

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

Interim Condensed Consolidated Financial Statements
(Unaudited)

For the three months period ended 31 March 2023

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

Interim Condensed Consolidated Financial Statements (Unaudited)
31 March 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") (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2023, and the related interim condensed consolidated statements of income and comprehensive income, cash flows and changes in equity for the three months period then ended, and a summary of significant accounting policies and other explanatory notes. Management 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) that is 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" endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements 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.

Other Matter

The interim condensed consolidated financial statements for the period ended 31 March 2022 were audited by another auditor who expressed an unqualified conclusion on those interim condensed consolidated financial statements on 23 Ramadan 1443H (corresponding to 24 April 2022).

for Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 21 Shawwal 1444H
(11 May 2023)



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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Notes	31 March 2023 (unaudited) SR	31 December 2022 (audited) SR
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,786,504,686	1,741,039,332
Projects in progress	7	183,959,044	203,526,909
Investment properties	8	89,481,000	89,481,000
Right of-use-assets	9	2,222,794,888	2,220,556,646
Intangible assets – Goodwill		495,348,204	495,348,204
Other intangible assets		3,339,033	3,563,911
Investments at fair value through other comprehensive income (FVOCI)	10	168,260,539	158,212,887
Investments in debt instruments	11	250,000,000	250,000,000
TOTAL NON-CURRENT ASSETS		5,199,687,394	5,161,728,889
CURRENT ASSETS			
Inventory		92,407,755	82,574,432
Trade receivables	12	167,207,423	133,038,185
Prepayments and other current assets		106,153,156	97,542,789
Bank balances and cash on hand	13	572,419,740	636,973,481
TOTAL CURRENT ASSETS		938,188,074	950,128,887
TOTAL ASSETS		6,137,875,468	6,111,857,776
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		600,000,000	600,000,000
Statutory reserve		74,529,931	74,529,931
Retained earnings		44,905,351	30,830,473
Fair value reserve of financial assets through other comprehensive income (FVOCI)		129,927,355	129,879,703
Total Equity attributable to the shareholders of the Company		849,362,637	835,240,107
Non-controlling interests		166,569,892	161,408,430
TOTAL EQUITY		1,015,932,529	996,648,537
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease contracts liabilities	14	2,141,304,195	2,113,667,861
Long-term loans	15	1,560,369,202	1,561,140,565
Employees' defined benefit liabilities		42,709,889	41,644,697
TOTAL NON-CURRENT LIABILITIES		3,744,383,286	3,716,453,123
CURRENT LIABILITIES			
Murabaha financing & short-term loans	15	-	30,000,000
Current portion of long-term loans	15	52,805,625	51,809,756
Trade Payables		797,205,467	777,655,481
Accrued expenses and other current liabilities		219,708,521	194,685,427
Current portion of lease contracts liabilities	14	240,100,205	253,649,968
Dividends payable to shareholders		48,154,687	77,264,901
Zakat payable	16	19,585,148	13,690,583
TOTAL CURRENT LIABILITIES		1,377,559,653	1,398,756,116
TOTAL LIABILITIES		5,121,942,939	5,115,209,239
TOTAL EQUITY AND LIABILITIES		6,137,875,468	6,111,857,776

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 28 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 COMPREHENSIVE INCOME
(UNAUDITED)

For the three-months period ended at 31 March 2023

	Notes	For three months period ended 31 March	
		2023 SR	2022 SR
Revenue	17	2,220,179,973	1,272,474,217
Cost of revenue	18	(2,139,402,893)	(1,232,320,507)
GROSS PROFIT		80,777,080	40,153,710
General and Administrative expenses		(26,559,271)	(14,404,556)
Selling and marketing expenses		(1,413,353)	(622,138)
Provision for expected credit losses		(1,934,938)	(205,763)
INCOME FROM MAIN OPERATIONS		50,869,518	24,921,253
Finance cost		(41,563,806)	(17,032,538)
Net profit from investment at fair value through profit or loss (FVPL)		-	45,831
Other income, net	19	15,825,193	970,189
Income before zakat		25,130,905	8,904,735
Zakat	16	(5,894,565)	(887,500)
Income for the period		19,236,340	8,017,235
Attributable to:			
Shareholders of the Parent Company		14,074,878	8,017,235
Non-controlling interests		5,161,462	-
		19,236,340	8,017,235
Earnings per share (in Saudi Riyals)			
Basic and diluted earnings per share for the period attributable to shareholders of the Parent	20	0.23	0.13


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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-months period ended at 31 March 2023

		<i>For three months period ended 31 March</i>	
	<i>Notes</i>	<i>2023 SR</i>	<i>2022 SR</i>
Income for the period		19,236,340	8,017,235
OTHER COMPREHENSIVE INCOME:			
<i>Items that will not be re-classified subsequently to statement of income:</i>			
Net change in fair value of investments at fair value through other comprehensive income (FVOCI)	10	47,652	4,992,648
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		19,283,992	13,009,883
Attributable to:			
Shareholders of the Parent Company		14,122,530	13,009,883
Non-controlling interests		5,161,462	-
		19,283,992	13,009,883



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Saudi Automotive Services Co. (SASCO)
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the three-months period ended at 31 March 2023

		<i>For three month period ended 31 March</i>	
		<i>2023 SR</i>	<i>2022 SR</i>
OPERATING ACTIVITIES			
Income before zakat		25,130,905	8,904,735
<i>Adjustments for:</i>			
Depreciation of right of use assets	9	55,886,467	22,718,314
Depreciation of property, plant and equipment	6	25,262,550	17,362,991
Provision of employees' defined benefit liabilities		2,024,342	1,061,335
Provision for slow moving inventory		133,731	438,208
Provision for expected credit losses	12	1,934,938	205,763
Accrued interest on lease contracts liabilities	14	23,618,031	12,179,400
Finance costs		17,945,775	4,853,138
Net gain from investments at FVTPL		-	(357)
(Gains) losses on disposal of property plant and equipment	19	(327,754)	151,175
Gain from disposal of lease contracts	9	(1,509,567)	-
Amortization on intangible assets		264,545	298,656
		<u>150,363,963</u>	<u>68,173,358</u>
<i>Working capital adjustments:</i>			
Trade receivables		(36,104,175)	(3,587,764)
Prepayments and other current assets		(8,610,367)	(28,841,736)
Retentions by banks for distribution of dividends payable to shareholders	13	29,110,214	12,002,457
Inventory		(9,967,054)	(14,669,334)
Trade payables		19,549,986	(31,183,012)
Accrued expenses and other current liabilities		<u>20,343,040</u>	<u>70,556,086</u>
Cash from operations		<u>164,685,607</u>	<u>72,450,055</u>
Employee defined benefit liabilities paid		<u>(959,150)</u>	<u>(174,107)</u>
Net cash from operating activities		<u>163,726,457</u>	<u>72,275,948</u>
INVESTING ACTIVITIES			
(Purchase) proceeds from sale of investments at FVOCI		(10,000,000)	38,016,997
Purchase of property, plant and equipment		(17,370,866)	(7,881,412)
Advance for acquisition of a subsidiary (Naft)		-	(400,000,000)
Additions to projects in progress	7	(36,963,937)	(31,606,605)
Proceeds from sale of property, plant and equipment		5,331,233	326,802
Addition to other intangible assets		(39,667)	(577,381)
Net cash used in investing activities		<u>(59,043,237)</u>	<u>(401,721,599)</u>
FINANCING ACTIVITIES			
Dividends paid to the shareholders for prior years		(29,110,214)	(12,002,457)
Finance cost paid		(14,304,271)	(7,429,865)
Proceeds from long-term loans		21,473,111	370,000,000
Repayment of long-term loans		(21,248,605)	(32,280,840)
Net change in Murabaha and short-term loans		(30,000,000)	20,087,002
Lease contracts liabilities paid	14	(66,936,768)	(9,845,547)
Net cash (used in) from financing activities		<u>(140,126,747)</u>	<u>328,528,293</u>
Decrease in cash and cash equivalents		(35,443,527)	(917,358)
Cash and cash equivalents at the beginning of the period	13	<u>559,708,580</u>	<u>96,503,913</u>
Cash and cash equivalents at end of the period	13	<u>524,265,053</u>	<u>95,586,555</u>

The attached notes 1 to 28 form as integral part of these interim condensed consolidated financial statements.

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

For the three-months period ended at 31 March 2023

		For three month period ended 31 March	
		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	58,360,516	-
Net change in fair value of investments at FVOCI		47,652	(3,078,143)
Additions to right of use assets	9	100,157,434	67,225,288
Additions to lease contracts liabilities	14	100,157,434	67,225,288
Disposal of right of use assets	9	(23,423,846)	(14,387,856)
Disposals of lease contracts liabilities	14	(41,713,578)	



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Saudi Automotive Services Co. (SASCO)
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-months period ended at 31 March 2023

	Attributable to equity holders of the parent company				Non-Controlling Interests SR	Total Equity SR
	Share capital SR	Statutory reserve SR	Retained Earnings SR	Fair value reserve of financial assets through other comprehensive income (FVOCI) 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	-	-	8,017,235	-	-	8,017,235
Other comprehensive income	-	-	-	4,992,648	-	4,992,648
Total comprehensive income for the period	-	-	8,017,235	4,992,648	-	13,009,883
Disposal of investments at FVOCI	-	-	8,070,791	(8,070,791)	-	-
Balance as at 31 March 2022 (Unaudited)	600,000,000	65,559,289	33,610,662	125,776,482	-	824,946,433
Balance as at 1 January 2023 (audited)	600,000,000	74,529,931	30,830,473	129,879,703	161,408,430	996,648,537
Income for the period	-	-	14,074,878	-	5,161,462	19,236,340
Other comprehensive income	-	-	-	47,652	-	47,652
Total comprehensive income for the period	-	-	14,074,878	47,652	5,161,462	19,283,992
Balance as at 31 March 2023 (Unaudited)	600,000,000	74,529,931	44,905,351	129,927,355	166,569,892	1,015,932,529



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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

31 March 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), PO 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 consolidated financial statements under the Company's control:

<i>Name of subsidiary</i>	<i>Commercial Registration #</i>	<i>Principle field of activity</i>	<i>Direct & indirect ownership percentage (%)</i>	
			<i>31 March 2023</i>	<i>31 December 2022</i>
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%
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%

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

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

31 March 2023

1 ACTIVITIES (continued)

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

<i>Name of subsidiary</i>	<i>Commercial Registration #</i>	<i>Principle field of activity</i>	<i>Direct & indirect ownership percentage (%)</i>	
			<i>31 March 2023</i>	<i>31 March 2023</i>
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 ("Naft")	4030060592	Operation of fuel stations and related activities.	80%	80%
Automotive Services Care Company *	7009292033	Washing and lubricating cars	100%	-

* During the period ended 31 March 2023, the Company converted one of its wholly owned branches into a limited liability company.

Saudi Automotive Services Co. (SASCO)
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (Continued)

31 March 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:

<i>Branch</i>	<i>Commercial Registration #</i>	<i>Commercial Registration Date</i>	<i>City</i>
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)

31 March 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 Saudi Organization for Chartered and Professional Accountants. 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 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". Employee 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NEW STANDARDS ISSUED, AND STANDARDS ISSUED AND EFFECTIVE

Following are the standards and amendments effective on 1 January 2023 or after (unless otherwise stated): and do not have a material impact on the Group's interim condensed consolidated financial statements.

<i>Standard, Amendment or Interpretation</i>	<i>Effective date</i>
- 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, AND 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.

<i>Standard, Amendment or Interpretation</i>	<i>Effective date</i>
- Amendments to IAS (1): Classification of Liabilities as Current or Non-current	1 January 2023
- Amendments to IAS (16): lease liabilities from sale and leaseback	1 January 2023

3 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 and related disclosures. 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 are recognized prospectively.

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

31 March 2023

4 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 as a 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 Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

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 contracts 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 (for example, when leases contracts lease Group' subsidiary company functional currency). 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) are required.

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4 SIGNIFICANT JUDGMENTS, ASSUMPTIONS AND ESTIMATES (continued)

Estimates and assumptions (continued)

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 lease contracts 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 and accounts for the contracts as operating leases

6 PROPERTY, PLANT AND EQUIPMENT

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

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

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6 PROPERTY, PLANT AND EQUIPMENT (continued)

	<i>Lands SR</i>	<i>Buildings SR</i>	<i>Equipment and machinery SR</i>	<i>Motors vehicles SR</i>	<i>Communic ation devices and phones SR</i>	<i>Furniture and fixtures SR</i>	<i>Computers SR</i>	<i>Electronic devices SR</i>	<i>Billboards SR</i>	<i>Improve- ments of fixed assets SR</i>	<i>TOTAL For the three- month period ended 31 March 2023 SR</i>	<i>TOTAL For the year ended 31 December 2022 SR</i>
Cost:												
At the beginning of the period/year	773,357,222	833,278,822	188,897,277	133,498,386	1,561,163	46,862,617	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	-	-	-	-	-	-	-	-	-	-	-	921,481,093
Additions during the period/year	-	185,434	3,991,337	4,934,827	-	306,076	258,912	661,093	510,638	6,522,549	17,370,866	66,627,910
Transferred from projects in progress (note 7)	-	-	10,289,739	-	-	173,174	8,481,531	452,950	733,100	38,230,022	58,360,516	33,667,084
Disposals	-	(2,685)	(7,451,400)	(2,288,628)	(936,426)	(2,679,764)	(1,138,477)	(3,011,523)	(1,243,494)	(1,243,909)	(19,996,306)	(161,009,584)
Disposals of leased stations	-	-	-	-	-	-	-	-	-	-	-	(4,377,906)
Disposals of sale and leaseback	-	-	-	-	-	-	-	-	-	-	-	(191,912,361)
At the end of the period /year	<u>773,357,222</u>	<u>833,461,571</u>	<u>195,726,953</u>	<u>136,144,585</u>	<u>624,737</u>	<u>44,662,103</u>	<u>35,735,646</u>	<u>37,979,525</u>	<u>33,459,633</u>	<u>399,017,951</u>	<u>2,490,169,926</u>	<u>2,434,434,850</u>
Depreciation:												
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	-	-	-	-	-	-	-	-	-	-	-	300,964,567
Charge for the period / year	-	7,279,020	4,455,145	2,404,706	14,049	1,116,047	854,537	807,548	867,555	7,463,943	25,262,550	92,271,245
Disposals	-	(1,497)	(4,400,335)	(2,131,393)	(936,288)	(2,646,818)	(963,865)	(2,529,780)	(1,143,782)	(239,070)	(14,992,828)	(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>332,894,177</u>	<u>92,444,439</u>	<u>60,221,006</u>	<u>353,130</u>	<u>32,570,578</u>	<u>15,415,792</u>	<u>23,028,892</u>	<u>19,641,533</u>	<u>127,095,693</u>	<u>703,665,240</u>	<u>693,395,518</u>
Net book amounts:												
At 31 March 2023	<u>773,357,222</u>	<u>500,567,394</u>	<u>103,282,514</u>	<u>75,923,579</u>	<u>271,607</u>	<u>12,091,525</u>	<u>20,319,854</u>	<u>14,950,633</u>	<u>13,818,100</u>	<u>271,922,258</u>	<u>1,786,504,686</u>	
At 31 December 2022	<u>773,357,222</u>	<u>507,662,168</u>	<u>96,507,648</u>	<u>73,550,693</u>	<u>285,794</u>	<u>12,761,268</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 above include lands and buildings at an amount of SR 99,584,099 (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:

	<i>31 March 2023 SR</i>	<i>31 March 2022 SR</i>
Cost of revenue (Note 18)	24,342,212	17,128,470
General and Administrative expenses	920,338	234,521
	25,262,550	17,362,991

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:

	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
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	32,948,113	102,835,709
Depreciation of right of use assets ("A")	1,828,714	13,436,036
lease contracts liabilities' interest ("B")	1,266,452	7,595,008
loans and Murabah interest ("C")	2,749,372	7,464,935
Transferred to property, plant and equipment (note 6 "D")	(58,360,516)	(33,667,084)
At the end of the period/ year	183,959,044	203,526,909

- 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 contracts liabilities capitalized on construction work in progress.
- c) This represents finance costs eligible for capitalization. The rate used to determine finance costs eligible 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 mainly represent the cost of constructing new stations in all regions of the Kingdom.
- e) The Group regularly inspects the completion percentage of projects in progress.

8 INVESTMENT PROPERTIES

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

	<i>lands SR</i>	<i>TOTAL 31 March 2023 SR</i>	<i>31 December 2022 SR</i>
Investment properties	89,481,000	89,481,000	89,481,000
Net book amounts:			
As at end of the year	89,481,000	89,481,000	89,481,000

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8 INVESTMENT PROPERTIES (continued)

As at 31 December 2022, The fair value of the land was determined at an amount of SR 89,5 million based on the valuation process performed by Estinad Office, an independent and accredited valuation expert, with license number 1210000037 by Saudi Organization for Accredited Valuers. The fair value measurement was classified under the third level based on the valuation techniques applied.

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 land and buildings. In general, 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:

	31 March 2023 SR	31 December 2022 SR
Cost:		
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	100,157,434	252,931,117
Additions due to sale and leaseback of property, plant and equipment	-	94,480,304
Adjustments to modified leases	-	41,576,906
Disposals	(63,627,857)	(109,131,086)
At the end of the period/ year	2,786,905,217	2,750,375,640
Accumulated depreciation:		
At the beginning of the period/ year	529,818,994	393,707,695
Charge for the period / year	55,886,467	177,829,653
Charge for projects in progress (Note 7)	1,828,714	13,436,036
Disposals	(23,423,846)	(55,154,390)
At the end of the period/ year	564,110,329	529,818,994
Net book value:	2,222,794,888	2,220,556,646

During the period ended 31 March 2023, the Company terminated some leases for a number of stations before the end of their terms. Therefore, this disposal resulted in gains at an amount of SR 1,509,567 (31 March 2022: nil) in the interim condensed consolidated statement of income.

- a) Lease settlement adjustments represent changes made to lease payments and terms agreed upon with the lessors.
- b) There were no leases which included guaranties 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 interim condensed consolidated statement of income:

	31 March 2023 SR	31 March 2022 SR
Depreciation of right of use assets	55,886,467	27,217,338
Interest expense on lease contract liabilities (Note 14)	23,618,031	12,179,400
Variable lease payments	12,816,971	9,885,758
	92,321,469	49,282,496

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10 INVESTMENTS

A) Investments in equity instruments at FVOCI

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

<i>The Company</i>	<i>Ownership interest</i>	<i>Country of Incorporation</i>	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
Middle East Battery Company	12.79%	Kingdom of Saudi Arabia	156,730,962	156,730,962
Mutual Funds - Osool and Bakheet	-	Kingdom of Saudi Arabia	10,000,000	-
National Tourism Company	0.36%	Kingdom of Saudi Arabia	1,033,034	1,033,034
Investment in SABB portfolio	-	Kingdom of Saudi Arabia	371,543	323,891
Racing Co. Ltd.	25%	Kingdom of Saudi Arabia	125,000	125,000
			168,260,539	158,212,887

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

	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
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 FVPL	-	(631,857)
Disposals during the period/year	-	(39,127,136)
Change in fair value during the year	47,652	9,095,869
At the end of the period/ year	168,260,539	158,212,887

a) The Company has invested in the mutual Fund (Osool and Bakheet), which aims at partial acquisition of shares of a listed company in Tadawul.

11 INVESTMENTS IN DEBT INSTRUMENTS

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

It consists of investing in Sukuk issued by Riyadh Bank with a credit rating of BBB+. Sukuk carry an average interest rate of 5.25% as at 31 March 2023 (31 December 2022: 5,25%). The details of these investments are as follows:

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

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12 TRADE RECEIVABLES

	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
Trade receivables	203,401,852	167,427,313
Provision for expected credit losses	(36,194,429)	(34,389,128)
	167,207,423	133,038,185

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

	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
At the beginning of the period/ year	34,389,128	21,565,176
Related to acquisition of subsidiary	-	73,676,725
Provision for expected credit losses (ECL)	1,934,938	6,793,539
Reversal of a provision during the year	-	(10,941,305)
Written off during the year	(129,637)	(56,705,007)
At the end of the period/ year	36,194,429	34,389,128

13 BANK BALANCES AND CASH ON HAND

	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
Short term deposits*	400,000,000	400,000,000
Bank balances	165,917,079	228,697,485
Cash on Hand	6,502,661	8,275,996
Bank balances and cash on hand	572,419,740	636,973,481
Less: Retentions by banks for dividend distribution payable to shareholders	(48,154,687)	(77,264,901)
Cash and cash equivalents	524,265,053	559,708,580

* Short Term deposits are highly liquidity deposits with a maturity period of three months, and carry an average interest rate of 5.05%

14 LEASE CONTRACTS LIABILITIES

The Group has leases related to fuel filling stations for which lease terms usually range between 5 years and 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.

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14 LEASE CONTRACTs LIABILITIES (continued)

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

	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
At the beginning of the period/ year	2,367,317,829	1,278,083,590
Additions	100,157,434	252,931,117
Adjustments to modified leases	-	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 interest	23,618,031	73,206,587
lease interest charged to projects in progress (note 7)	1,266,452	7,595,008
Disposals	(41,713,578)	(58,817,815)
lease payments	(66,936,768)	(238,330,297)
Transferred to accrued lease payments	(2,305,000)	(18,438,700)
At the end of the period/ year	2,381,404,400	2,367,317,829
Less: Current portion:	(240,100,205)	(253,649,968)
Non-current portion	2,141,304,195	2,113,667,861

15 LOANS

Long term loans

During the period, the Group has obtained term loans in the form of Murabaha financing with total value of SR 21,4 million (during the year ended 31 December 2022: SR 1,34 billion) for the purpose of financing projects under construction. Interest is payable according to the prevailing market rates and SIBOR. These loans are secured by the mortgage of plots of land and buildings (note 6), in addition to promissory notes.

As of 31 March 2023, the Group has available cash facilities amounting to SR 1 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:

	<i>31 March 2023 SR</i>	<i>31 December 2022 SR</i>
At the beginning of the period/ year	1,612,950,321	614,238,229
Collected during the period / year	21,473,111	1,340,000,000
Paid during the period/year	(21,248,605)	(341,287,908)
At the end of the period/ year	1,613,174,827	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:

consumption in future.

	31 March 2023 SR	31 December 2022 SR
Total instalments	1,641,696,961	1,635,081,580
Less: Finance cost	(28,522,134)	(22,131,259)
Due amounts	1,613,174,827	1,612,950,321
Current portion	52,805,625	51,809,756
Non- current portion	1,560,369,202	1,561,140,565
	1,613,174,827	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.

16 Zakat

Charge for the period

Zakat charge for the period comprise of the following:

	31 March 2023 SR	31 March 2022 SR
Provision for the period	1,394,565	887,500
Prior year adjustments	4,500,000	-
	5,894,565	887,500

The Company submits its zakat returns of the Group on a consolidated basis of the Company and its subsidiaries, except for "Naft". The Group has submitted its zakat returns to the 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:

	31 March 2023 SR	31 December 2022 SR
At the beginning of the period/ year	13,690,583	6,303,772
Related to acquisition of subsidiary	-	3,982,633
Charge during the period / year	5,894,565	8,509,744
Paid during the period/ year	-	(5,105,566)
At the end of the period/ year	19,585,148	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 2014 to 2018, resulting in additional zakat liabilities amounting to SR 12.3 million. The Company filed an objection against 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.

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16 ZAKAT (continued)

a) Zakat status – SASCO (continued)

GSTC rejected the objection at 5 March 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 March 31, 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.

b) 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

	<i>For three month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>SR</i>	<i>SR</i>
Fuel revenue	2,074,424,008	1,173,093,517
Leasing revenue	67,554,307	41,361,790
Catering revenue	54,925,267	51,342,425
Others	23,276,391	6,676,485
	2,220,179,973	1,272,474,217
<i>Timing of recognition of revenue</i>		
Over a period of time	2,152,625,666	1,231,112,427
At a point in time	67,554,307	41,361,790
	2,220,179,973	1,272,474,217

18 COST OF REVENUES

	<i>For three month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>SR</i>	<i>SR</i>
Direct materials	1,974,830,218	1,132,652,522
Depreciation of right of use assets	55,810,685	22,718,314
Employees' costs	46,253,654	35,344,929
Depreciation of property plant and equipment (note 6)	24,342,212	17,128,470
Lease of stations and offices	12,816,971	5,188,721
Bank charges	6,490,284	6,300,828
Repair and maintenance	6,327,716	2,953,558
Utilities	3,004,661	3,744,935
Amortization of Intangible assets	264,545	298,656
Others	9,261,947	5,989,574
	2,139,402,893	1,232,320,507

19 OTHER INCOME, NET

	<i>For three month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>SR</i>	<i>SR</i>
Gain from deposits	9,247,526	-
Reversal of provisions previously provided	4,005,391	-
Gains (losses) from sale of property, plant and equipment	327,754	(151,175)
Income from litigation indemnities	-	1,108,235
Others	2,244,522	13,129
	15,825,193	970,189

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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 Company 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 when all dilutive potential ordinary shares are converted into ordinary shares. Diluted earnings per share are calculated, same as the ordinary or basic share profit, as the Company does not have any convertible bonds or diluted instruments to exercise.

The following table shows income data from main operations, income and shares used to calculate basic and diluted earnings per share for the period:

	<i>for the three month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>SR</i>	<i>SR</i>
Income for the period attributable to shareholders of the parent	14,074,878	8,017,235
Weighted average number of outstanding shares	60,000,000	60,000,000
Basic and diluted earnings per share:	0.23	0.13

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 asset and financial liabilities. The Group's financial assets consist of bank balances, investments and trade receivables, while its financial liabilities consist of term loans, trade payables and amounts due to shareholders.

Management found that the fair value of bank balances, investments at FVOCI, trade receivables and payables and amounts due to shareholders approximate their book value significantly 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

The Group didn't distribute any dividends for the period ended 31 March 2023 and 31 March 2022.

22 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.

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23 SEGMENT INFORMATION - Continued

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.

	<i>Retail and operation SR</i>	<i>Saudi Club SR</i>	<i>Transportation Fleet SR</i>	<i>Others SR</i>	<i>Inter-segment eliminations SR</i>	<i>TOTAL SR</i>
For the three-month period ended 31 March 2023 (Unaudited)						
Revenue from external customers	2,214,346,050	3,589,947	2,243,976	-	-	2,220,179,973
Inter-segment revenue	9,798,275	-	10,166,310	-	(19,964,585)	-
Depreciation of property, plant and equipment	23,669,943	14,032	1,578,575	-	-	25,262,550
Depreciation of right of use assets	55,693,695	-	192,772	-	-	55,886,467
Cost of revenue	2,147,317,762	2,054,298	9,995,418	-	(19,964,585)	2,139,402,893
Gross profit	76,817,863	1,535,649	2,423,568	-	-	80,777,080
For the three-month period ended 31 March 2022 (Unaudited)						
Revenue	1,268,173,594	2,468,056	1,832,567	-	-	1,272,474,217
Inter-segment revenue	5,746,630	-	8,598,338	-	(14,344,968)	-
Depreciation of property, plant and equipment	15,995,663	9,650	1,357,678	-	-	17,362,991
Depreciation of right of use assets	22,525,542	-	192,772	-	-	22,718,314
Cost of revenue	1,236,780,354	1,815,936	8,069,185	-	(14,344,968)	1,232,320,507
Gross profit	32,640,846	652,120	2,361,720	-	-	35,654,686
	<i>Retail and operation SR</i>	<i>Saudi Club SR</i>	<i>Transportation Fleet SR</i>	<i>Others SR</i>	<i>Inter-segment eliminations SR</i>	<i>TOTAL SR</i>
As at 31 March 2023 (unaudited)						
Assets	7,565,089,545	28,391,175	163,320,810	197,899,429	(1,816,825,491)	6,137,875,468
Property, plant and equipment	1,690,419,964	326,041	75,093,582	20,665,099	-	1,786,504,686
Investment property	89,481,000	-	-	-	-	89,481,000
Right of-use-assets	2,221,725,655	-	1,069,233	-	-	2,222,794,888
Liabilities	6,341,100,139	7,603,866	105,430,337	8,749	(1,331,960,967)	5,122,182,124
As at 31 December 2022 (Audited)						
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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23 SEGMENT INFORMATION (continued)

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

	<i>For three month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>SR</i>	<i>SR</i>
Gross profit	80,777,080	35,654,686
<i>Un-allocated items:</i>		
Selling and marketing expenses	(1,413,353)	(622,138)
General and Administrative expenses	(26,559,271)	(14,610,319)
Finance cost	(41,563,806)	(12,533,514)
Allowance for expected credit losses	(1,934,938)	-
Net gain from investments at FVTPL	-	45,831
Other income, net	15,825,193	970,189
Total un-allocated amounts	(55,646,175)	(26,749,951)
Income before zakat	25,130,905	8,904,735

24 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

The Group has capital commitments of SR 56.2 million (31 December 2022: SR 54.2 million) mainly related to establishing and developing projects of fuel stations and the continuation of the new head office building.

Contingent liabilities

- As at 31 March 2023, the Group has bank letters of guarantee amounting to SR 2.1 billion (31 December 2022: SR 2.1 billion). Those 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.

26 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.

27 COMPARATIVE FIGURES

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

28 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved on 17 Shawwal 1444H (corresponding to 7 May 2023).