR	SR
Depreciation of right of-use-assets	<b>55,440,347</b>	22,423,318	<b>167,714,618</b>	134,697,589
Interest expense on lease liabilities (note 14)	<b>22,924,553</b>	23,761,311	<b>67,508,152</b>	56,234,228
Variable lease payments	<b>13,145,166</b>	11,738,534	<b>42,623,388</b>	31,806,002
	<b><u>91,510,066</u></b>	<u>57,923,163</u>	<b><u>277,846,158</u></b>	<u>222,737,819</u>

**10. INVESTMENTS**

**A) Investments in equity instruments at FVOCI**

The Group has made long term investments in below mentioned entities, which do not give control or decision making right to the Group. The Group has classified these investments as investments at FVOCI in accordance with the policy of Group.

<b>The Company</b>	<b>Ownership percentage</b>	<b>Country of Incorporation</b>	<b>30 September 2023 SR</b>	<b>31 December 2022 SR</b>
Middle East Battery Company	12.79%	Kingdom of Saudi Arabia	<b>157,704,775</b>	156,730,962
Mutual Funds - Osool and Bakheet	-	Kingdom of Saudi Arabia	<b>12,125,308</b>	-
National Tourism Company	0.36%	Kingdom of Saudi Arabia	<b>1,033,034</b>	1,033,034
Investment in SABB portfolio	-	Kingdom of Saudi Arabia	<b>432,316</b>	323,891
Racing Co. Ltd.	25%	Kingdom of Saudi Arabia	<b>125,000</b>	125,000
			<b><u>171,420,433</u></b>	<u>158,212,887</u>

The movement of the investment in equity instruments carried at FVOCI is as follows:

	<b>30 September 2023 SR</b>	<b>31 December 2022 SR</b>
At the beginning of the period /year	<b>158,212,887</b>	187,448,198
Additions from the acquisition of a subsidiary	-	1,110,137
Additions during the period/year (A)	<b>10,000,000</b>	317,676
Transferred to investments at FVTPL	-	(631,857)
Disposals during the period/year	-	(39,127,136)
Change in fair value during the period/ year	<b>3,207,546</b>	9,095,869
At the end of the period/ year	<b><u>171,420,433</u></b>	<u>158,212,887</u>

- a) The Group has invested in the mutual fund (Osool and Bakheet), which aims to achieve partial acquisition of shares of a listed company in Tadawul.

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**11. INVESTMENTS IN DEBT INSTRUMENTS**

	30 September 2023 SR	31 December 2022 SR
Debt instruments with fixed interest (Sukuk) - at amortized cost	<b>250,000,000</b>	250,000,000

It consists of investing in Sukuk issued by Riyad Bank with a credit rating of BBB+. Sukuk with an average interest rate of 5.25% as at 30 June 2023 (31 December 2022: 5.25%). The details of these investments are as follows:

	<b>Maturity Date</b>	<b>Nominal value</b>	<b>Credit Rating</b>
Investment in Sukuk - Riyad Bank	17 September 2027	<b>150,000,000</b>	BBB+
Investment in Sukuk - Riyad Bank	17 September 2027	<b>100,000,000</b>	BBB+

**12. TRADE RECEIVABLES**

	30 September 2023 SR	31 December 2022 SR
Trade receivables	<b>182,158,213</b>	167,427,313
Provision for expected credit losses	<b>(32,222,218)</b>	(34,389,128)
	<b>149,935,995</b>	133,038,185

Movement in provision for ECL during the period / year was as follows:

	30 September 2023 SR	31 December 2022 SR
At the beginning of the period /year	<b>34,389,128</b>	21,565,176
Related to acquisition of a subsidiary	-	73,676,725
Provision for expected credit losses (ECL), Net	<b>3,124,181</b>	(4,147,766)
Written off during the period/ year	<b>(5,291,091)</b>	(56,705,007)
At the end of the period/ year	<b>32,222,218</b>	34,389,128

**13. BANK BALANCES AND CASH ON HAND**

	30 September 2023 SR	31 December 2022 SR
Banks balances	<b>150,795,784</b>	228,697,485
Cash on Hands	<b>8,921,676</b>	8,275,996
Short term deposits	-	400,000,000
<b>Bank balances and cash on hands</b>	<b>159,717,460</b>	636,973,481
Less: Retentions by banks for dividend payable to shareholders	<b>(48,244,732)</b>	(77,264,901)
<b>Cash and cash equivalents</b>	<b>111,472,728</b>	559,708,580

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**14. LEASE LIABILITIES**

The Group has leases related to fuel filling stations for which lease terms usually range between 5 years to 25 years. The Group's obligations under its leases are secured by the lessor's title deeds to the leased lands. In general, there are various leases that include extension and termination options and variable lease payments.

The movement of lease liabilities during the period / year is as follows:

	30 September 2023 SR	31 December 2022 SR
At the beginning of the period /year	<b>2,367,317,829</b>	1,278,083,590
Additions	<b>234,973,125</b>	252,931,117
Adjustments to modified leases	<b>(241,811)</b>	41,576,906
Additions from the acquisition of a subsidiary	-	823,118,487
Additions due to sale and leaseback of property, plant and equipment	-	206,392,946
Accrued Interests	<b>67,508,152</b>	73,206,587
Lease interest charged to projects in progress (note 7)	<b>4,943,073</b>	7,595,008
Disposals	<b>(48,634,677)</b>	(58,817,815)
Lease payments	<b>(220,835,334)</b>	(238,330,297)
Modifications on lease contracts	<b>(788,194)</b>	-
Transferred to accruals	<b>(18,299,9657)</b>	(18,438,700)
At the end of the period/ year	<b>2,384,885,738</b>	2,367,317,829
Less: Current portion:	<b>(265,758,696)</b>	(253,649,968)
Non-current portion	<b>2,119,127,042</b>	2,113,667,861

**15. LOANS**

**LONG-TERM LOANS**

During the period, the Group has obtained term loans in the form of Murabaha financing for the purpose of financing certain projects under construction. The Interest is payable according to the prevailing market rates and SIBOR.

As at 30 September 2023, the Group has available cash facilities amounting to SR 1.3 billion (31 December 2022: SR 1.1 billion) representing unwithdrawn cash from loan facilities granted. The loan agreements contain covenants, mainly relating to certain leverage ratio, total debt to equity ratio, and other covenants as at the year-end.

The movement in the long-term loans during the period / year was as follows:

	30 September 2023 SR	31 December 2022 SR
At the beginning of the period /year	<b>1,612,950,321</b>	614,238,229
Addition during the period / year	<b>89,973,112</b>	1,340,000,000
Paid during the period/year	<b>(363,228,008)</b>	(341,287,908)
At the end of the period/ year	<b>1,339,695,425</b>	1,612,950,321

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**15. LOANS (CONTINUED)**

**LONG-TERM LOANS (CONTINUED)**

The following table summarizes the total remaining instalments of the Group's long term-loans:

	30 September 2023 SR	31 December 2022 SR
Total instalments	<b>1,362,001,988</b>	1,635,081,580
Less: accrued finance cost	<b>(22,306,563)</b>	(22,131,259)
Accrued amounts	<b>1,339,695,425</b>	1,612,950,321
Current portion	<b>65,184,620</b>	51,809,756
Non- current portion	<b>1,274,510,805</b>	1,561,140,565
	<b>1,339,695,425</b>	1,612,950,321

**SHORT TERM LOANS**

These represent working capital facilities obtained during the period from local banks. These facilities carry variable interest rate at prevailing market rates at an average rate of 1.5% + SIBOR (30 September 2022: 1.8%+SIBR).

**16. ZAKAT**

**Charged during the period**

The Zakat charge for the period consists of the following:

	30 September 2023 SR	30 September 2022 SR
Provision for the period	<b>4,431,064</b>	4,810,027
Prior year adjustments ("A")	<b>4,500,000</b>	-
	<b>8,931,064</b>	4,810,027

The Company submits its zakat returns on a consolidated basis, except for "Naft". The Group has submitted its zakat returns to Zakat, Tax and Customs Authority ("ZATCA") for all previous years up to 2022.

**Movement in provision during the period/year**

The movements in provision for Zakat during the period / year was as follows:

	30 September 2023 SR	31 December 2022 SR
At the beginning of the period /year	<b>13,690,583</b>	6,303,772
Related to acquisition of a subsidiary	-	3,982,633
Charge during the period / year	<b>8,931,064</b>	8,509,744
Paid during the period/ year	<b>(16,358,887)</b>	(5,105,566)
At the end of the period/ year	<b>6,262,760</b>	13,690,583

**a) Zakat status - SASCO**

The Company received final Zakat assessment from ZATCA up to 2008. ZATCA has raised zakat assessments for the years from 2014 to 2018, resulting in additional zakat liabilities amounting to SR 12.3 million. During the period ended 30 September 2023, GSTC rejected the company objection. Accordingly, the Company set aside an allowance for the entire amount of the remaining additional zakat liability at an amount of SR 4.5 million during the period ended 30 June 2023. Final assessments have not yet been raised by ZATCA for the years 2009 up to 2013 and for the years 2019 up to 2022.

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**16. ZAKAT (CONTINUED)**

**c) Zakat status - NAFT**

The Company filed its zakat declarations with ZATCA for all the years up to 2022. ZATCA raised Zakat assessments up to 2018. The final assessments for all years have not yet been raised by ZATCA.

**17. REVENUE**

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
	SR	SR	SR	SR
Fuel revenue	<b>2,168,258,119</b>	2,085,055,059	<b>6,327,169,754</b>	5,157,244,239
Leasing revenue	<b>72,880,929</b>	62,765,491	<b>210,548,406</b>	170,014,366
Catering revenue	<b>62,905,266</b>	63,445,055	<b>177,894,572</b>	167,437,816
Others	<b>18,400,345</b>	29,241,467	<b>62,998,950</b>	83,758,777
	<b><u>2,322,444,659</u></b>	<u>2,240,507,072</u>	<b><u>6,778,611,682</u></b>	<u>5,578,455,198</u>

**18. COST OF REVENUES**

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
	SR	SR	SR	SR
Direct materials	<b>2,065,810,663</b>	2,000,555,221	<b>6,023,815,093</b>	4,977,616,003
Depreciation of right of-use-assets	<b>55,525,151</b>	58,407,318	<b>167,511,631</b>	135,162,635
Employees' costs	<b>63,240,818</b>	51,571,317	<b>163,256,178</b>	130,534,503
Depreciation of property, plant and equipment	<b>26,596,295</b>	22,461,867	<b>76,322,073</b>	62,209,567
Rentals of stations and offices	<b>12,676,520</b>	6,048,480	<b>38,836,671</b>	26,016,142
Utilities	<b>8,230,325</b>	9,171,412	<b>20,109,477</b>	26,991,044
Repairs and maintenance	<b>7,353,358</b>	4,500,549	<b>19,700,664</b>	11,327,464
Bank charges	<b>5,848,528</b>	2,819,661	<b>18,050,011</b>	12,368,270
Amortization of intangible assets	<b>258,143</b>	2,083,463	<b>476,223</b>	3,242,669
Others	<b>8,801,540</b>	9,762,696	<b>24,406,375</b>	14,483,898
	<b><u>2,254,341,341</u></b>	<u>2,167,381,984</u>	<b><u>6,552,484,396</u></b>	<u>5,399,952,195</u>

**19. OTHER INCOME, NET**

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
	SR	SR	SR	SR
Gain from deposits	<b>6,550,221</b>	-	<b>22,554,830</b>	-
Reversal of previously provided provisions	-	-	<b>4,005,391</b>	-
(Losses) Gains from sale of property, plant and equipment	<b>(329,612)</b>	-	<b>151,677</b>	5,282,612
Gains from sale and leaseback of property, plant and equipment	-	4,868,870	-	95,058,304
Income from litigation indemnities	-	-	-	1,108,235
Other (losses) gain	<b>(975,992)</b>	3,472,429	<b>2,428,881</b>	5,340,708
	<b><u>5,244,617</u></b>	<u>8,341,299</u>	<b><u>29,140,779</u></b>	<u>106,789,859</u>

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**20. EARNINGS PER SHARE**

Basic and diluted EPS is calculated by dividing the profit for the period attributable to ordinary shareholders of the Group by the weighted average number of outstanding ordinary shares issued and paid during the period plus the weighted average number of ordinary shares to be issued considering all dilutive potential ordinary shares are converted into ordinary shares. Diluted earnings per share of the Group is same as the basic earnings per share, as the Group does not have any convertible bonds or diluted instruments to exercise.

The following table shows income and shares used to calculate basic and diluted earnings per share for the period:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
	SR	SR	SR	SR
Income for the period attributable to shareholders of the Parent	<b>12,984,691</b>	23,533,392	<b>40,032,937</b>	61,235,107
Weighted average number of outstanding shares	<b>60,000,000</b>	60,000,000	<b>60,000,000</b>	60,000,000
Basic and diluted earnings per share:	<b>0.22</b>	0.39	<b>0.67</b>	1.02

**21. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise financial assets and financial liabilities. The Group's financial assets consist of bank balances, investments, trade receivables and due from related parties, while its financial liabilities consist of term loans, trade payables and amounts due to related parties.

Management found that the fair value of bank balances, investments at FVOCI, trade receivables and payables and amounts due to and from related parties approximate their book value due to the short-term maturity of these instruments. For term loans, the fair value doesn't significantly differ from the carrying amount in the interim condensed consolidated financial statements as profit rates prevailing in markets for identical financial instruments do not differ from the contractual rates.

**22. DIVIDENDS**

For the period ended 30 September 2023

The Group did not distribute any dividends during the period ended 30 September 2023.

For the period ended 30 September 2023

The shareholders' ordinary general assembly, in its meeting held on 15 Duh Al-Qi'dah 1443H (corresponding to 14 June 2022), approved additional cash dividends of SR 15 million (at SR 0.25 per share) for the year 2021.



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**23. SEGMENT INFORMATION**

The Group has the following strategic departments representing its reporting segments. These segments offer various services and are separately managed because they have different economic characteristics – such as sales growth trends, return rates, level of capital investment and also have different marketing strategies.

Retail and operation:	This segment represents the activities of operating stations from the sale of fuels, the sale of food and beverages, and operation of residential and commercial buildings.
Saudi Club:	This segment represents the issuance of customs traffic document (TripTik), international driving licenses, and sports activities.
Transportation Fleet:	This segment represents transportation services of liquid and dry materials.
Others:	This segment represents the activity of investing in other companies, securities, and activities of granting the right to use SASCO trademark.

	Retail and operation SR	Saudi Club SR	Transportation Fleet SR	Others SR	Inter-segment eliminations SR	Total SR
<b><u>For the three-months period ended 30 September 2023</u></b>						
Revenue from external customers	2,314,796,242	5,317,229	2,331,188	-	-	2,322,444,659
Inter-segment revenue	9,791,712	-	11,099,921	-	(20,891,633)	-
Depreciation of property, plant and equipment	25,424,327	15,729	1,643,815	-	-	27,083,871
Depreciation of right-of-use assets	57,451,849	-	586,459	-	-	58,038,308
Cost of revenue	2,260,704,418	3,304,545	11,224,011	-	(20,891,633)	2,254,341,341
Gross profit	63,883,536	2,012,684	2,207,098	-	-	68,103,318
<b><u>For the three-months period ended 30 September 2022</u></b>						
Revenue from external customers	2,235,801,295	2,783,943	1,921,834	-	-	2,240,507,072
Inter-segment revenue	8,946,831	-	9,376,195	-	(18,323,026)	-
Depreciation of property, plant and equipment	21,104,468	11,603	1,485,066	-	-	22,601,137
Depreciation of right-of-use assets	56,806,828	-	192,772	-	-	56,999,600
Cost of revenue	2,175,022,095	1,772,170	8,910,745	-	(18,323,026)	2,167,381,984
Gross profit	69,726,031	1,011,773	2,387,284	-	-	73,125,088
<b><u>For the six-months period ended 30 September 2023</u></b>						
Revenue from external customers	6,755,812,957	16,016,017	6,782,708	-	-	6,778,611,682
Inter-segment revenue	29,588,959	-	31,781,421	-	(61,370,380)	-
Depreciation of property, plant and equipment	73,585,620	43,948	4,881,168	-	-	78,510,736
Depreciation of right-of-use assets	166,646,764	-	1,067,854	-	-	167,714,618
Cost of revenue	6,573,876,641	8,428,728	31,549,407	-	(61,370,380)	6,552,484,396
Gross profit	211,525,275	7,587,289	7,014,722	-	-	226,127,286
<b><u>For the six-months period ended 30 September 2022</u></b>						
Revenue from external customers	5,565,077,605	7,918,862	5,458,731	-	-	5,578,455,198
Inter-segment revenue	25,122,813	-	27,422,748	-	(52,545,561)	-
Depreciation of property, plant and equipment	61,767,099	30,990	4,228,860	-	-	66,026,949
Depreciation of right-of-use assets	134,119,273	-	578,316	-	-	134,697,589
Costs of revenue	5,421,588,105	5,289,475	25,620,176	-	(52,545,561)	5,399,952,195
Gross profit	168,612,313	2,629,387	7,261,303	-	-	178,503,003

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**23. SEGMENT INFORMATION (CONTINUED)**

	Retail and operation SR	Saudi Club SR	Transportation Fleet SR	Others SR	Adjustments / elimination SR	Total SR
<b><u>As at 30 September 2023 (Unaudited)</u></b>						
Assets	<b>6,610,001,784</b>	<b>29,217,333</b>	<b>164,296,285</b>	<b>201,375,485</b>	<b>(1,178,697,912)</b>	<b>5,826,192,975</b>
Property, plant and equipment	<b>1,811,471,747</b>	<b>364,996</b>	<b>78,951,993</b>	<b>20,665,099</b>	-	<b>1,911,453,835</b>
Right of-use-assets	<b>2,218,461,766</b>	-	<b>15,326,934</b>	-	-	<b>2,233,788,700</b>
Liabilities	<b>5,663,808,940</b>	<b>2,771,328</b>	<b>101,535,202</b>	<b>26,249</b>	<b>(931,484,370)</b>	<b>4,836,657,349</b>
<b><u>As at 31 December 2022 (Audited)</u></b>						
Assets	6,532,637,181	24,014,017	146,767,358	197,899,429	(789,460,209)	6,111,857,776
Property, plant and equipment	1,648,206,603	335,577	71,832,053	20,665,099	-	1,741,039,332
Right of-use-assets	2,219,294,641	-	1,262,005	-	-	2,220,556,646
Liabilities	5,414,234,246	4,358,157	90,738,362	-	(394,121,526)	5,115,209,239

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**23. SEGMENT INFORMATION (CONTINUED)**

Reconciliation of information related to the gross profit of the segments to the income before zakat of the Group:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
	SR	SR	SR	SR
Gross profit	<b>68,103,318</b>	73,125,088	<b>226,127,286</b>	178,503,003
<b><i>Un-allocated items:</i></b>				
Sales and marketing expenses	<b>(1,422,575)</b>	(1,120,514)	<b>(4,118,291)</b>	(2,675,910)
General and administrative expenses	<b>(22,097,823)</b>	(23,967,335)	<b>(74,951,053)</b>	(146,739,975)
Finance cost	<b>(37,180,712)</b>	(28,363,802)	<b>(117,813,535)</b>	(66,152,798)
Provision for expected credit losses	<b>671,016</b>	(268,962)	<b>(3,124,181)</b>	(750,000)
(losses) profit from valuation of investment at FVPL	-	(228,392)	-	1,627
Net profit from investment at FVPL	-	982,479	<b>7,597</b>	1,076,626
Dividends recieved from investments at FVOCI	<b>2,994,893</b>	-	<b>2,994,893</b>	-
Other income, net	<b>5,244,617</b>	8,341,299	<b>29,140,779</b>	106,789,859
Total un-allocated amounts	<b>(51,790,584)</b>	(44,625,227)	<b>(168,562,681)</b>	(108,450,571)
Income before zakat	<b>16,312,734</b>	28,499,861	<b>58,263,495</b>	70,052,432

**24. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

***Capital commitments***

The Group has capital commitments of SR 40 million (31 December 2022: SR 54,2 million) mainly related to establishing of fuel stations projects.

***Contingent liabilities***

- As at 30 June 2023, the Group has letters of guarantee from banks amounting to SR 2.3 billion (31 December 2022: SR 2.1 billion). These have been issued in the normal course of business of the Group.
- The Group has several lawsuit cases filed against it, related to the supply of labor and certain leased lands. These cases have not yet been finalized and the expected outcome cannot be determined reliably. Accordingly, a provision has been made against potential liabilities of such lawsuits amounting to SR 2.1 million as at the date of these interim condensed consolidated financial statements (31 December 2022: SR 2.1 million).
- The Group has one lawsuit case lodged against the Ministry of Housing in relation with a land owned by the Group. Part of this land was used by the Ministry to build a residential compound.

**25. SUBSEQUENT EVENTS**

No significant events have occurred subsequent to the date of the interim condensed consolidated financial statements and before the issuance of these interim condensed consolidated financial statements which require adjustment to or disclosure.

**26. COMPARATIVE FIGURES**

Certain prior year figures have been reclassified to conform with the current period presentation.

**27. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved on 8 Rabi Al-Thani 1445H (corresponding to 23 October 2023).