

**ALDREES PETROLEUM AND TRANSPORT  
SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**30 JUNE 2023**



Aldrees Petroleum and Transport Services Company  
(A Saudi Joint Stock Company)

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INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2023

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

To the shareholders of Aldrees Petroleum and Transport Services Company  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Aldrees Petroleum and Transport Services Company - A Saudi Joint Stock Company- (the "Company") as at 30 June 2023, and the related interim condensed statements of income and comprehensive income for the three and six month periods ended 30 June 2023, and the related interim condensed statements of cash flows and changes in equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (collectively referred to as the "interim condensed financial statements"). The Board of Directors is responsible for the preparation and presentation of these interim condensed 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 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 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 interim condensed 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 financial statements for the year ended 31 December 2022 were audited by another auditor who expressed an unqualified opinion on those financial statements on 29 Jumada Al-Alkhirah 1444H (corresponding to 22 January 2023). Also, the interim condensed financial statements of the Company for the period ended 30 June 2022 were reviewed by another auditor who expressed an unqualified conclusion on those interim condensed financial statements on 22 Dhu Al-Hijjah 1443H (corresponding to 21 July 2022).

For Ernst & Young Professional Services

Hesham A Alatiqi  
Certified Public Accountant  
License No. (523)

Riyadh: 6 Muharram 1445H  
(24 July 2023)



**Aldrees Petroleum and Transport Services Company**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023

	Note	30 June 2023 (Unaudited) SR	31 December 2022 (Audited) SR
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,681,754,570	1,558,537,572
Right-of-use assets	7	3,706,163,869	3,422,292,974
Deferred costs		17,787,524	17,786,886
Investment in joint ventures	11	15,989,298	15,693,748
Investment at amortised cost	12	145,000,000	145,000,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,566,695,261</b>	<b>5,159,311,180</b>
<b>CURRENT ASSETS</b>			
Due from a related party	14	5,261,310	2,193,242
Prepayments and other assets	10	390,266,677	377,370,077
Inventories, net	9	182,986,708	143,627,283
Contract assets		100,241,053	75,119,084
Trade receivables, net	13	531,617,576	409,794,354
Cash and cash equivalents	8	783,969,976	148,166,876
<b>TOTAL CURRENT ASSETS</b>		<b>1,994,343,300</b>	<b>1,156,270,916</b>
<b>TOTAL ASSETS</b>		<b>7,561,038,561</b>	<b>6,315,582,096</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	15	750,000,000	750,000,000
Statutory reserve		119,532,881	119,532,881
Retained earnings		230,585,479	239,811,445
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,100,118,360</b>	<b>1,109,344,326</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term facilities	16	-	10,285,714
Non-current portion of lease liabilities		3,263,382,554	2,906,055,383
Employees' defined benefits liabilities		114,053,219	111,383,995
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,377,435,773</b>	<b>3,027,725,092</b>
<b>CURRENT LIABILITIES</b>			
Zakat payable	18	7,392,497	11,880,835
Current portion of lease liabilities		230,337,568	313,414,859
Accrued expenses and other liabilities		409,038,071	435,261,759
Due to a related party	14	-	2,100,922
Trade payables	17	2,416,144,863	1,175,282,874
Current portion of long-term facilities	16	20,571,429	20,571,429
Short term facilities	16	-	220,000,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,083,484,428</b>	<b>2,178,512,678</b>
<b>TOTAL LIABILITIES</b>		<b>6,460,920,201</b>	<b>5,206,237,770</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>7,561,038,561</b>	<b>6,315,582,096</b>

Eng. Abdulaiah Saad Aldrees  
CEO

Hamad Mohammad Aldrees  
Chairman

Amro Mahmoud Abouelmaaty Siam  
FM

The accompanying notes from (1) to (28) are integrated part of these condensed interim financial statements.



Aldrees Petroleum and Transport Services Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF INCOME AND OTHER COMPREHENSIVE  
INCOME

For the three and six month periods ended 30 June 2023

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2023 SR	2022 SR	2023 SR	2022 SR
Revenues	19	3,580,597,109	2,987,605,288	6,999,216,172	5,767,731,005
Cost of revenues	20	(3,411,693,064)	(2,851,152,379)	(6,667,013,943)	(5,495,094,177)
<b>GROSS PROFIT</b>		<b>168,904,045</b>	<b>136,452,909</b>	<b>332,202,229</b>	<b>272,636,828</b>
Selling and marketing expenses		(502,360)	(1,314,687)	(1,311,298)	(2,483,960)
General and Administrative expenses		(64,043,981)	(51,924,265)	(123,085,371)	(102,947,998)
<b>INCOME FROM OPERATIONS</b>		<b>104,357,704</b>	<b>83,213,957</b>	<b>207,805,560</b>	<b>167,204,870</b>
Other income, net	21	183,001	158,720	1,389,705	404,945
Finance income		1,532,368	-	3,423,312	-
Finance cost		(36,400,052)	(30,199,622)	(72,702,890)	(58,748,573)
Share in results of investment in joint venture	11	283,267	502,480	295,550	948,524
Interest income from investment at amortised cost	12	1,931,250	-	3,862,797	-
(Loss) gain from investment at FVPL		-	(6,258,631)	-	1,526,753
<b>INCOME BEFORE ZAKAT</b>		<b>71,887,538</b>	<b>47,416,904</b>	<b>144,074,034</b>	<b>111,336,519</b>
Zakat	18	(1,650,000)	(1,500,000)	(3,300,000)	(3,000,000)
<b>NET INCOME FOR THE PERIOD</b>		<b>70,237,538</b>	<b>45,916,904</b>	<b>140,774,034</b>	<b>108,336,519</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>70,237,538</b>	<b>45,916,904</b>	<b>140,774,034</b>	<b>108,336,519</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per share for the period	23	0.94	0.61	1.88	1.44

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Aldrees Petroleum and Transport Services Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
For the six month periods ended 30 June 2023

	<i>Attributable to the equity holders</i>			
	<i>Share Capital SR</i>	<i>Statutory reserve SR</i>	<i>Retained earnings SR</i>	<i>Total SR</i>
Balance at 31 December 2022 (Audited)	750,000,000	119,532,881	239,811,445	1,109,344,326
Dividends (Note 22)	-	-	(150,000,000)	(150,000,000)
Total comprehensive income for the period	-	-	140,774,034	140,774,034
<b>Balance at 30 June 2023 (Unaudited)</b>	<b>750,000,000</b>	<b>119,532,881</b>	<b>230,585,479</b>	<b>1,100,118,360</b>
Balance at 31 December 2021 (Audited)	750,000,000	95,350,189	149,799,650	995,149,839
Dividends (Note 22)	-	-	(112,500,000)	(112,500,000)
Total comprehensive income for the period	-	-	108,336,519	108,336,519
<b>Balance at 30 June 2022 (Unaudited)</b>	<b>750,000,000</b>	<b>95,350,189</b>	<b>145,636,169</b>	<b>990,986,358</b>

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Aldrees Petroleum and Transport Services Company  
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INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six month periods ended 30 June 2023

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
<b>OPERATING ACTIVITIES</b>		
Income before zakat	144,074,034	111,336,519
<b>Adjustment for:</b>		
Depreciation of property, plant and equipment	74,341,173	61,851,027
Amortisation of right of use asset	159,202,469	130,276,454
Share of net profit of a joint venture	(295,550)	(948,524)
Finance Income	(3,862,797)	-
Gain from investment at FVPL	-	(1,526,753)
Amortization of deferred costs	722,487	793,025
(Gain)/ loss on sale of property and equipment	(586,716)	327,615
(Reversal)/ Allowance for expected credit losses	(1,974,505)	834,397
Provision for employees' defined benefits	9,288,584	17,718,194
Financial charges on term facilities	8,986,104	7,840,793
Financial charges on lease liabilities	63,716,786	50,907,780
Provision for slow moving inventory	109,371	-
	<b>453,721,440</b>	<b>379,410,527</b>
<b>Changes in operating assets and liabilities:</b>		
Trade receivable, net	(119,848,717)	(98,236,329)
Contract Assets	(25,121,969)	(18,271,727)
Inventories, net	(39,468,796)	(7,728,652)
Prepayments and other assets	(43,231,021)	(77,081,294)
Net change in related parties	(5,168,988)	78,951
Trade payables	1,240,861,989	177,933,214
Accrued expenses and other liabilities	(26,223,689)	4,592,413
<b>Cash from operations</b>	<b>1,435,520,249</b>	<b>360,697,103</b>
Employees' defined benefits paid	(6,619,359)	(7,531,205)
Zakat paid	(7,788,338)	(5,738,479)
<b>Net cash from operating activities</b>	<b>1,421,112,552</b>	<b>347,427,419</b>
<b>INVESTING ACTIVITIES</b>		
Purchase investments at FVPL	-	(148,683,374)
Selling investments at FVPL	-	113,402,926
Finance income received	3,244,272	-
Deferred costs	(723,125)	(427,800)
Purchase of property and equipment	(202,899,669)	(187,901,445)
Proceeds from sale of property and equipment	5,928,214	3,953,931
<b>Net cash used in investing activities</b>	<b>(194,450,308)</b>	<b>(219,655,762)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from short term facilities	1,734,996,838	805,000,000
Repayment of short term facilities	(1,954,996,838)	(625,000,000)
Repayment of long term facilities	(10,285,714)	(21,678,571)
Repayment of lease liabilities	(201,814,457)	(207,763,202)
Paid financing costs	(8,758,973)	(7,840,793)
Dividends paid	(150,000,000)	(112,500,000)
<b>Net cash used in financing activities</b>	<b>(590,859,144)</b>	<b>(169,782,566)</b>

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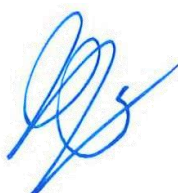
Aldrees Petroleum and Transport Services Company  
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (continued)

For the six month periods ended 30 June 2023

	<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
<b>CHANGE IN CASH AND CASH EQUIVALENTS BALANCES</b>	<b>635,803,100</b>	<b>(42,010,909)</b>
CASH AND CASH EQUIVALENTS BALANCES, AT BEGINNING OF PERIOD	<u><b>148,166,876</b></u>	<u>273,964,384</u>
<b>CASH AND CASH EQUIVALENTS BALANCES, END OF PERIOD</b>	<u><b>783,969,976</b></u>	<u>231,953,475</u>
<b>SIGNIFICANT NON - CASH TRANSACTIONS</b>		
Transferred from prepaid expenses to the right of use assets	<b>30,334,419</b>	38,202,438





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**Aldrees Petroleum and Transport Services Company**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED STATEMENTS**

As at 30 June 2023

**1) ACTIVITIES**

Aldrees Petroleum and Transport Services Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, the Kingdom of Saudi Arabia under commercial registration number 1010002475 issued in Riyadh on 13 Rabi Al-Thani 1382H (corresponding to 12 September 1962). The registered office of the Company is: P.O box 609, Riyadh 11421, Kingdom of Saudi Arabia.

The Company's objectives as per its commercial registration, include retail and wholesale trading of fuel, lubricants, catering services and the transportation of goods using highways in the Kingdom of Saudi Arabia in accordance with license number 11/00001327, establishment of vehicle workshops and car washes and acquisition of land to construct buildings for sale or lease for the interest of the Company and construction, managing, operating and renting take away centres for hot and cold beverages and food.

**2) BASIS OF PREPARATION**

These interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The interim condensed financial statements do not include all of the information and disclosures required in the annual financial statements in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2022. The accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since 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.

The Company's current liabilities are in excess of current assets by SR 1,089.1 million. However, the management and board of directors assumed that the Company has the ability to continue as a going concern. It is their assessment that the company will generate sufficient profits and cash flows to meet ongoing liabilities. These interim condensed financial statements have been accordingly prepared on a going concern basis.

**3) BASIS OF MEASUREMENT**

The interim condensed financial statements have been prepared on the historical cost basis, except for certain financial assets such as "investments at FVPL" which are measured at fair value. Employess' defined benefit obligations are recognized at the current value of the future liabilities using projected credit unit method. Further, these interim condensed financial statements have been prepared using accrual basis of accounting.

**Functional and presentation currency:**

These interim condensed financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company.

**4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the application of new accounting policies below effective from 1 January 2023.

**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 Company's interim condensed 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

Aldrees Petroleum and Transport Services Company  
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED STATEMENTS (continued)

As at 30 June 2023

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**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 Company 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 Company on the effective date.

***Standard, Amendment or Interpretation***

- Amendments to IAS (1): Classification of Liabilities as Current or Non-current
- Amendments to IAS (16): lease liabilities from sale and leaseback

***Effective date***

1 January 2024  
1 January 2024

5) SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

In preparing these interim condensed financial statements, management has made estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The differences arising on revisions to estimates are recognized prospectively.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Company's annual financial statements.

***Fair value measurement***

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

***Impairment of trade receivables***

The Company 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 Company 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.

***Provision for employees' end of service benefits***

The employees' defined benefit obligations (DBO) are determined using actuarial valuations. 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 DBO is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.



**Aldrees Petroleum and Transport Services Company**  
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**NOTES TO THE INTERIM CONDENSED STATEMENTS (continued)**

As at 30 June 2023

**5) SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND ESTIMATES (continued)**

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

The useful life of each item of the Company's property, plant and equipment is estimated based on the period during which the asset is expected to be available for use. This estimate is based on a collective evaluation of practices in similar businesses, internal technical evaluation, past experience with similar assets and application of judgments when the asset becomes available for use and computation of the depreciation cost.

The estimated useful life of each asset is periodically reviewed and updated in the event that expectations differ from previous estimates as a result of normal depreciation of the asset, technical and commercial obsolescence, legal or other restrictions on the use of the asset. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

***Going concern***

These interim condensed financial statements have been prepared under the going concern basis. The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company 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 upon the Company's ability to continue as a going concern.

**6) PROPERTY, PLANT AND EQUIPMENT**

During the six months period ended 30 June 2023, the Company acquired property and equipment with total cost of SR 202,9 (30 June 2022: SR 187,9 million).

During the six months period ended 30 June 2023, the Company disposed of property and equipment with a net book value of SR 5,3 million (30 June 2022: SR 4,3 million) resulting in a gain on sale of property and equipment for the six months period ended 30 June 2022 with an amount SR 0,58 million (resulting in a loss for the six months period ended 30 June 2022: SR 0,32 million).

The following table shows the breakdown of depreciation expense allocated to operating costs items for the three and six months periods ended 30 June:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Cost of revenues (note 20)	37,651,584	31,658,815	70,172,330	57,841,961
General and administration expenses	2,073,694	2,008,523	4,168,843	4,009,066
	<b>39,725,278</b>	<b>33,667,338</b>	<b>74,341,173</b>	<b>61,851,027</b>

**7) RIGHT OF USE ASSETS**

	<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>(unaudited)</i>	<i>(audited)</i>
	<i>SR</i>	<i>SR</i>
<b>Cost:</b>		
At the beginning of the period/year	3,964,845,746	3,294,140,469
Additions	526,378,034	816,111,708
Disposals	(83,304,670)	(145,406,431)
At the end of the period/year	<b>4,407,919,110</b>	<b>3,964,845,746</b>
<b>Accumulated amortization:</b>		
At the beginning of the period/year	542,552,772	267,277,951
Charge for the period/year	159,202,469	275,274,821
At the end of the period/year	<b>701,755,241</b>	<b>542,552,772</b>
<b>Net book value</b>	<b>3,706,163,869</b>	<b>3,422,292,974</b>

**Aldrees Petroleum and Transport Services Company**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED STATEMENTS (continued)**

As at 30 June 2023

**8) CASH AND CASH EQUIVALENTS**

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
Cash on hand	6,057,460	-
Cash in banks	322,632,903	148,166,876
Short term murabaha *	455,279,613	-
At the end of the period/year	<u>783,969,976</u>	<u>148,166,876</u>

\* The company invests a part of its surplus cash in murabahas with maturities of three months or less with local bank and these deposits bear returns according to market rates.

**9) INVENTORIES, NET**

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
Fuel (Petrol, Diesel, Kerosene)	108,539,244	93,767,552
Spare parts and oil, filter, etc.	75,098,696	50,401,592
Allowance for Slow Moving Inventory	(651,232)	(541,861)
	<u>182,986,708</u>	<u>143,627,283</u>

**10) PREPAYMENTS AND OTHER ASSETS**

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
VAT	85,850,963	110,683,840
Prepaid rent	82,324,916	64,597,760
Government expenses	71,165,724	68,690,641
Advance payments to suppliers	61,275,299	53,949,264
Receivables from employees	21,280,466	21,388,624
Prepaid tires expense	13,933,944	13,294,963
Advance material to technician	13,394,496	11,240,787
LG/LC commission	3,710,233	3,785,233
Insurance claims	2,199,094	2,008,000
Interest receivable	2,167,186	1,548,958
Other prepaid expenses	32,964,356	26,182,007
	<u>390,266,677</u>	<u>377,370,077</u>

**11) INVESTMENT IN JOINT VENTURES**

On 21 Sha'aban 1434 (corresponding to 30 June 2013), the Company has signed a joint venture (JV) agreement with Bertschi AG, an entity incorporated in Switzerland, to establish a jointly controlled entity to provide logistic services. During the period ended 22 March 2015, the Company and co-venture have made a contribution of SR 500,000 each towards the establishment of the jointly controlled entity.

The following is the movement in the investments account.

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
At the beginning of the period/year	15,693,748	14,216,933
The company's share of investment income	295,550	1,476,815
	<u>15,989,298</u>	<u>15,693,748</u>



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As at 30 June 2023

**12) INVESTMENT AT AMORTISED COST**

During 2022, the Company invested in sukuk inside the Kingdom of Saudi Arabia with an amount of SR 145 million, and these sukuk carry fixed interest returns of 5.25%, 5.5% annually.

The Company's management classified investments in sukuk at amortized cost as it passes solely payments of principal and interest (SPPI) based on the business model prepared by the Company's management.

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
<b>Investment at amortised cost:</b>		
Investments in Sukuk Riyadh Bank	100,000,000	100,000,000
Investments in Sukuk Al-Rajhi Bank	45,000,000	45,000,000
<b>Total investment at amortised cost</b>	<b>145,000,000</b>	<b>145,000,000</b>

The interest income in investments at amortised cost during the period was as follows:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023 (unaudited) SR</i>	<i>2022 (unaudited) SR</i>	<i>2023 (unaudited) SR</i>	<i>2022 (unaudited) SR</i>
Interest income	1,931,250	-	3,862,797	-
	<u>1,931,250</u>	<u>-</u>	<u>3,862,797</u>	<u>-</u>

**13) TRADE RECEIVABLES, NET**

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
Trade receivables	547,563,657	427,714,940
Allowance for expected credit losses	(15,946,081)	(17,920,586)
	<u>531,617,576</u>	<u>409,794,354</u>

The movement in the provision for expected credit losses during the period / year was follows:

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
At the beginning of the period / year	17,920,586	8,256,824
Recovered during the period/year	(9,187,877)	(115,104)
Charged during the period / year	7,213,372	9,778,866
At the end of the period / year	<u>15,946,081</u>	<u>17,920,586</u>

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As at 30 June 2023

**14) RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties of the Company include the shareholders, the key management personnel and the companies where the Company, the shareholders, the board of directors or key management personnel has control, joint control or significant influence. During its ordinary course of business, the Company transacts with related parties in accordance with the terms approved by management. The transactions represent services exchanged between the entities.

**Key management personnel's benefits and compensation**

The senior management represents the key members of the Company's management who have the powers and responsibilities to plan, direct and control the Company's activities. Key management personnel's benefits & compensation are as follows:

Nature of transaction	Nature of relationship	For the three months periods ended 30 June		For the six months periods ended 30 June	
		2023	2022	2023	2022
		(unaudited) SR	(unaudited) SR	(unaudited) SR	(unaudited) SR
Salaries and benefits	Key management personnel	6,361,397	4,907,916	12,685,065	10,683,422
Employees' terminal benefits	Key management personnel	303,625	292,086	607,249	584,172
BOD remuneration, attendance allowance and committee's remuneration	BOD members	1,392,500	875,000	2,774,000	1,750,000

Details of significant transactions and resulted balances are as follows:

**a) Due from related parties**

Related Party	Relation	Nature of transaction	Amount of transactions		Balance	
			30 June 2023	31 December 2022	30 June 2023	31 December 2022
			(unaudited) SR	(audited) SR	(unaudited) SR	(audited) SR
Al - Drees for Industry and Trading	Affiliate	Sales	2,957,420	-	2,957,420	-
Aldrees Bertschi Joint	Joint venture	Financing	110,648	2,193,242	2,303,890	2,193,242
					<u>5,261,310</u>	<u>2,193,242</u>

**b) Due to related parties**

Related Party	Relation	Nature of transaction	Amount of transactions		Balance	
			30 June 2023	31 December 2022	30 June 2023	31 December 2022
			(unaudited) SR	(audited) SR	(unaudited) SR	(audited) SR
Al - Drees for Industry and Trading	Affiliate	Purchases	6,855,858	2,100,922	-	2,100,922
Mr. Hamad Mohammed Aldrees	Member of the Board of Directors	Station rent	695,610	-	-	-
Seven Lights Trading Company	Affiliate	Station rent	582,263	-	-	-
Mr. Abdulmohsen Mohammed Aldrees	Member of the Board of Directors	Site rent	100,000	-	-	-
					<u>-</u>	<u>2,100,922</u>

**15) SHARE CAPITAL**

The Company's share capital at June 30, 2023 amounted to SR 750 million (31 December 2022: SR 750 million) of 75 million shares as of 30 June 2023 (2022: 75 million shares) fully paid with a nominal value of SR 10 per share.

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**16) FACILITIES**

These represent working capital facilities obtained during the period from local banks. These facilities carry variable interest rate at prevailing market rates.

In the normal course of business, the Company has obtained Islamic long term and short term facilities from various local commercial banks as of 30 June 2023 amounting to SR 5,910 million (31 December 2022: SR 5,510 million). These facilities include advances in the current account, short term and long-term Tawarruq facilities, notes payable, letters of guarantee against the advance payments and contracts performance. The Company has unutilized facilities amounting as at 30 June 2023 SR 2,512 million (31 December 2022: SR 1,925 million). The following is the details of outstanding balance as of

- a) There was no Short-term facilities outstanding as at 30 June 2023 (31 December 2022: SR 220,000,000).  
b) Long term facilities consist of the following:

Bank	Type of facilities	Facility amount in SR		Utilized amount in SR		Outstanding Balance in SR		Purpose	Repayment frequency	Repayment	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022			Starting date	Ending date
Saudi National Bank	Revolving Long term tawarruq financing	72,000,000	75,000,000	72,000,000	72,000,000	20,571,429	30,857,143	Finance the working capital and acquisition of property and equipment	Quarterly	06 Jun 2020	19 May 2024
		72,000,000	75,000,000	72,000,000	72,000,000	20,571,429	30,857,143				

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

	30 June 2023 (unaudited) SR	31 December 2022 (audited) SR
At the beginning of the period / year	250,857,143	81,571,429
Borrowings during the period / year	1,734,996,838	2,445,000,000
Paid during the period / year	(1,965,282,552)	(2,275,714,286)
At the end of the period / year	20,571,429	250,857,143
Current portion	20,571,429	20,571,429
Non-current portion	-	10,285,714
	20,571,429	30,857,143

The above facilities bear finance charges at SIBOR plus agreed margins and are secured by promissory notes issued by the Company.

The facility agreements referred to above includes financial covenants relating to current ratio, liabilities to total equity ratio, net gearing ratio, debt service coverage ratio and total condensed interim shareholders' equity.

**17) TRADE PAYABLES**

	30 June 2023 (unaudited) SR	31 December 2022 (audited) SR
Saudi Arabian Oil Company ("Aramco")	2,328,422,021	1,110,835,951
Other	87,722,842	64,446,923
	2,416,144,863	1,175,282,874



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As at 30 June 2023

**18) ZAKAT PAYABLE**

**Charge for the period**

Zakat charge for the period comprise of the following:

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Provided during the period	1,650,000	1,500,000	3,300,000	3,000,000
At the end of the period	<u>1,650,000</u>	<u>1,500,000</u>	<u>3,300,000</u>	<u>3,000,000</u>

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

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

	<i>30 June 2023 (unaudited) SR</i>	<i>31 December 2022 (audited) SR</i>
At the beginning of the period/ year	11,880,835	9,978,098
Provided during the period/ year	3,300,000	7,641,216
Payments made during the period/ year	(7,788,338)	(5,738,479)
At the end of the period/ year	<u>7,392,497</u>	<u>11,880,835</u>

**Zakat Status**

The Company has filed its zakat declaration for all years up to 31 December 2022.

The assessments have been finalized with the Zakat, Tax and Customs Authority (The "ZATCA") for all years up to 31 December 2018. The assessments for the years 2019 - 2022 have not been raised by the ZATCA, yet.

**19) REVENUE**

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Fuel revenue	3,419,066,242	2,868,014,201	6,696,105,462	5,519,224,700
Transport Income	88,856,038	56,994,463	159,772,101	125,582,349
Leasing revenue	72,674,829	62,596,624	143,338,609	122,923,956
	<u>3,580,597,109</u>	<u>2,987,605,288</u>	<u>6,999,216,172</u>	<u>5,767,731,005</u>
<b>Timing of revenue recognition</b>				
Over time	72,674,828	62,596,623	143,338,609	122,923,956
At a point in time	<u>3,507,922,281</u>	<u>2,925,008,665</u>	<u>6,855,877,563</u>	<u>5,644,807,049</u>
<b>Total revenue from contracts with customers</b>	<u>3,580,597,109</u>	<u>2,987,605,288</u>	<u>6,999,216,172</u>	<u>5,767,731,005</u>



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As at 30 June 2023

**20) COST OF REVENUE**

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Direct materials	3,117,998,635	2,617,749,459	6,115,534,400	5,047,592,940
Employees' costs	96,736,835	80,424,740	193,032,402	157,684,386
Amortization of right of use assets	86,251,085	68,706,134	159,202,469	130,276,454
Deprecation of property, plant and equipment (note 6)	37,651,584	31,658,815	70,172,330	57,841,961
Sub-contractors' expenses	28,206,019	9,310,498	41,519,564	24,140,259
Lease of stations and offices	15,649,806	10,668,661	29,424,001	20,680,661
Maintenance	9,463,299	8,637,030	17,980,319	16,911,960
Utilities	4,510,228	5,746,471	9,679,936	11,353,938
Repair and maintenance	3,308,345	2,511,151	6,829,050	4,616,451
Fuel and lubricants	2,692,516	1,509,748	5,521,484	3,055,601
Insurance	2,544,205	2,230,684	5,271,830	4,529,588
Operational Expenses	686,705	6,946,574	686,705	6,946,574
Others	5,993,802	5,052,414	12,159,453	9,463,404
	<b>3,411,693,064</b>	<b>2,851,152,379</b>	<b>6,667,013,943</b>	<b>5,495,094,177</b>

**21) OTHER INCOME, NET**

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
(Loss) gain from disposal of property and equipment	(196,764)	(201,540)	586,716	(327,615)
Disposal of scrapped items	379,765	360,260	802,989	664,851
Others	-	-	-	67,709
	<b>183,001</b>	<b>158,720</b>	<b>1,389,705</b>	<b>404,945</b>

**22) DIVIDENDS AND BOARD OF DIRECTORS' REMUNERATIONS**

The general assembly in its meeting on 11 Shawwal 1444H (corresponding to 1 May 2023) has approved to distribute cash dividends amounting to SR 150 million representing SR 2 per share representing 20% of the Company's share capital (30 June 2022: SR 112.5 million) and disburse an amount of SAR 4 million to all members of the board of directors and the secretary of the board of directors for the year 2022.

**23) EARNINGS PER SHARE**

Earnings per share attributable to income from net income was calculated by dividing net income for the period by the weighted average number of outstanding shares of 75 million as of 30 June 2023 (30 June 2022: 75 million shares).

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Income for the period attributable to equity holders	70,237,538	45,916,904	140,774,034	108,336,519
Weighted average number of outstanding shares	75,000,000	75,000,000	75,000,000	75,000,000
Basic and diluted earnings per share	<b>0.94</b>	<b>0.61</b>	<b>1.88</b>	<b>1.44</b>

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**24) SEGMENT INFORMATION**

Since the Company carries out its activities entirely in the Kingdom of Saudi Arabia, reporting is provided by business segment only. The Company has determined its business segments on the basis of type of goods supplied and services rendered by the Company's business segments and reported to the Company's executive management for the purposes of resource allocation and assessment of segment performance.

For executive management purposes, the Company is organized in the following business segments:

**Petroleum Service Segment** This segment represents the activities of operating stations from the sale of fuels.  
**Transport Services Segment** This segment represents transportation services of liquid and dry materials.

	<i>Petroleum Service SR</i>	<i>Transport Service SR</i>	<i>Inter-segment eliminations SR</i>	<i>Total SR</i>
<b><u>For the three-month period ended 30 June 2023 (unaudited)</u></b>				
Revenue	3,491,707,379	133,679,939	(44,790,209)	<b>3,580,597,109</b>
Cost of revenue	3,357,367,963	99,115,310	(44,790,209)	<b>3,411,693,064</b>
Gross profit	134,339,416	34,564,629	-	<b>168,904,045</b>
<b><u>For the three-month period ended 30 June 2022 (unaudited)</u></b>				
Revenue	2,929,582,143	92,721,088	(34,697,943)	2,987,605,288
Cost of revenue	2,816,970,732	68,879,590	(34,697,943)	2,851,152,379
Gross Profit	112,611,411	23,841,498	-	136,452,909
<b><u>For the six-months period ended 30 June 2023 (unaudited)</u></b>				
Revenue	6,839,410,379	246,521,785	(86,715,992)	<b>6,999,216,172</b>
Cost of revenue	6,573,319,698	180,410,237	(86,715,992)	<b>6,667,013,943</b>
Gross profit	266,090,681	66,111,548	-	<b>332,202,229</b>
<b><u>For the six-months period ended 30 June 2022 (unaudited)</u></b>				
Revenue	5,641,119,974	192,941,484	(66,330,453)	5,767,731,005
Cost of revenue	5,418,129,814	143,294,816	(66,330,453)	5,495,094,177
Gross profit	222,990,160	49,646,668	-	272,636,828
<b><u>As at 30 June 2023 (unaudited)</u></b>				
Total Assets	7,053,309,823	844,326,568	(336,597,830)	<b>7,561,038,561</b>
Total Liabilities	6,339,444,740	458,073,291	(336,597,830)	<b>6,460,920,201</b>
Property, Plant & Equipment	1,104,922,623	576,831,947	-	<b>1,681,754,570</b>
Right of Use Assets	3,706,163,869	-	-	<b>3,706,163,869</b>
<b><u>As at 31 December 2022 (audited)</u></b>				
Total Assets	5,821,568,653	740,657,782	(246,644,339)	6,315,582,096
Total Liabilities	5,102,565,986	350,316,123	(246,644,339)	5,206,237,770
Property, Plant & Equipment	1,015,562,432	542,975,140	-	1,558,537,572
Right of Use Assets	3,422,292,974	-	-	3,422,292,974

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**24) SEGMENT INFORMATION (continued)**

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

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2023 (unaudited) SR</i>	<i>2022 (unaudited) SR</i>	<i>2023 (unaudited) SR</i>	<i>2022 (unaudited) SR</i>
Gross profit	168,904,045	136,452,909	332,202,229	272,636,828
<b>Un-allocated items:</b>				
Selling and marketing expenses	(502,360)	(1,314,687)	(1,311,298)	(2,483,960)
Other income, net	183,001	158,720	1,389,705	404,945
General and administrative expenses	(64,043,981)	(51,924,265)	(123,085,371)	(102,947,998)
Finance cost	(36,400,052)	(30,199,622)	(72,702,890)	(58,748,573)
Finance income	1,532,368	-	3,423,312	-
Share in results of investment in joint venture	283,267	502,480	295,550	948,524
Interest income from investment at amortised cost	1,931,250	-	3,862,797	-
(Loss) gain from investment at FVPL	-	(6,258,631)	-	1,526,753
Total un-allocated amounts	(97,016,507)	(89,036,005)	(188,128,195)	(161,300,309)
<b>Income before zakat</b>	<b>71,887,538</b>	<b>47,416,904</b>	<b>144,074,034</b>	<b>111,336,519</b>

**25) CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

**Capital commitments**

The Company has capital commitments of SR 204.2 million (31 December 2022: SR 117.1 million) mainly related to the cost of establishing and developing projects related to gas stations in various regions in the Kingdom of Saudi Arabia.

**Contingent Liabilities**

As at 30 June 2023, the Company has outstanding contingent liabilities in the form of letters of guarantee amounting to SR 3,398.1 million (31 December 2022: SR 3,334.6 million). Those have been issued in the normal course of business of the Company.

**26) SUBSEQUENT EVENTS**

The management believes there are no material subsequent events for the period ending on 30 June 2023 which may have a significant impact on the Company's interim condensed statement of financial position as shown in these condensed interim financial statements.

**27) COMPARATIVE FIGURES**

Certain comparative figures for the previous period have been reclassified in order to conform with the current period's classification.

**28) APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved on 29 Thul-Hijjah 1444H (corresponding to 17 July 2023)