

**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED)

AND REPORT REVIEW FOR THE THREE MONTHS PERIOD  
ENDED MARCH 31, 2022



Al Azem, Al Sudairy, Al Shaikh & Partners  
CPA's & Consultants - Member Crowe Global

**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**  
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**(UNAUDITED)**  
**AND REPORT REVIEW FOR THE THREE MONTHS PERIOD**  
**ENDED MARCH 31, 2022**

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| <b>INDEX</b>   | <b>PAGE</b> |
|--|-------------|
| Report on review of condensed consolidated Interim financial statements      | 1           |
| Condensed consolidated interim statement of financial position (unaudited)   | 2           |
| Condensed consolidated interim statement of comprehensive income (unaudited) | 3           |
| Condensed consolidated interim statement of shareholders' equity (unaudited) | 4           |
| Condensed consolidated interim statement of cash flows (unaudited)           | 5           |
| Notes to the condensed consolidated interim financial statements             | 6 – 12      |

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

**The Shareholders**

**Saudi automotive services co. (SASCO)  
(A Saudi Joint Stock Company)**

**Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of **saudi automotive services co. (SASCO) (the "Company")** and its subsidiaries (the "Group") as at 31 March 2022, and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim 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" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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



**AlAzem & AlSudairy, Al Shaikh & Partners  
Certified Public Accountants**



**Salman B. Al Sudairy  
License No. 283**

23 Ramadan 1443H (April 24, 2022)  
Riyadh, Kingdom of Saudi Arabia

Audit, Tax & consultants

Salman B. AlSudairy  
License No. 283

Musab A. AlShaikh  
License No. 658

Abdullah M. AlAzem  
License No. 335



**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**

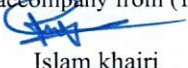
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**(UNAUDITED)**

AS AT MARCH 31, 2022

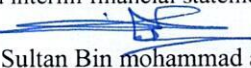
(All amounts in Saudi Riyals)

|  | Note | 31 March 2022<br>(Unaudited) | 31 December 2021<br>(Audited) |
|--|------|------------------------------|-------------------------------|
| <b>ASSETS</b>  |      |                              |                               |
| <b>NON- CURRENT ASSETS</b>                                   |      |                              |                               |
| Property, plant and equipment, net                           |      | 1,286,833,910                | 1,296,793,466                 |
| Good will  |      | 4,308,993                    | 4,308,993                     |
| Intangible assets, net                                       |      | 2,512,715                    | 2,233,990                     |
| Projects under progress                                      |      | 82,743,181                   | 51,136,574                    |
| Payments on the purchase of investments                      |      | 154,423,847                  | 187,448,198                   |
| Investments at fair value through other comprehensive income | 7    | 400,000,000                  |                               |
| Right of use assets, net                                     | 8    | 1,292,950,053                | 1,253,692,217                 |
| <b>TOTAL NON-CURRENT ASSETS</b>                              |      | <b>3,223,772,699</b>         | <b>2,795,613,438</b>          |
| <b>CURRENT ASSETS</b>  |      |                              |                               |
| Inventory, net   |      | 66,250,259                   | 72,781,388                    |
| Account receivable, Prepaid expense and other assets, net    |      | 281,786,750                  | 249,563,015                   |
| Investments at fair value through profit or loss             |      | 125,802                      | 125,445                       |
| Cash and cash equivalents                                    |      | 141,828,935                  | 154,748,750                   |
| <b>TOTAL CURRENT ASSETS</b>                                  |      | <b>489,991,746</b>           | <b>477,218,598</b>            |
| <b>TOTAL ASSETS</b>  |      | <b>3,713,764,445</b>         | <b>3,272,832,036</b>          |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>                  |      |                              |                               |
| <b>SHAREHOLDERS' EQUITY</b>                                  |      |                              |                               |
| Share capital  | 1    | 600,000,000                  | 600,000,000                   |
| Statutory reserve  |      | 65,559,289                   | 65,559,289                    |
| Retained earnings  |      | 33,610,662                   | 17,522,636                    |
| Accumulated changes for investments at fair value            |      | 125,776,482                  | 128,854,625                   |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                            |      | <b>824,946,433</b>           | <b>811,936,550</b>            |
| <b>LIABILITIES</b>   |      |                              |                               |
| <b>NON- CURRENT LIABILITIES</b>                              |      |                              |                               |
| Murabahat Financing & long term loans                        |      | 851,742,500                  | 537,429,979                   |
| Lease Liabilities – non current portion                      | 8    | 1,206,668,383                | 1,174,429,630                 |
| Employees' defined benefits obligations                      |      | 21,424,982                   | 20,537,754                    |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                         |      | <b>2,079,835,865</b>         | <b>1,732,397,363</b>          |
| <b>CURRENT LIABILITIES</b>                                   |      |                              |                               |
| Murabahat Financing & short term loans                       |      | 25,087,002                   | 5,000,000                     |
| Current portion of murabahat & long term loans               |      | 100,214,885                  | 76,808,250                    |
| Dividends payable  |      | 46,242,380                   | 58,244,837                    |
| Accounts payables, accrued expenses and other liabilities    |      | 494,016,362                  | 454,643,296                   |
| Lease Liabilities – current portion                          | 8    | 136,230,246                  | 127,497,968                   |
| Zakat provision  |      | 7,191,272                    | 6,303,772                     |
| <b>TOTAL CURRENT LIABILITIES</b>                             |      | <b>808,982,147</b>           | <b>728,498,123</b>            |
| <b>TOTAL LIABILITIES</b>                                     |      | <b>2,888,818,012</b>         | <b>2,460,895,486</b>          |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>            |      | <b>3,713,764,445</b>         | <b>3,272,832,036</b>          |

The accompanying from (1) to (13) are integrated part of these condensed consolidated interim financial statements.

  
Islam khairi  
Chief Financial Officer

  
Riyadh Bin Saleh Al malik  
Chief executive Officer

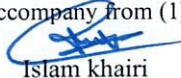
  
Sultan Bin mohammad al-hudaithi  
Vice chairman and managing directors


**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**

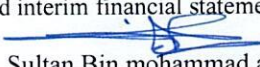
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**  
(All amounts in Saudi Riyals)

|   | <i>Note</i> | <i>For the three months'<br/>period ended 31 March<br/>2022<br/>(Unaudited)</i> | <i>For the three months<br/>period ended 31 March<br/>2021<br/>(Unaudited)</i> |
|---|-------------|---|--|
| Revenues  |             | 1,272,474,217   | 750,541,115  |
| Cost of revenues  |             | (1,236,819,531)   | (712,887,872)  |
| <b>GROSS PROFIT</b>   |             | <b>35,654,686</b>   | <b>37,653,243</b>  |
| Selling and marketing expenses  |             | (622,138)   | (567,131)  |
| General and Administrative expenses   |             | (14,610,319)  | (13,559,544)   |
| <b>NET PROFIT FOR THE PERIOD FROM<br/>MAIN OPERATIONS</b>   |             | <b>20,422,229</b>   | <b>23,526,568</b>  |
| Financing charges   |             | (12,533,514)  | (11,117,895)   |
| Un-realized gain on Investments at fair value<br>through profit or loss   |             | 357   | 26,484   |
| Realized gain on Investments at fair value through<br>profit or loss  |             | 45,474  | 270,416  |
| Dividends from investments at fair value through<br>other comprehensive income                                      |             | -   | 329,221  |
| Other (expenses) income, net  |             | 970,189   | (151,276)  |
| <b>NET INCOME FOR THE PERIOD BEFORE<br/>ZAKAT</b>   |             | <b>8,904,735</b>  | <b>12,883,518</b>  |
| Zakat   |             | (887,500)   | (872,083)  |
| <b>NET INCOME FOR THE PERIOD</b>  |             | <b>8,017,235</b>  | <b>12,011,435</b>  |
| <b>OTHER COMPREHENSIVE INCOME:<br/>ITEMS NOT TO BE RECLASSIFIED TO<br/>PROFIT OR LOSS IN SUBSEQUENT<br/>PERIOD:</b> |             |   |  |
| Net change in fair value of Investments measured<br>at fair value through other comprehensive income                |             | 4,992,648   | 935,819  |
| <b>TOTAL COMPREHENSIVE INCOME</b>   |             | <b>13,009,883</b>   | <b>12,947,254</b>  |
| <b>Earnings per share:</b>  | 10          |   |  |
| Earnings per share from profit for the period from<br>main operations   |             | 0.34  | 0.39   |
| Net income for the period   |             | 0.13  | 0.20   |

The accompanying from (1) to (13) are integrated part of these condensed consolidated interim financial statements.

  
Islam khairi  
Chief Financial Officer

  
Riyadh Bin Saleh Al malik  
Chief executive Officer

  
Sultan Bin mohammad al-hudaithi  
Vice chairman and managing directors



**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**


**CONDENSED CONSOLIDATED INTERIM STATEMENT OF SHAREHOLDERS' EQUITY**  
**(UNAUDITED)**

**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

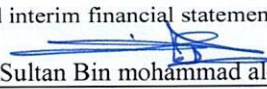
(All amounts in Saudi Riyals)

|  | <i>Share<br/>Capital</i> | <i>Statutory<br/>reserve</i> | <i>Retained<br/>earnings</i> | <i>Accumulated<br/>changes for<br/>investments at<br/>fair value</i> | <i>Total</i>       |
|--|--------------------------|------------------------------|------------------------------|--|--------------------|
| Balance at 1 January 2021  | 600,000,000              | 60,474,991                   | 15,575,005                   | 128,699,734  | 804,749,730        |
| Net profit for the year  |                          |                              | 12,011,435                   | -  | 12,011,435         |
| Other comprehensive loss   | -                        | -                            | -                            | 935,819  | 935,819            |
| <b>Balance at 31 March 2021</b><br><b>(Unaudited)</b>                          | <b>600,000,000</b>       | <b>60,474,991</b>            | <b>27,586,440</b>            | <b>129,635,553</b>   | <b>817,696,984</b> |
| Balance at 1 January 2022  | 600,000,000              | 65,559,289                   | 17,522,636                   | 128,854,625  | 811,936,550        |
| Net profit for the year  | -                        | -                            | 8,017,235                    | -  | 8,017,235          |
| Other comprehensive income   | -                        | -                            | 8,070,791                    | (8,070,791)  | -                  |
| Gains realized on investments at fair value through other comprehensive income | -                        | -                            | -                            | 4,992,648  | 4,992,648          |
| <b>Balance at 31 March 2022 (Unaudited)</b>                                    | <b>600,000,000</b>       | <b>65,559,289</b>            | <b>33,610,662</b>            | <b>125,776,482</b>   | <b>824,946,433</b> |

The accompanying from (1) to (13) are integrated part of these condensed consolidated interim financial statements.

  
Islam khairi  
Chief Financial Officer

  
Riyadh Bin Saleh Al malik  
Chief executive Officer

  
Sultan Bin mohammad al-hudaithi  
Vice chairman and managing directors

**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**

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

**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

(All amounts in Saudi Riyals)

|   | <i>For the three<br/>months' period<br/>ended 31 March<br/>2022</i> | <i>For the three<br/>months' period<br/>ended 31 March<br/>2021</i> |
|---|---|---|
|   | <i>(Unaudited)</i>  | <i>(Unaudited)</i>  |
|   | SR  | SR  |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>  |   |   |
| Net income for the period before zakat  | 8,904,735   | 12,883,518  |
| <b>Adjustment for reconciling net profit for the year to net cash provided by operating activities:</b> |   |   |
| Depreciation of property, plant and equipment   | 17,362,991  | 15,153,389  |
| Depreciation of right of use asset  | 27,217,338  | 25,639,656  |
| Amortization of intangible assets   | 298,656   | 315,064   |
| Charged from provision for custom claims  | 205,763   | 133,416   |
| Un-realized gain on Investments at fair value through profit or loss                                    | (357)   | (26,484)  |
| Financing charges   | 12,533,514  | 11,117,895  |
| Charged from employees' defined benefits obligations  | 1,061,335   | 1,539,029   |
| (Gain) /Loss on sale of property, plant and equipment   | 151,175   | 97,395  |
|   | <u>67,735,150</u>   | <u>66,852,878</u>   |
| <b>Changes in operating assets and liabilities</b>  |   |   |
| Account Receivable, Prepaid expense and other assets  | (32,223,735)  | 5,863,006   |
| Inventory   | 6,531,129   | (9,900,291)   |
| Accounts payables, accrued expenses and other liabilities   | 39,167,303  | 16,544,267  |
| Financing charges paid  |   | (693,956)   |
| Estimated zakat paid  | (12,533,514)  | (11,117,895)  |
| Employees' defined benefits obligations paid  | (174,107)   | 19,516  |
| <b>Net cash provided by (used in) operating activities</b>  | <u>68,502,226</u>   | <u>67,567,525</u>   |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>  |   |   |
| Additions to property, plant and equipment  | (7,917,412)   | (22,194,324)  |
| purchase of investments at fair value through profit or loss  | -   | (20,000,000)  |
| Proceeds from investments at fair value through the statement of other comprehensive income             | 38,016,997  |   |
| Payments on the purchase of investments   | (400,000,000)   |   |
| Proceed from sale of property, plant and equipment  | 362,802   | 50,000  |
| Additions to capital work in progress   | (31,606,605)  | (30,447,545)  |
| Additions to intangible assets  | (577,381)   | (55,651)  |
| <b>Net cash used in investing activities</b>  | <u>(401,721,599)</u>  | <u>(72,647,520)</u>   |
| <b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>  |   |   |
| Net change in murabahat & loans   | 357,806,158   | (857,626)   |
| Lease liabilities   | (25,504,143)  | (16,711,787)  |
| Dividends paid  | (12,002,457)  | (5,331)   |
| <b>Net cash (used in) provided by financing activities</b>  | <u>320,299,558</u>  | <u>(17,574,744)</u>   |
| <b>Net changes in cash and cash equivalents</b>   | <u>(12,919,815)</u>   | <u>(22,654,739)</u>   |
| Cash and cash equivalents balances, beginning of the period   | 154,748,750   | 104,284,916   |
| <b>cash and cash equivalents balances, end of period</b>  | <u>141,828,935</u>  | <u>81,630,177</u>   |
| <b><u>Non cash item</u></b>   |   |   |
| Un-realized gain from re-measurement of investments at fair value through profit or loss                | (3,078,143)   | 935,819   |

The accompany from (1) to (13) are integrated part of these condensed consolidated interim financial statements.

Islam khairi  
Chief Financial Officer

Riyadh Bin Saleh Al malik  
Chief executive Officer

Sultan Bin mohammad al-hudaithi  
Vice chairman and managing directors



# SAUDI AUTOMOTIVE SERVICES CO. (SASCO)

## (A Saudi Joint Stock Company)

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

(All amounts in Saudi Riyals)

#### 1) ORGANISATION AND ACTIVITIES

A- The Saudi Automotive Services Company (SASCO), a Saudi joint stock company under Ministerial Resolution No. (563) dated 23 Dhu al-Hijjah 1402 H corresponding to October 12, 1982, was established in the city of Riyadh under the Commercial Registration No. 1010054361 and the date of Rajab 28 1404 H corresponding to April 30, 1984.

B- The main activity of the group is to provide services to cars and travellers by establishing central workshops to provide the highest level of maintenance and repair and establishing a network of car service stations, as well as providing restrooms and restaurants, importing and selling foodstuffs, drinks, refreshments and raw materials required for this, importing cars and spare parts of all kinds for the group's business And trading in them after obtaining the necessary licenses, and carrying out all types of contracting for the establishment, management, maintenance and operation of residential and commercial buildings, contracts for maintenance operations of cars and equipment for individuals and companies, and participation with bodies or companies that carry out works similar to their work or merge them with them or establish subsidiary companies owned by them or with Others.

C- Share capital of the company is SAR 600 million, consisting of 60,000,000 fully paid ordinary shares with a per value of SAR 10 (December 31, 2020: 600 million Saudi riyals).

D- The head office of the Group is located at the following address:

Saudi Automotive Services Company (SASCO)

Riyadh - Al-Malaz Al-Ahsa Street, the intersection of Al-Ahsa with Omar bin Abdulaziz

Kingdom of Saudi Arabia

E - The consolidated interim financial statements as of march 31, 2022 AD include the interim financial statements of the following subsidiaries:

| The name of the subsidiary company                  | The main activity of the subsidiary  | ownership percentage %<br>Direct and indirect |
|---|--|---|
| Fleet Transportation Company                        | Transporting goods and equipment for a fee on land roads under the license of the Ministry of Transport No. 010111046000 and the expiration date is 5/3/1440 AH.   | 100%  |
| Saudi Automobile Club Company                       | Participation in local and international clubs for cars and motorcycles, local and international associations and bodies interested in car and motorcycle affairs, issuance of customs transit books (Triptik) and international driving licenses, establishing, managing, maintaining and operating motorsports and motorbike circuits, holding races and events for motorsports and motorcycles, and participating in races and events.    | 100%  |
| Automobile and Equipment Investment Limited Company | Establishing workshops for the repair of cars, heavy equipment, car service stations and travelers on the main roads between the cities of the Kingdom to provide fuel, oils and maintenance for cars and heavy equipment, establish rest houses, motels and restaurants, provide meals, drinks and refreshments for travelers, wash and lubricate cars and equipment, import and sell equipment and tools, and construct roads and bridges. | 100%  |
| The First Palm Company                              | General contracting of buildings (construction, repair, demolition, restoration), erection, management, maintenance and operation of residential and commercial buildings and road works.  | 100%  |
| Sasco Palm Company                                  | Import and sale of food, beverages, refreshments and equipment.  | 100%  |
| Sasco Oasis Company                                 | Hotels.  | 100%  |
| Zaiti Petroleum Services Company                    | Establishment, management and operation of fuel stations.  | 100%  |
| Sasco Investment franchise company                  | Manufacturing industries and their branches according to industrial licenses, business and financial services and services<br>Other, Trade and Information Technology.   | 100%  |
| Amlak Nakhla Real Estate Company                    | Buying and selling land and real estate, renting real estate and leasing owned and rented real estate  | 100%  |
| North Front Real Estate Company                     | Buying and selling land and real estate, renting real estate and leasing owned and rented real estate  | 100%  |



**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**

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

**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

(All amounts in Saudi Riyals)

**1) ORGANISATION AND ACTIVITIES (CONTINUED)**

F- The accompanying consolidated interim financial statements include the assets, liabilities and results of the main commercial register business and all the following subsidiary registers:

| <b>Number</b> | <b>Number of<br/>commercial<br/>register</b> | <b>Name of branch</b>                                   | <b>City</b>        |
|---------------|--|---|--------------------|
| 1             | 1010671614                                   | Branch of the Saudi Automotive Services Company (SASCO) | Riyadh             |
| 2             | 1010671615                                   | Branch of the Saudi Automotive Services Company (SASCO) | Riyadh             |
| 3             | 1010681876                                   | Branch of the Saudi Automotive Services Company (SASCO) | Riyadh             |
| 4             | 1010950315                                   | Branch of the Saudi Automotive Services Company (SASCO) | Riyadh             |
| 5             | 1128184243                                   | Branch of the Saudi Automotive Services Company (SASCO) | Onaizah            |
| 6             | 1131306676                                   | Branch of the Saudi Automotive Services Company (SASCO) | Buraydah           |
| 7             | 2031100039                                   | Branch of the Saudi Automotive Services Company (SASCO) | Al-ahsa            |
| 8             | 2050093628                                   | Branch of the Saudi Automotive Services Company (SASCO) | Dammam             |
| 9             | 2055123121                                   | Branch of the Saudi Automotive Services Company (SASCO) | Jubail             |
| 10            | 2511108346                                   | Branch of the Saudi Automotive Services Company (SASCO) | Hafar Al Batin     |
| 11            | 3550122825                                   | Branch of the Saudi Automotive Services Company (SASCO) | Tabuk              |
| 12            | 4030254775                                   | Branch of the Saudi Automotive Services Company (SASCO) | Jaddah             |
| 13            | 4030308874                                   | Branch of the Saudi Automotive Services Company (SASCO) | Jaddah             |
| 14            | 4031216803                                   | Branch of the Saudi Automotive Services Company (SASCO) | Macca              |
| 15            | 4032229606                                   | Branch of the Saudi Automotive Services Company (SASCO) | taif               |
| 16            | 4650202976                                   | Branch of the Saudi Automotive Services Company (SASCO) | Madina El Monawara |
| 17            | 5850121385                                   | Branch of the Saudi Automotive Services Company (SASCO) | abha               |
| 18            | 5900126408                                   | Branch of the Saudi Automotive Services Company (SASCO) | Jizan              |
| 19            | 1010682929                                   | Sasco Palm Branch Company                               | Riyadh             |
| 20            | 2050112261                                   | Sasco Palm Branch Company                               | Dammam             |
| 21            | 2055025642                                   | Sasco Palm Branch Company                               | Jubail             |
| 22            | 4030370735                                   | Sasco Palm Branch Company                               | Jaddah             |
| 23            | 4031233620                                   | Sasco Palm Branch Company                               | macca              |
| 24            | 4032239487                                   | Sasco Palm Branch Company                               | taif               |
| 25            | 4628100065                                   | Sasco Palm Branch Company                               | Madina El Monawara |
| 26            | 5850125954                                   | Sasco Palm Branch Company                               | abha               |
| 27            | 1011012857                                   | Branch of Zaiti Petroleum Services Company              | Al-kharj           |
| 28            | 1128010283                                   | Branch of Zaiti Petroleum Services Company              | Onaizah            |
| 29            | 1131030559                                   | Branch of Zaiti Petroleum Services Company              | Buraydah           |
| 30            | 5850029530                                   | Branch of Zaiti Petroleum Services Company              | abha               |
| 31            | 2031102449                                   | Branch of Waha Sasco Company                            | Al-ahsa            |



# **SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**

## **(A Saudi Joint Stock Company)**

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

**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

(All amounts in Saudi Riyals)

#### **2) BASIS FOR PREPARING CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

##### **2-1 Basis of measurement**

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and the other standards and publications approved by the Saudi Organization for Certified Public Accountants.

The Capital Market Authority issued a decision of the Board of Commissioners on Muharram 15, 1438H, corresponding to October 16, 2016, requiring listed companies to apply the cost model when measuring property and equipment assets, investment properties and intangible assets when adopting IFRS for a period of 3 years starting from the date of adopting IFRSs. And, on December 31, 2017, until the financial periods for the year beginning on January 1, 2022, were extended, while continuing to adhere to the disclosure requirements of International Financial Reporting Standards approved in the Kingdom of Saudi Arabia, which require or encourage disclosure of fair value.

*The current liabilities of the company exceeded its current assets by an amount of 318,990,401 Saudi riyals. However, the management and members of the board of directors expect the company's ability to obtain sufficient cash flows to meet its continuing obligations and reschedule the payment. These interim financial statements have been prepared in accordance with the going concern principle.*

##### **2-2 Preparing the consolidated interim financial statements**

The interim financial statements have been prepared on the historical cost and accrual basis of accounting except for the following.

- Investments at fair value through profit or loss that are measured at fair value.
- Defined employee benefit obligations that are recognized at the present value of future liabilities using the projected unit credit method.

The interim financial statements are shown in Saudi riyals, which represents the company's functional currency.

#### **3) SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these condensed consolidated interim financial statements are in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and are the same policies applied in the company's annual interim financial statements for the year ended December 31, 2021.

The main accounting policies applied in preparing these condensed consolidated interim financial statements have been applied consistently to all periods presented.

No new standards have been issued, however, a number of amendments to the standards are in effect as of January 1, 2022, which have been explained in the company's annual financial statements, but have no material impact on the Company's interim condensed financial statements.

#### **4) BASIS FOR CONSOLIDATING**

These consolidated interim financial statements include the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows as well as the notes complementing the consolidated interim financial statements of the group, as they include the assets, liabilities and results of the group's business and its subsidiaries as well. It is shown in note (1). Subsidiaries are companies controlled by a group. The group controls the company when it has the right to various revenues as a result of its participation in the group and its ability to influence these revenues through its control of the group. Subsidiary companies are consolidated from the date on which the group controls the subsidiaries until the cessation of exercising that control.

The group uses the purchase method to account for the consolidation of operations when control is transferred to the group. The cost of an acquisition is measured at the fair value of the assets acquired. The excess of the cost of acquisition plus the fair value of non-controlling interests over the net identifiable assets acquired is recognized as goodwill in the consolidated statement of financial position. Non-controlling interests are measured by the proportion of their share of the net assets of the controlling group at the date of acquisition. The share in profit or loss and net assets not owned by the group are presented, and are presented as a separate item in the consolidated statement of profit or loss and other comprehensive income and within the shareholders' equity in the consolidated statement of other comprehensive income. Both transactions as well as balances and unrealized profits and losses arising from intra-group transactions are eliminated. Accounting policies of subsidiaries are modified when necessary to ensure consistency with the policies adopted by the group. The Group and its subsidiaries prepare their financial statements for the same reporting periods.



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**(A Saudi Joint Stock Company)**

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**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

(All amounts in Saudi Riyals)

**5) SEGMENTAL INFORMATION**

A sector is an essential part of the group that sells / provides specific services (sector / business) or sells / provides services in a specific economic environment, geographical sector) whose profits and losses differ from the profits and losses of other sectors. The group tracks the business sector to report on its segment information.

The group's sectors are as follows:

- The retail and operation sector: includes the activities of operating the stations from the sale of fuel, the sale of food and beverages, and the operation of residential and commercial buildings.
- Investments sector: includes investment activity in other companies and investments in securities.
- The Saudi Automobile Club sector: It is the sector that issues customs transit books, international driving licenses, and sports activities.
- Transport fleet services sector: It is the sector that services the transportation of liquid and dry materials.
- The franchising sector: it is the sector that grants the right to exploit the trademark to SASCO.

The selected segment information is provided by business segment as follows:

|  | Retailing and operation sector |  | Investments sector |  | Saudi automobile & touring association sector |  | Transport fleet services sector |  | Franchise sector SASCO |  | Joint assets and liabilities sector |  | Total         |  |
|--|--------------------------------|--|--------------------|--|---|--|---------------------------------|--|------------------------|--|-------------------------------------|--|---------------|--|
|  | SR                             |  | SR                 |  | SR  |  | SR                              |  | SR                     |  | SR                                  |  | SR            |  |
| <i>As of 31 March 2021 ((Unaudited))</i> |                                |  |                    |  |   |  |                                 |  |                        |  |                                     |  |               |  |
| Total assets                             | 3,654,325,908                  |  | 339,426,751        |  | 23,783,611                                    |  | 55,107,315                      |  | 405,884                |  | (994,979,959)                       |  | 3,078,069,510 |  |
| Total liabilities                        | 2,879,153,890                  |  | -                  |  | 7,035,141                                     |  | 15,654,390                      |  | -                      |  | (641,470,896)                       |  | 2,260,372,525 |  |
| Net Revenue                              | 753,136,274                    |  | -                  |  | 1,421,501                                     |  | 43,761,854                      |  | -                      |  | (47,778,514)                        |  | 750,541,115   |  |
| Income from main operations              | 21,697,947                     |  | -                  |  | (153,868)                                     |  | 1,982,489                       |  | -                      |  | -                                   |  | 23,526,568    |  |

***As of 31 March 2022 ((Unaudited))***

|                             |               |  |             |  |            |  |             |  |         |  |                 |  |               |  |
|-----------------------------|---------------|--|-------------|--|------------|--|-------------|--|---------|--|-----------------|--|---------------|--|
| Total assets                | 4,748,468,587 |  | 344,255,634 |  | 34,152,696 |  | 220,444,529 |  | 395,884 |  | (1,633,952,885) |  | 3,713,764,445 |  |
| Total liabilities           | 3,944,560,958 |  | -           |  | 16,013,926 |  | 172,161,492 |  | -       |  | (1,243,918,364) |  | 2,888,818,012 |  |
| Net Revenue                 | 1,273,920,224 |  | -           |  | 2,468,056  |  | 10,430,905  |  | -       |  | (14,344,968)    |  | 1,272,474,217 |  |
| Income from main operations | 18,215,327    |  | -           |  | 346,799    |  | 2,060,103   |  | -       |  | -               |  | 20,622,229    |  |

**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**

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

**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

(All amounts in Saudi Riyals)

**6) INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

**A- This item consists of the following:**

|  | <u>31 March 2022</u> | <u>31 December 2021</u> |
|--|----------------------|-------------------------|
|  | SR                   | SR                      |
| Investments at fair value through other comprehensive income in shares and shares of non-public traded companies - B | 153,102,536          | 153,102,536             |
| Investments at fair value through other comprehensive income in shares and shares of public traded companies - C     | 1,321,311            | 34,345,662              |
|  | <u>154,423,847</u>   | <u>187,448,198</u>      |

**B- Investments at fair value through other comprehensive income in shares and shares of non-public traded companies**

The group owns shares and stakes in non-public traded companies. During the year 2021 AD, the group contracted with Nawwaf Saleh Muhammad Al-Thunayan Valuation Office. For companies, based on future cash flows, financial analysis, and projected corporate growth rates. The market value of the Middle East Batteries Company has been set at 1,191,824,000 Saudi riyals (2020: 1,186,208,000 Saudi riyals), the National Tourism Company at an amount of 150,902,000 Saudi riyals (2020: 574.106.488 Saudi riyals). The investment is treated using the fair value method, and it is not possible to determine the fair value, so the best way to determine the fair value is cost.

**The group's shared are as follows:**

**As on March 31, 2022:**

|                                  | <i>Group share</i> | <i>Valuation value SR</i> | <i>The group's share of the cost of the purchase SR</i> | <i>The group's share at fair value SR</i> | <i>Accumulated Profits / (Losses) Revaluation SR</i> |
|----------------------------------|--------------------|---------------------------|---|---|--|
| Middle East Batteries Company    | 12.79%             | 1,191,824,000             | 26,390,500  | 152,434,290                               | 126,043,790  |
| The National Company for Tourism | 0.36%              | 150,902,000               | 1,500,000   | 543,247                                   | (956,753)  |
| Racing Company Ltd.              | 25%                | -                         | 125,000   | 125,000                                   | -  |
|                                  |                    | <u>1,342,726,000</u>      | <u>28,015,500</u>                                       | <u>153,102,537</u>                        | <u>125,087,037</u>                                   |

**B- Investments at fair value through other comprehensive income in shares and shares of non-public traded companies (Continued)**

**As on December 31, 2021:**

|                                  | <i>Group share</i> | <i>Valuation value SR</i> | <i>The group's share of the cost of the purchase SR</i> | <i>The group's share at fair value SR</i> | <i>Profits / (Losses) Revaluation SR</i> |
|----------------------------------|--------------------|---------------------------|---|---|--|
| Middle East Batteries Company    | 12.79%             | 1,191,824,000             | 26,390,500  | 152,434,290                               | 126,043,790                              |
| The National Company for Tourism | 0.36%              | 150,902,000               | 1,500,000   | 543,247                                   | (956,753)                                |
| Racing Company Ltd.              | 25%                | -                         | 125,000   | 125,000                                   | -  |
|                                  |                    | <u>1,342,726,000</u>      | <u>28,015,500</u>                                       | <u>153,102,537</u>                        | <u>125,087,037</u>                       |



**SAUDI AUTOMOTIVE SERVICES CO. (SASCO)**  
**(A Saudi Joint Stock Company)**

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

(All amounts in Saudi Riyals)

**6) INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)**

**C- Investments at fair value through other comprehensive income in shares, shares and public traded companies**

This item represents the value of the group's investment in traded shares, through an investment portfolio in SABB Bank, where the group invested in a number of companies, and the fair value of those investments amounted to 1,321,311 Saudi riyals (2020: 34,345,662 Saudi riyals)

\*\* The shares of the Saudi Arabian Oil Company were sold during the first quarter of 2022.

**D- The movement in the investment revaluation reserve at FVTOCI as at December 31 is as follows:**

|   | 31 March 2022      | 31 December 2021   |
|---|--------------------|--------------------|
|   | SR                 | SR                 |
| Balance, at the beginning of the year   | 128,854,625        | 128,699,734        |
| Movement in fair value of investments in shares and stakes of unquoted companies        | -                  | (805,249)          |
| Movement in fair value of investments in shares and shares of publicly traded companies | (3,078,143)        | 960,140            |
| <b>Balance, at the end of the year</b>  | <b>125,776,482</b> | <b>128,854,625</b> |

**7) Payments on the purchase of investments**

The payments are part of the value of the acquisition of 80% of this Oil Services Company Limited. The terms and requirements of the acquisition were completed in a period subsequent to the date of the financial statements (April 7, 2022).

**8) RIGHT OF USE ASSETS AND LEASE LIABILITIES**

The following table shows the movement during the period on each of the right to use assets and rental liabilities as of December 31, 2021:

|  | 31 March 2022        | 31 December 2021     |
|--|----------------------|----------------------|
| <b>Cost</b>                                    | SR                   | SR                   |
| As at 1 January (adjusted)                     | 1,647,399,912        | 1,516,979,153        |
| Additions during the period / year             | 67,225,288           | 203,023,501          |
| Disposals during the period / year             | (14,387,856)         | (72,602,742)         |
| <b>Balance at the end of the period / year</b> | <b>1,700,237,344</b> | <b>1,647,399,912</b> |
| <b>Accumulated depreciation</b>                |                      |                      |
| As at 1 January (adjusted)                     | 393,707,695          | 328,216,140          |
| Charged during the period / year               | 27,217,338           | 101,458,140          |
| Disposals during the period / year             | (13,637,742)         | (35,966,585)         |
| <b>Balance at the end of the period / year</b> | <b>407,287,291</b>   | <b>393,707,695</b>   |
| <b>Net book value</b>                          | <b>1,292,950,053</b> | <b>1,253,692,217</b> |

The lease liabilities amounted to at the end of the year as follows:

|                                | 31 March 2022        | 31 December 2021     |
|--------------------------------|----------------------|----------------------|
| <b>lease liabilities</b>       | SR                   | SR                   |
| Current portion                | 136,230,246          | 127,497,968          |
| Non-current portion            | 1,206,668,383        | 1,174,429,630        |
| <b>Total lease liabilities</b> | <b>1,342,898,629</b> | <b>1,301,927,598</b> |

# SAUDI AUTOMOTIVE SERVICES CO. (SASCO)

## (A Saudi Joint Stock Company)

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

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

(All amounts in Saudi Riyals)

#### 9) UPDATE ON COVID 19

Since the beginning of the crisis, the company's management has been continuously following up on developments and taking the necessary measures and procedures to confront that crisis and reduce its effects on the company and its business, including the support provided by the state to companies to counter those effects. Whereas the group of companies excluded from the ban decision due to the company selling a strategic commodity and providing logistical services represented in the transportation of fuels and dry materials, and accordingly, the company's business continues during the pandemic period, and the company has also verified the existence of any adjustments and changes in provisions, estimates and risk management that must be taken and disclosed. Reported in the condensed consolidated interim financial statements. The group conducts follow-up and monitoring of developments about Covid 19, although the administration at this time is not aware of any expected factors that may change the impact of the epidemic on the group's operations during or after 2022.

#### 10) EARNINGS PER SHARE

Basic earnings per share from net profit for the year is calculated by dividing the net profit for the year by the weighted average number of shares outstanding at the end of the year of 60 million shares. Earnings per share from main operations is calculated by dividing the net profit for the year from main operations for the year by the weighted average number of shares outstanding at the end of the year of 60 million shares.

#### 11) SUBSEQUENT EVENTS

##### *Acquisition of Oil Services Company Ltd*

On January 25, 2022 AD, the group acquired 80% of the capital of the Oil Services Company Limited for one billion and one hundred million Saudi riyals.

Completion of the acquisition and determination of the date of control is subject to the completion of certain conditions/requirements described in the respective agreement. Which includes certain approvals from the regulatory authorities. These conditions or approvals have not been met up to the date of the financial statements, the company has completed the terms, requirements and approvals of the regulatory authorities on April 7, 2022.

#### 12) FIGURES FOR THE YEAR OF COMPARISON

Some figures for the comparative year have been reclassified and reclassified to conform to the figures for the current period

#### 13) APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the Board of Directors on 23 Ramadan 1443H (corresponding to April 24, 2022).