

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

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

**30 June 2023**

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
30 June 2023

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

To The shareholders of Saudi Automotive Services Co. (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 June 2023, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended 30 June 2023, and the related interim condensed consolidated statements of cash flows and changes in equity for the six-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 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 Muharram 1445 H  
(1 August 2023)



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

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

	Notes	30 June 2023 (unaudited) SR	31 December 2022 (audited) SR
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	1,873,926,613	1,741,039,332
Projects in progress	7	127,967,559	203,526,909
Investment properties	8	89,481,000	89,481,000
Right of-use-assets	9	2,215,829,683	2,220,556,646
Intangible assets – Goodwill		495,348,204	495,348,204
Other intangible assets		3,111,307	3,563,911
Investments at fair value through other comprehensive income (FVOCI)	10	172,195,087	158,212,887
Investments in debt instruments	11	250,000,000	250,000,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,227,859,453</b>	<b>5,161,728,889</b>
<b>CURRENT ASSETS</b>			
Inventories		98,532,955	82,574,432
Trade receivables	12	137,882,845	133,038,185
Prepayments and other current assets		106,273,321	97,542,789
Bank balances and cash on hands	13	310,619,440	636,973,481
<b>TOTAL CURRENT ASSETS</b>		<b>653,308,561</b>	<b>950,128,887</b>
<b>TOTAL ASSETS</b>		<b>5,881,168,014</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		58,156,409	30,830,473
Fair value reserve of financial assets at FVOCI		133,861,903	129,879,703
<b>Total Equity attributable to the shareholders of the Company</b>		<b>866,548,243</b>	<b>835,240,107</b>
Non-controlling interests		108,852,052	161,408,430
<b>TOTAL EQUITY</b>		<b>975,400,295</b>	<b>996,648,537</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	14	2,095,426,519	2,113,667,861
Long-term loans	15	1,311,503,498	1,561,140,565
Employees' defined benefit liabilities		43,422,733	41,644,697
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,450,352,750</b>	<b>3,716,453,123</b>
<b>CURRENT LIABILITIES</b>			
Murabaha financing & short-term loans	15	100,000,000	30,000,000
Current portion of long-term loans	15	52,805,625	51,809,756
Trade payables		774,341,718	777,655,481
Accrued expenses and other current liabilities		222,837,371	194,685,427
Current portion of lease liabilities	14	252,275,449	253,649,968
Dividends payable to shareholders		48,292,224	77,264,901
Zakat payable	16	4,862,582	13,690,583
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,455,414,969</b>	<b>1,398,756,116</b>
<b>TOTAL LIABILITIES</b>		<b>4,905,767,719</b>	<b>5,115,209,239</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,881,168,014</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-Hudaithi  
Vice Chairman and Managing Director

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 INCOME (UNAUDITED)

For the three-month and six-month periods ended 30 June 2023

	Notes	For the three-months period ended 30 June		For the six-months period ended 30 June	
		2023 SR	2022 SR	2023 SR	2022 SR
Revenue	17	2,235,987,050	2,065,473,909	4,456,167,023	3,337,948,126
Cost of revenue	18	(2,158,740,162)	(1,995,750,680)	(4,298,143,055)	(3,232,570,211)
<b>GROSS PROFIT</b>		<b>77,246,888</b>	<b>69,723,229</b>	<b>158,023,968</b>	<b>105,377,915</b>
Selling and marketing expenses		(1,282,363)	(933,258)	(2,695,716)	(1,555,396)
General and administrative expenses		(26,293,959)	(108,162,321)	(52,853,230)	(122,772,640)
<b>INCOME (LOSS) FROM MAIN OPERATIONS</b>		<b>49,670,566</b>	<b>(39,372,350)</b>	<b>102,475,022</b>	<b>(18,950,121)</b>
Finance cost		(39,069,017)	(25,255,482)	(80,632,823)	(37,788,996)
Provision for expected credit losses		(1,860,259)	(481,038)	(3,795,197)	(481,038)
Dividends received from investment at FVOCI		7,597	-	7,597	-
Net profit from investment at FVPL		-	278,335	-	324,166
Other income-net	19	8,070,969	97,478,371	23,896,162	98,448,560
<b>Income before zakat</b>		<b>16,819,856</b>	<b>32,647,836</b>	<b>41,950,761</b>	<b>41,552,571</b>
Zakat	16	(1,633,750)	(2,201,775)	(7,528,315)	(3,089,275)
<b>Income for the period</b>		<b>15,186,106</b>	<b>30,446,061</b>	<b>34,422,446</b>	<b>38,463,296</b>
<b>Attributable To:</b>					
Shareholders of the parent company		12,973,368	29,684,480	27,048,246	37,701,715
Non-controlling interests		2,212,738	761,581	7,374,200	761,581
		<b>15,186,106</b>	<b>30,446,061</b>	<b>34,422,446</b>	<b>38,463,296</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>0.49</b>	<b>0.45</b>	<b>0.63</b>

  
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Chief Financial Officer

  
Riyadh Bin Saleh Al Malik  
Chief Executive Officer

  
Sultan Bin Mohammad Al-Hudaithi  
Vice Chairman and Managing Director



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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the three-month and six-month periods ended 30 June 2023

	Notes	For the three-months period ended 30 June		For the six-months period ended 30 June	
		2023 SR	2022 SR	2023 SR	2022 SR
Income for the period		<u>15,186,106</u>	<u>30,446,061</u>	<u>34,422,446</u>	<u>38,463,296</u>
<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		3,934,548	(194,768)	3,982,200	4,797,880
Actuarial gains on re-measurement of employees' benefit obligations		<u>347,112</u>	<u>-</u>	<u>347,112</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>19,467,766</u>	<u>30,251,293</u>	<u>38,751,758</u>	<u>43,261,176</u>
<b>Attributable To:</b>					
Shareholders of the parent company		17,185,606	29,489,712	31,308,136	42,499,595
Non-controlling interests		<u>2,282,160</u>	<u>761,581</u>	<u>7,443,622</u>	<u>761,581</u>
		<u>19,467,766</u>	<u>30,251,293</u>	<u>38,751,758</u>	<u>43,261,176</u>

  
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Chief Financial Officer

  
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Sultan Bin Mohammad Al-Hudaithi  
Vice Chairman and Managing Director

Saudi Automotive Services Co. (SASCO)  
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the six-month period ended 30 June 2023

	Note	For the six months-period ended 30 June	
		2023 SR	2022 SR
<b>OPERATING ACTIVITIES</b>			
Income before zakat		41,950,761	41,552,571
<i>Adjustments for:</i>			
Depreciation of right of-use-assets	9	112,274,271	81,540,845
Depreciation of property, plant and equipment	6	51,426,864	43,202,116
Provision of employees' defined benefit liabilities		4,167,760	3,185,162
Provision for slow moving inventories		1,437,300	925,166
Provision for expected credit losses	12	3,795,197	846,448
Accrued interest on lease liabilities	14	44,583,599	32,472,917
Finance costs		36,049,223	1,896,005
Net gain from investments at FVTPL		-	(324,166)
Grans from sale and leaseback of property, plant and equipment		-	(95,373,174)
Gains from sale of property, plant and equipment	19	(481,289)	(415,746)
Gains from disposal of leases	9	(928,268)	(350,571)
Amortisation of intangible assets		529,770	517,214
		<u>294,805,188</u>	<u>109,674,787</u>
<i>Working capital adjustments:</i>			
Trade receivables	12	(8,639,857)	(3,003,056)
Prepayments and other current assets		(8,730,533)	328,903
Retentions by banks for dividend distribution payable to shareholders	13	28,972,677	10,855,321
Inventory		(17,395,822)	(5,390,631)
Trade payables		(3,313,763)	86,225,840
Accrued expenses and other current liabilities		(41,570,978)	5,257,340
<b>Cash from operations</b>		<u>244,126,912</u>	<u>203,948,504</u>
Zakat paid	16	(16,356,316)	(1,425,156)
Employees' defined benefits liabilities paid		(2,042,612)	(1,296,602)
<b>Net cash from operating activities</b>		<u>225,727,984</u>	<u>201,226,746</u>
<b>INVESTING ACTIVITIES</b>			
(Purchase) proceeds from sale of investments at FVOCI	10	(10,000,000)	38,016,999
Purchase of investments at FVTPL		-	(200,000,000)
Purchase of property, plant and equipment	6	(22,950,855)	(22,440,672)
Acquisition of a subsidiary, net		-	(554,723,130)
Additions to projects in progress	7	(83,276,463)	(59,436,478)
Proceeds from sale of property, plant and equipment		1,562,785	1,695,029
Addition to intangible assets		(77,165)	(959,055)
<b>Net cash used in investing activities</b>		<u>(114,741,698)</u>	<u>(797,847,307)</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		(28,972,677)	(10,855,321)
Dividends Paid	22	-	(15,000,000)
Finance cost paid		(43,142,161)	(42,288,477)
Proceeds from long term loans	15	89,973,112	770,000,000
Repayment of long-term loans	15	(338,614,310)	(37,599,920)
Net change in Murabaha and short-term loans		70,000,000	878,740
Lease liabilities paid	14	(157,611,614)	(132,035,178)
<b>Net cash (used in) from financing activities</b>		<u>(408,367,650)</u>	<u>914,802,451</u>
Decrease in cash and cash equivalents		(297,381,364)	318,181,890
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>262,327,216</u>	<u>414,685,803</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 six-month period ended 30 June 2023

		For the six-months period ended 30 June	
		2023	2022
<u>SIGNIFICANT NON-CASH TRANSACTIONS:</u>	<u>Notes</u>	<u>SR</u>	<u>SR</u>
Transfer from projects in progress to property, plant and equipment	7	162,444,786	9,334,946
Valuation gains of investments at FVTPL		-	(238,203)
Net change in fair value of investments at FVOCI		160,911	4,797,880
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	156,244,424	145,255,407
Additions to lease liabilities	14	157,127,817	146,732,678
Disposal of right of-use-assets	9	(43,789,864)	(11,875,824)
Disposal to lease liabilities	14	(45,601,524)	(12,226,395)
Dividends paid to non-controlling interests		(60,000,000)	-

  
Islam Mohammed Khairi Ahmed  
Chief Financial Officer

  
Riyadh Bin Saleh Al Malik  
Chief Executive Officer

  
Sultan Bin Mohammad Al-Hudaithi  
Vice Chairman and Managing Director



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the six-month period ended 30 June 2023



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Sultan Bin Mohammad Al-Hudaithi  
Vice Chairman and Managing Director

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

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

For the three-month and six-month periods ended 30 June 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:

Name of subsidiary	Commercial Registration #	Principle field of activity	Direct & indirect ownership percentage %	
			30 June 2023	31 December 2022
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.	100%	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 motorcycles	100%	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 and bridges	100%	100%

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

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

For the three-month and six-month periods ended 30 June 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 June 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 works.	100%	100%
SASCO Palm Company	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.	100%	100%
SASCO Oasis Company	1010309488	Hotels as per the license of the General Authority for Tourism and National Heritage.	100%	100%
Zaiti Petroleum Services Company	1010236767	Retail of car and motorcycle fuel (Fuel stations).	100%	100%
SASCO Investment Franchise Company	1010434138	Providing marketing services on behalf of third parties.	100%	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.	100%	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.	100%	100%
Naft Services Company Limited	4030060592	Operation of fuel stations and related activities.	80%	80%
Automotive Services Care Company *	7009292033	Washing and lubricating cars	100%	-

\* During the period ended 30 June 2023, the Company converted one of its branch (Automotive Services Care Company) wholly owned by SASCO into a limited liability company.

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

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

For the three-month and six-month periods ended 30 June 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:

Branch	Commercial Registration #	Commercial Registration Date	City
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	1010950315	17 Rajab 1439H (corresponding to 12 April 2018)	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 Automotive Services Co. (SASCO)  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)

For the three-month and six-month periods ended 30 June 2023

**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.

**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.

Standard, Amendment or Interpretation	Effective date
- 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.

Standard, Amendment or Interpretation	Effective date
- 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.



**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 interm 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 six months period ended 30 June 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	2,434,434,850	1,769,958,614
Additions from the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the period/year	-	212,434	2,521,242	6,364,655	-	459,930	234,502	481,115	863,808	11,813,169	22,950,855	921,481,093
Transferred from projects in progress (note 7)	-	-	-	-	-	-	-	-	-	-	-	66,627,910
Disposals	-	59,643,232	12,052,060	-	-	932,912	10,019,544	4,537,942	1,943,779	73,315,317	162,444,786	33,667,084
Disposals of leased stations	-	(2,685)	(5,269,550)	(2,347,828)	(936,426)	(2,673,114)	(967,505)	(2,574,982)	(1,217,316)	(239,071)	(16,228,477)	(161,009,584)
Disposals of sales and leaseback	-	-	-	-	-	-	-	-	-	-	-	(4,377,906)
At the end of the period /year	773,357,222	893,131,803	196,078,975	137,515,213	624,737	47,704,399	37,420,221	42,321,080	35,049,660	440,398,704	2,603,602,014	2,434,434,850
<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	693,395,518	473,165,148
Additions from the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the period / year	-	14,572,989	9,001,341	4,834,336	28,551	2,207,186	1,882,646	1,589,832	1,742,977	15,567,006	51,426,864	300,964,567
Disposals	-	(1,497)	(4,461,639)	(2,209,392)	(936,288)	(2,646,818)	(963,865)	(2,529,780)	(1,158,632)	(239,070)	(15,146,981)	92,271,245
Disposals of leased stations	-	-	-	-	-	-	-	-	-	-	-	(151,708,676)
Disposals of sale and leaseback	-	-	-	-	-	-	-	-	-	-	-	(4,116,066)
At the end of the period /year	-	340,188,146	96,929,331	62,572,637	367,632	33,661,717	16,443,901	23,811,176	20,502,105	135,198,756	729,675,401	(17,180,700)
<b>Net book amounts:</b>												
At 30 June 2023	773,357,222	552,943,657	99,149,644	74,942,576	257,105	14,042,682	20,976,320	18,509,904	14,547,555	305,199,948	1,873,926,613	1,741,039,332
At 31 December 2022	773,357,222	507,662,168	94,385,594	73,550,693	285,794	14,883,322	12,608,560	15,125,881	13,541,629	235,638,469		

(\*) Property, plant and equipment above include lands and buildings at an amount of nil (31 December 2022: SR 99,384,518) pledged to local banks as a security for loans and banking facilities provided from such banks (note 15).

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

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

	30 June 2023 SR	30 June 2022 SR
Cost of revenue (note 18)	49,725,778	39,971,396
General and administrative expenses	1,701,086	3,230,720
	<b>51,426,864</b>	<b>43,202,116</b>

**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 June 2023 SR	31 December 2022 SR
At the beginning of the period /year	203,526,909	88,822,197
Additions from the acquisition of a subsidiary	-	17,040,108
Addition during the period/year	74,859,351	102,835,709
Depreciation of right of use assets ("A")	3,608,973	13,436,036
Lease liabilities' interest ("B")	2,708,742	7,595,008
loans and Murabah interest ("C")	5,708,370	7,464,935
Transferred to property, plant and equipment (note 6 "D")	(162,444,786)	(33,667,084)
At the end of the period/ year	<b>127,967,559</b>	<b>203,526,909</b>

- a) This represents capitalization of right of use assets' depreciation relating to these projects in progress (note 9).
- b) This represents interests on payments of lease liabilities capitalized on construction work in progress.
- c) 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 6.5% (31 December 2022: 5.4%) on the Group's outstanding loans during the period, used to finance these projects.
- d) 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 and the Group's Head Office.
- e) The Group regularly inspects the completion percentage of projects in progress.

**8. INVESTMENT PROPERTIES**

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

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

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**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 June 2023 SR	31 Decmeber 2022 SR
<b>Cost:</b>		
At the beginning of the period /year	2,750,375,640	1,647,399,912
Additions from the acquisition of a subsidiary, net	-	823,118,487
Additions	156,244,424	252,931,117
Additions due to sale and leaseback of property, plant and equipment	-	94,480,304
Adjustments to modified leases	(1,298,279)	41,576,906
Disposals	(68,221,474)	(109,131,086)
At the end of the period/ year	<u>2,837,100,311</u>	<u>2,750,375,640</u>
<b>Accumulated depreciation:</b>		
At the beginning of the period /year	529,818,994	393,707,695
Charge for the period / year	112,274,271	177,829,653
Charge for projects in progress during the period/ year (note 7)	3,608,973	13,436,036
Disposals during the period/ year	(24,431,610)	(55,154,390)
At the end of the period/ year	<u>621,270,628</u>	<u>529,818,994</u>
<b>Net book value:</b>	<u>2,215,829,683</u>	<u>2,220,556,646</u>

During the period ended 30 June 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 928,268 (30 June 2022: SR 350,571) in the interim condensed consolidated statement of income.

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

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

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023 SR	2022 SR	2023 SR	2022 SR
Depreciation of right of-use-assets	56,387,804	52,016,453	112,274,271	79,233,791
Interest expense on lease liabilities (note 14)	20,965,568	20,302,207	44,583,599	32,481,607
Variable lease payments	16,661,251	10,181,710	29,478,222	20,067,468
	<u>94,014,623</u>	<u>82,500,370</u>	<u>186,336,092</u>	<u>131,782,866</u>



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**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.

The Company	Ownership percentage	Country of Incorporation	30 June 2023 SR	31 December 2022 SR
Middle East Battery Company	12.79%	Kingdom of Saudi Arabia	157,704,775	156,730,962
Mutual Funds - Osool and Bakheet	-	Kingdom of Saudi Arabia	12,847,477	-
National Tourism Company	0.36%	Kingdom of Saudi Arabia	1,033,034	1,033,034
Investment in SABB portfolio	-	Kingdom of Saudi Arabia	484,801	323,891
Racing Co. Ltd.	25%	Kingdom of Saudi Arabia	125,000	125,000
			<u>172,195,087</u>	<u>158,212,887</u>

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

	30 June 2023 SR	31 December 2022 SR
At the beginning of the period /year	158,212,887	187,448,198
Additions from the acquisition of a subsidiary	-	1,110,137
Additions during the period/year (A)	10,000,000	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	3,982,200	9,095,869
At the end of the period/ year	<u>172,195,087</u>	<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.

**11. INVESTMENTS IN DEBT INSTRUMENTS**

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

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:

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

**12. TRADE RECEIVABLES**

	30 June 2023 SR	31 December 2022 SR
Trade receivables	174,140,770	167,427,313
Provision for expected credit losses	(36,257,925)	(34,389,128)
	<u>137,882,845</u>	<u>133,038,185</u>

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**12. TRADE RECEIVABLES (CONTINUED)**

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

	<b>30 June 2023 SR</b>	<b>31 December 2022 SR</b>
At the beginning of the period /year	34,389,128	21,565,176
Related to acquisition of a subsidiary	-	73,676,725
Provision for expected credit losses (ECL)	3,795,197	6,793,539
Reversal of provision during the period/ year	-	(10,941,305)
Written off during the period/ year	(1,926,400)	(56,705,007)
At the end of the period/ year	<u>36,257,925</u>	<u>34,389,128</u>

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

	<b>30 June 2023 SR</b>	<b>31 December 2022 SR</b>
Banks balances	303,140,279	228,697,485
Cash on Hands	7,479,161	8,275,996
Short term deposits	-	400,000,000
<b>Bank balances and cash on hands</b>	<u>310,619,440</u>	<u>636,973,481</u>
Less: Retentions by banks for dividend distribution payable to shareholders	(48,292,224)	(77,264,901)
<b>Cash and cash equivalents</b>	<u>262,327,216</u>	<u>559,708,580</u>

**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:

	<b>30 June 2023 SR</b>	<b>31 December 2022 SR</b>
At the beginning of the period /year	2,367,317,829	1,278,083,590
Additions	156,244,424	252,931,117
Adjustments to modified leases	(414,886)	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	44,583,599	73,206,587
Lease interest charged to projects in progress (note 7)	2,708,742	7,595,008
Disposals	(45,601,524)	(58,817,815)
Lease payments	(157,611,614)	(238,330,297)
Discount on lease payments	(2,305,150)	-
Transferred to accruals	(17,219,452)	(18,438,700)
At the end of the period/ year	<u>2,347,701,968</u>	<u>2,367,317,829</u>
Less: Current portion:	<u>(252,275,449)</u>	<u>(253,649,968)</u>
Non-current portion	<u>2,095,426,519</u>	<u>2,113,667,861</u>

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**15. LOANS**

**LONG-TERM LOANS**

During the period, the Group has obtained term loans in the form of Murabaha financing totalling SR 89.9 million (during the year ended 31 December 2022: SR 1.34 billion) for the purpose of financing certain projects under construction. The Interest is payable according to the prevailing market rates and SIBOR.

As at 30 June 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. Under the terms of these agreements, the banks have the right to demand immediate repayment of the loans if any of the covenants are not met.

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

	<b>30 June 2023 SR</b>	<b>31 December 2022 SR</b>
At the beginning of the period / year	1,612,950,321	614,238,229
Addition during the period / year	89,973,112	1,340,000,000
Paid during the period/year	(338,614,310)	(341,287,908)
At the end of the period/ year	<u>1,364,309,123</u>	<u>1,612,950,321</u>

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

	<b>30 June 2023 SR</b>	<b>31 December 2022 SR</b>
Total instalments	1,384,882,620	1,635,081,580
Less: accrued finance cost	(20,573,497)	(22,131,259)
Accrued amounts	<u>1,364,309,123</u>	<u>1,612,950,321</u>
Current portion	52,805,625	51,809,756
Non- current portion	<u>1,311,503,498</u>	<u>1,561,140,565</u>
	<u>1,364,309,123</u>	<u>1,612,950,321</u>

**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.

**16. ZAKAT**

**Charged during the period**

The Zakat charge for the period consists of the following:

	<b>30 June 2023 SR</b>	<b>30 June 2022 SR</b>
Provision for the period	3,028,315	887,500
Prior year adjustments ("A")	4,500,000	-
	<u>7,528,315</u>	<u>887,500</u>

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.

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**16. ZAKAT (CONTINUED)**

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

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

	30 June 2023 SR	31 December 2022 SR
At the beginning of the period /year	13,690,583	6,303,772
Related to acquisition of a subsidiary	-	3,982,633
Charge during the period / year	7,528,315	8,509,744
Paid during the period/ year	(16,356,316)	(5,105,566)
At the end of the period/ year	4,862,582	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. The Company filed an objection to these assessments with the General Secretariat of Tax Committees (GSTC). The Company provided a provision for additional zakat liabilities at an amount of SR 8 million as at 31 December 2022.

GSTC rejected the objection at 5 June 2023. 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.

**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 June		For the six-month period ended 30 June	
	2023 SR	2022 SR	2023 SR	2022 SR
Fuel revenue	2,084,487,627	1,911,505,572	4,158,911,635	3,072,189,180
Leasing revenue	70,113,170	62,630,971	137,667,477	103,992,761
Catering revenue	60,064,039	55,948,754	114,989,306	107,248,876
Others	21,322,214	35,388,612	44,598,605	54,517,309
	<u>2,235,987,050</u>	<u>2,065,473,909</u>	<u>4,456,167,023</u>	<u>3,337,948,126</u>

**18. COST OF REVENUES**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023 SR	2022 SR	2023 SR	2022 SR
Direct materials	1,983,174,212	1,844,408,260	3,958,004,430	2,977,060,782
Depreciation of right of-use-assets	56,175,795	50,108,450	111,986,480	77,325,788
Employees' costs	53,761,706	43,618,257	100,015,360	78,963,186
Depreciation of property, plant and equipment	25,383,566	22,799,073	49,725,778	39,971,396
Rentals of stations and offices	13,343,180	9,677,353	26,160,151	17,819,632
Repairs and maintenance	6,019,590	4,292,969	12,347,306	6,826,915
Bank charges	5,711,199	3,247,781	12,201,483	9,548,609
Utilities	8,747,451	9,921,899	11,879,152	10,419,053
Amortization of intangible assets	80,575	597,481	218,080	1,159,206
Others	6,342,888	7,079,157	15,604,835	13,475,644
	<u>2,158,740,162</u>	<u>1,995,750,680</u>	<u>4,298,143,055</u>	<u>3,232,570,211</u>

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**19. OTHER INCOME, NET**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023	2022	2023	2022
	SR	SR	SR	SR
Gain from deposits	6,757,083	-	16,004,609	-
Reversal of previously provided provisions	-	-	4,005,391	-
Gains from sale of property, plant and equipment	153,533	466,045	481,289	314,870
Gains from sale and leaseback of property, plant and equipment	-	95,058,304	-	95,058,304
Income from litigation indemnities	-	-	-	1,108,235
Others	1,160,353	1,954,022	3,404,873	1,967,151
	<u>8,070,969</u>	<u>97,478,371</u>	<u>23,896,162</u>	<u>98,448,560</u>

**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 June		For the six-month period ended 30 June	
	2023	2022	2023	2022
	SR	SR	SR	SR
Income for the period attributable to shareholders of the Parent	12,973,368	29,684,480	27,048,246	37,701,715
Weighted average number of outstanding shares	60,000,000	60,000,000	60,000,000	60,000,000
Basic and diluted earnings per share:	<u>0.22</u>	<u>0.49</u>	<u>0.45</u>	<u>0.63</u>

**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**

**2023**

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

**2022**

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.

**For the three-months period ended 30 June 2023**

Revenue from external customers	2,226,670,665	7,108,841	2,207,544	-	-	2,235,987,050
Inter-segment revenue	9,998,972	-	10,515,190	-	-	-
Depreciation of property, plant and equipment	24,491,350	14,187	1,658,778	-	-	26,164,315
Depreciation of right-of-use assets	56,099,178	-	288,623	-	-	56,387,801
Cost of revenue	2,165,854,461	3,069,885	10,329,978	-	-	2,158,740,162
Gross profit	70,815,176	4,038,956	2,392,756	-	-	77,246,888

**For the three-months period ended 30 June 2022**

Revenue	2,061,102,716	2,666,863	1,704,330	-	-	2,065,473,909
Inter-segment revenue	10,429,352	-	9,448,215	-	-	-
Depreciation of property, plant and equipment	24,443,272	9,737	1,386,116	-	-	25,839,125
Depreciation of right-of-use assets	50,710,661	-	192,772	-	-	50,903,433
Cost of revenue	2,005,286,632	1,701,369	8,640,246	-	-	1,995,750,680
Gross profit	66,245,436	965,495	2,512,298	-	-	69,723,229

**For the six-months period ended 30 June 2023**

Revenue from external customers	4,441,016,715	10,698,788	4,451,520	-	-	4,456,167,023
Inter-segment revenue	19,797,247	-	20,681,500	-	-	-
Depreciation of property, plant and equipment	48,161,293	28,219	3,237,353	-	-	51,426,865
Depreciation of right-of-use assets	111,792,873	-	481,395	-	-	112,274,268
Cost of revenue	4,313,172,223	5,124,183	20,325,396	-	-	4,298,143,055
Gross profit	147,625,241	5,574,605	4,807,624	-	-	158,007,470

**For the six-months period ended 30 June 2022**

Revenue from external customers	3,329,276,310	5,134,919	3,536,897	-	-	3,337,948,126
Inter-segment revenue	16,175,982	-	18,046,553	-	-	-
Depreciation of property, plant and equipment	40,438,935	19,387	2,743,794	-	-	43,202,116
Depreciation of right-of-use assets	81,155,301	-	385,544	-	-	81,540,845
Costs of revenue	3,246,566,010	3,517,305	16,709,431	-	-	3,232,570,211
Gross profit	98,886,282	1,617,615	4,874,018	-	-	105,377,915

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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>As at 30 June 2023 (Unaudited)</b>						
Assets	6,211,816,945	32,932,274	146,354,676	198,455,592	(708,391,473)	5,881,168,014
Property, plant and equipment	1,779,259,404	322,347	73,679,763	20,665,099	-	1,873,926,613
Investment property	89,481,000	-	-	-	-	89,481,000
Right of-use-assets	2,213,611,309	-	2,218,374	-	-	2,215,829,683
Liabilities	5,211,636,796	10,005,075	85,286,280	17,499	(401,177,931)	4,905,767,719
<b>As at 31 December 2022 (Audited)</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
Investment property	89,481,000	-	-	-	-	89,481,000
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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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**

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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 June		For the six-month period ended 30 June	
	2023	2022	2023	2022
	SR	SR	SR	SR
Gross profit	77,246,888	69,723,229	158,023,968	105,377,915
<i>Un-allocated items:</i>				
Sales and marketing expenses	(1,282,363)	(933,258)	(2,695,716)	(1,555,396)
General and administrative expenses	(26,293,959)	(108,162,321)	(52,853,230)	(122,772,640)
Finance cost	(39,069,017)	(25,255,482)	(80,632,823)	(37,788,996)
Provision for expected credit losses	(1,860,259)	(481,038)	(3,795,197)	(481,038)
Net gain from investments at FVTPL	7,597	229,662	7,597	230,019
Dividends received from investments at FVTPL	-	48,673	-	94,147
Other income, net	8,070,969	97,478,371	23,896,162	98,448,560
Total un-allocated amounts	(60,427,032)	(37,075,393)	(116,073,207)	(63,825,344)
Income before zakat	16,819,856	32,647,836	41,950,761	41,552,571

**24. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

*Capital commitments*

The Group has capital commitments of SR 42.8 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 08 Muharram 1445H (corresponding to 26 July 2023).