

**SAUDI AUTOMOTIVE SERVICES COMPANY (SASCO)
(A SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2024

Saudi Automotive Services Company (SASCO)
(A Saudi joint stock company)
Financial statements and independent auditor's report
for the year ended 31 December 2024

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Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO)

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Automotive Services Company (SASCO) (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Our audit approach

Overview

Key Audit Matters	<ul style="list-style-type: none">• Revenue recognition• Impairment of goodwill• Impairment of property and equipment and right-of-use assets
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Our audit approach (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition	
<p>The Group's revenue for the year ended 31 December 2024 amounted to Saudi Riyals ("SR") 10,200 million (2023: SR 9,113 million).</p> <p>Revenue recognition is considered a key audit matter in view of the significance of the amounts involved, the susceptibility of such revenue to misstatement and fraud risk and the fact that the Group's management focuses on revenue as one of key performance measures and a driver for the business.</p> <p><i>Refer to Notes 3.21 and 28 to the Group's consolidated financial statements for the accounting policy related to revenue recognition and relevant disclosures.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the nature of revenue contracts to determine significant revenue streams;• Obtained an understanding of the various significant revenue streams and identified and evaluated the relevant controls on a sample basis;• Considered the appropriateness and tested the consistency of the Group's revenue recognition policies with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA;• Assessed the compliance of such policies with the applicable IFRS, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA;• Inspected a sample of sales contracts and transactions to confirm that the related revenue recognition is compliant with IFRS 15 requirements and to obtain evidence that such transactions occurred;



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
<i>Revenue recognition (continued)</i>	<ul style="list-style-type: none">• Inspected a sample of sales transactions recorded before and after the year-end to assess the appropriateness of revenue recognition in the corresponding periods;• Tested, on a sample basis, certain revenue controls.• Performed Computer Assisted Audit Techniques to analyse the fuel revenue population and identify unusual or irregular postings;• Tested, on a sample basis, journal entries posted to the revenue accounts to identify unusual or irregular postings; and• Assessed the adequacy of the disclosures in the Group's consolidated financial statements in accordance with IFRS, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Impairment of goodwill	
<p>At 31 December 2024, the Group had goodwill, which arose on past business combinations amounting to SR 492 million (2023: SR 492 million).</p> <p>In accordance with the International Accounting Standard ("IAS") 36 "Impairment of assets", that is endorsed in the Kingdom of Saudi Arabia, an entity is required to test goodwill acquired in a business combination at least annually irrespective of whether there is any indication of impairment.</p> <p>Goodwill is monitored by management at a regional level comprising of cash-generating units ("CGUs") based on the relevant operating activities of the Group. Management carried out an impairment assessment in respect of goodwill by determining a recoverable amount based on value-in-use using a discounted cash flow model, which utilized the most recent business plan prepared by the management.</p> <p>We considered impairment testing of goodwill by management as a key audit matter since the assessment of the recoverable amount using value-in-use requires considerable judgment by management around use of estimates. The critical judgmental elements of management's assessment were:</p>	<p>We assessed management's impairment assessment of goodwill by performing the following procedures:</p> <ul style="list-style-type: none"> • We engaged our internal valuation expert to assess the reasonableness of the methodology used by management to determine the recoverable amount of goodwill; • Tested the arithmetical accuracy of the model used and of the underlying calculations; • Tested the reasonableness of the cash flow projections by comparison to the CGU's historical results, business plans and tested underlying assumptions (revenue growth and earnings before interest taxes depreciation and amortisation ("EBITDA") margin) supporting the growth in forecasted cash flows; • Engaged our internal valuation experts to assist in the review of the valuation model and use of the discount rate and terminal growth rate assumption; • Tested management's sensitivity analyses over key assumptions in order to assess the potential impact of a range of possible outcomes; and • Assessed the adequacy of the disclosures in the Group's consolidated financial statements in accordance with IFRS, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
<p>a) revenue growth and earnings before interest taxes depreciation and amortization ("EBITDA") margin assumptions; and</p> <p>b) discount rate and terminal growth rate used in the cash flow model.</p> <p><i>Refer to Note 3.6, 4.1.1 and 9 to the Group's consolidated financial statements for the accounting policy and relevant disclosures.</i></p> <p><i>Impairment of property and equipment and right-of-use assets</i></p> <p>At 31 December 2024, the Group had property and equipment of SR 2,097 million (2023: SR 1,947 million) and right-of-use assets of SR 2,442 million (2023: SR 2,225 million).</p> <p>Management performs an assessment at each reporting period to consider whether there are any events or circumstances (impairment triggers or indicators) that indicate that the carrying amounts of these assets, or cash generating unit (CGUs) may not be recoverable. If any such indication exists, management estimates the recoverable amounts of the CGUs and records the related impairment charge, if any.</p> <p>The determination of the recoverable amounts, being the higher of value-in-use and fair value less costs of disposal, requires management to identify and then estimate the recoverable amounts of the CGUs to which the assets belong. Recoverable amounts are based on management's view of key inputs such as future business growth in the forecasted periods as well as the external market conditions, terminal growth rates and the most appropriate discount rates.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Assessed reasonableness of management's identification of impairment triggers/ indicators and the CGUs where impairment indicators have been identified. • Tested the arithmetical accuracy of the models used and of the underlying calculations; • Tested reasonableness of the key assumptions used in the discounted cash flow models which have been estimated based on forecasts for the Group and its industry and consideration of historical results. • With input from our internal valuation experts, we performed the following procedures on management's valuation models, as deemed appropriate: <ul style="list-style-type: none"> ○ Assessed the reasonableness of the methodology used in the calculation of the value-in-use; ○ Evaluated the reasonableness of the discount rate and terminal growth rate used in the model.



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
<p>The CGUs to which the assets belong, where management performed its assessment, relate to individual gas stations as these are the lowest level generating cash from property and equipment and right-of-use assets.</p> <p>We considered this to be a key audit matter given the judgement involved in identifying impairment triggers/ indicators and the complexity inherent in estimating the recoverable amounts of these assets.</p> <p><i>Refer to notes 3.6, 4.4.1 and 5 to the Group's consolidated financial statements for the accounting policy and relevant disclosures.</i></p>	<ul style="list-style-type: none"> Performed sensitivity analyses over assumptions used in the calculation of the value-in-use in order to determine the key assumptions to focus on and to assess the potential impact of a range of possible outcomes; Assessed the adequacy of the disclosures in the Group's consolidated financial statements in accordance with IFRS, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



Independent auditor's report to the shareholders of Saudi Automotive Services Company (SASCO) (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Khalid A. Mahdhar
License Number 368



27 March 2025


Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Consolidated statement of financial position
as at 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

		31 December 2024	31 December 2023 (Restated – Note 42)	1 January 2023 (Restated – Note 42)
	Note			
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	5	2,097,480,051	1,947,032,508	1,700,492,300
Projects in progress	6	202,052,605	90,688,224	184,126,421
Investment property	7	138,482,500	159,787,500	89,481,000
Right-of-use assets	8	2,441,551,801	2,225,046,792	2,157,153,140
Intangible assets – Goodwill	9	492,197,649	492,197,649	495,348,204
Other intangible assets	10	7,750,374	7,073,002	3,563,911
Financial assets held at fair value through other comprehensive income ("FVTOCI")	11.1	174,826,798	150,190,103	158,212,887
Financial assets held at fair value through profit or loss ("FVTPL")	11.3	47,794,017	-	-
Financial assets held at amortised cost	12	250,000,000	250,000,000	250,000,000
TOTAL NON-CURRENT ASSETS		5,852,135,795	5,322,015,778	5,038,377,863
CURRENT ASSETS				
Inventories	13	131,060,498	108,784,960	82,574,432
Trade receivables	14	149,424,195	131,423,044	137,560,567
Financial assets held at amortized cost	12	3,209,918	3,187,639	3,100,543
Prepayments and other current assets	15	91,274,438	117,496,232	91,030,790
Derivative financial instruments	16	731,475	2,488,468	-
Financial assets held at fair value through profit or loss ("FVTPL")	11.2	42,022,462	-	-
Restricted bank balances	17.1	49,601,323	49,704,917	77,264,901
Cash and cash equivalents	17.2	129,363,057	133,449,040	559,708,580
TOTAL CURRENT ASSETS		596,687,366	546,534,300	951,239,813
TOTAL ASSETS		6,448,823,161	5,868,550,078	5,989,617,676
EQUITY AND LIABILITIES				
EQUITY				
Share capital	18	700,000,000	600,000,000	600,000,000
Statutory reserve	1 & 19	-	83,139,272	72,589,882
Retained earnings / (accumulated losses)		12,565,788	45,687,703	(29,617,577)
Fair value reserve of financial assets held at fair value through other comprehensive income ("FVTOCI")		136,885,874	112,249,179	129,879,703
Equity attributable to shareholders of the parent		849,451,662	841,076,154	772,852,008
Non-controlling interests		109,803,426	124,574,433	158,292,706
TOTAL EQUITY		959,255,088	965,650,587	931,144,714
LIABILITIES				
NON-CURRENT LIABILITIES				
Lease liabilities	20	2,314,618,074	2,102,316,093	2,056,596,986
Long-term loans	21	1,464,462,677	1,330,262,680	1,561,140,565
Employees' defined benefit liabilities	22	49,817,151	44,809,348	41,644,697
TOTAL NON-CURRENT LIABILITIES		3,828,897,902	3,477,388,121	3,659,382,248
CURRENT LIABILITIES				
Short-term loans	21	20,000,000	-	30,000,000
Current portion of long-term loans	21	193,355,973	84,783,710	73,941,015
Trade payables	23	860,679,743	788,406,746	767,561,064
Accrued expenses and other current liabilities	24	206,229,805	184,955,073	170,201,957
Current portion of lease liabilities	20	328,785,413	314,025,382	266,431,194
Dividends payable to shareholders	25	49,601,323	49,704,917	77,264,901
Zakat payable	26	2,017,914	3,635,542	13,690,583
TOTAL CURRENT LIABILITIES		1,660,670,171	1,425,511,370	1,399,090,714
TOTAL LIABILITIES		5,489,568,073	4,902,899,491	5,058,472,962
TOTAL EQUITY AND LIABILITIES		6,448,823,161	5,868,550,078	5,989,617,676

The accompanying notes 1 to 44 form an integral part of these consolidated financial statements.


Islam Mohammed Khairi Ahmed
Chief Financial officer


Riyadh Bin Saleh Malik
Chief Executive Officer


Sultan Bin Mohammad Al-Hudaithi
Vice Chairman and Managing
Director

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Consolidated statement of income
For the year ended 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

For the year ended 31 December			
		2024	2023 (Restated – Note 42)
	Note		
Revenue	28	10,186,571,683	9,112,927,440
Cost of revenue	29	(9,896,834,677)	(8,812,162,957)
Gross profit		289,737,006	300,764,483
General and administrative expenses	30	(105,889,442)	(105,654,369)
Selling and marketing expenses		(8,275,484)	(4,637,218)
Provision for expected credit losses	14	(3,880,587)	(9,106,342)
Change in fair value of investment property	7	(21,305,000)	70,306,500
Other income	31.1	16,138,792	6,517,725
Other gains / (losses) – net	31.2	7,248,272	8,256,285
Operating income		173,773,557	266,447,064
Finance costs	32	(181,184,771)	(156,708,190)
Finance income	33	31,430,725	30,794,427
Dividends received from financial assets held at FVTOCI		7,494,112	6,202,549
Dividends received from financial assets held at FVTPL		1,442,696	-
Change in fair value of financial assets held at FVTPL	11.2 & 11.3	19,755,658	-
Income before zakat		52,711,977	146,735,850
Zakat expense	26	(3,374,222)	(6,303,847)
Net income		49,337,755	140,432,003
Attributable to:			
Equity holders of the parent		44,212,614	114,552,035
Non-controlling interests		5,125,141	25,879,968
		49,337,755	140,432,003
Earnings per share			
Basic and diluted earnings per share for the year attributable to equity holders of the parent	34	0.63	1.64

The accompanying notes 1 to 44 form an integral part of these consolidated financial statements.



Islam Mohammed Khairi Ahmed
Chief Financial officer



Riyadh Bin Saleh Malik
Chief Executive Officer



Sultan Bin Mohammad Al-Hudaithi
Vice Chairman and Managing
Director

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Consolidated statement of comprehensive income
For the year 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

		For the year ended 31 December	
			2023
			(Restated –
	Note	2024	Note 42)
Net income		49,337,755	140,432,003
Other comprehensive income / (loss):			
<u>Items that will not be re-classified</u>			
<u>subsequently to the consolidated statement of</u>			
<u>income:</u>			
Change in fair value of financial assets held at FVTOCI	11.1	24,636,695	(17,630,524)
Re-measurement gain on employees' defined benefit liabilities	22	2,130,051	1,704,394
Total other comprehensive income for the year		76,104,501	124,505,873
Attributable to			
Equity holders of the parent		70,875,508	98,224,146
Non-controlling interests		5,228,993	26,281,727
		76,104,501	124,505,873

The accompanying notes 1 to 44 form an integral part of these consolidated financial statements.



Islam Mohammed Khairi Ahmed
Chief Financial officer



Riyadh Bin Saleh Malik
Chief Executive Officer



Sultan Bin Mohammad Al-Hudaithi
Vice Chairman and Managing
Director

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

		For the year ended 31 December	
			2023 (Restated -Note 42)
	Note	2024	
Operating activities			
Income before zakat		52,711,977	146,735,850
Adjustments for:			
Depreciation of right-of-use assets	8	261,697,228	232,001,480
Depreciation of property and equipment	5	127,894,118	107,041,422
Provision of employees' defined benefit liabilities	22	10,490,477	8,848,301
Provision for expected credit losses	14	3,880,587	9,106,342
Change in fair value of investment property	7	21,305,000	(70,306,500)
Dividend income from financial assets held at FVTOCI		(7,494,112)	(6,202,549)
Dividend income from financial assets held at FVTPL		(1,442,696)	-
Finance costs on lease liabilities	20	96,813,676	87,509,919
Finance costs on loans	21	84,371,095	69,198,271
Impairment reversal on property and equipment	29	(500,001)	(2,846,428)
Impairment reversal on right-of-use assets	29	(3,533,709)	(3,442,224)
Impairment charge on projects in progress	6	1,256,845	2,264,254
Impairment of goodwill	30	-	3,150,555
Fair value changes from financial derivatives	16	1,756,993	(2,488,468)
Provision for slow-moving goods	13	17,900,294	18,447,737
Gain from investments at fair value through profit or loss (FVTPL)	11.2 & 11.3	(19,755,658)	-
Gains from sale of property and equipment	31	(4,234,703)	(217,983)
Gains from disposal of leases	31	(3,182,274)	(5,549,834)
Gains from lease modifications	31	(9,804,611)	(1,804,233)
Finance income		(31,430,725)	(30,794,427)
Amortization of other intangible assets	10	2,034,535	1,153,236
		600,734,336	561,804,721
Working capital adjustments:			
Trade receivables		(21,881,738)	(2,968,819)
Prepayments and other current assets		26,221,794	(26,450,249)
Inventories		(40,175,832)	(44,658,265)
Trade payables		72,272,997	20,845,682
Accrued expenses and other current liabilities		22,112,778	14,753,116
Cash from operations		659,284,335	523,326,186
Zakat paid	26	(4,991,850)	(16,358,888)
Employees' defined benefits liabilities paid	22	(3,352,623)	(3,979,256)
Net cash generated from operating activities		650,939,862	502,988,042
Investing activities			
Purchase of investments at fair value through profit and loss (FVTPL)	11.2 & 11.3	(70,898,867)	-
Purchase of investments at fair value through other comprehensive income (FVTOCI)	11.1	-	(10,000,000)
Proceed from sale of investments at fair value through other comprehensive income (FVTOCI)	11.1	-	392,260
Purchase of property and equipment	5	(62,098,805)	(60,562,933)
Additions to projects in progress	6	(310,768,200)	(182,120,818)
Proceeds from sale of property and equipment		11,392,170	6,450,265
Interest income on Sukuk investments and short-term deposits		31,408,446	30,707,331
Dividends received from financial assets held at FVTOCI		7,494,112	6,187,356
Dividends received from financial assets held at FVTPL		1,442,696	-
Additions to other intangible assets	10	(1,844,577)	(383,667)
Net cash used in investing activities		(393,873,025)	(209,330,206)
Financing activities			
Dividends paid		(82,603,594)	(117,559,984)
Restricted bank balances		103,594	27,559,984
Payment of long-term loans – finance costs	21	(110,348,547)	(87,195,954)
Proceeds from long term loans	21	315,823,962	145,724,987
Payments of long-term loans – principal	21	(66,669,625)	(368,547,083)
Short-term loans obtained		230,000,000	841,000,000
Short-term loans repaid		(210,000,000)	(871,000,000)
Lease liabilities paid – principal	20	(252,792,563)	(206,852,012)
Lease liabilities paid – finance costs	20	(84,666,047)	(83,047,314)
Net cash used in financing activities		(261,152,820)	(719,917,376)
Decrease in cash and cash equivalents		(4,085,983)	(426,259,540)
Cash and cash equivalents at beginning of the year	17.2	133,449,040	559,708,580
Cash and cash equivalents at the end of the year	17.2	129,363,057	133,449,040

The accompanying notes 1 to 44 form an integral part of these consolidated financial statements.

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Consolidated statement of cash flows (Continued)
For the year 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	For the year ended 31 December	
	Note	2023 (Restated -Note 42)
Significant non-cash items:		
Share capital increase against corresponding statutory reserve and retained earnings	100,000,000	-
Transfer from statutory reserve to increase share capital	(83,139,272)	-
Transfer from retained earnings to increase share capital	(16,860,728)	-
Change in fair value of financial assets held at fair value through other comprehensive income ("FVTOCI")	24,636,695	17,630,524
Change in fair value reserve relating to financial assets held at FVTOCI	(24,636,695)	(17,630,524)
Transfer from prepayments to investments at FVTPL	(30,819,636)	-
Transfer to investments at FVTPL from prepayments	30,819,636	-
Additions to property and equipment from projects in progress	222,900,322	296,404,551
Transfer from projects in progress to property and equipment	(222,900,322)	(296,404,551)
Capitalization of finance costs in projects in progress	25,620,678	27,388,450
Finance costs transferred from long-term loans to projects in progress	(6,025,303)	(6,603,861)
Finance costs transferred from lease contract liabilities to projects in progress	(19,595,375)	(20,784,589)
Additions to right-of-use assets	504,326,752	373,260,565
Additions to lease contracts liabilities	(504,326,752)	(373,260,565)

The accompanying notes 1 to 44 form an integral part of these consolidated financial statements.



Islam Mohammed Khairi Ahmed
Chief Financial officer



Riyadh Bin Saleh Malik
Chief Executive Officer




Sultan Bin Mohammad Al-Hudaihi
Vice Chairman and Managing
Director

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Consolidated statement of changes in equity
(All amounts are in Saudi Riyals unless otherwise stated)

	Attributable to shareholders of the Parent Company				Total	Non-controlling interests	Total Equity
	Share capital	Statutory reserve	Retained earnings	Unrealised gains from financial assets held at FVTOCI			
Balance as at 1 January 2023 (As previously reported)	600,000,000	72,589,882	13,370,034	129,879,703	815,839,619	161,408,430	977,248,049
Adjustment of prior year (Note 42)	-	-	(42,987,611)	-	(42,987,611)	(3,115,724)	(46,103,335)
Balance as at 1 January 2023 (Restated - Note 42)	600,000,000	72,589,882	(29,617,577)	129,879,703	772,852,008	158,292,706	931,144,714
Income for the year (Restated - Note 42)	-	-	114,552,035	-	114,552,035	25,879,968	140,432,003
Other comprehensive income / (loss)	-	-	1,302,635	(17,630,524)	(16,327,889)	401,759	(15,926,130)
Total comprehensive income / (loss) for the year	-	-	115,854,670	(17,630,524)	98,224,146	26,281,727	124,505,873
Dividends (Note 25)	-	-	(30,000,000)	-	(30,000,000)	(60,000,000)	(90,000,000)
Transfer to statutory reserve	-	10,549,390	(10,549,390)	-	-	-	-
Balance as at 31 December 2023 (Restated - Note 42)	600,000,000	83,139,272	45,687,703	112,249,179	841,076,154	124,574,433	965,650,587
Balance as at 1 January 2024 (Restated - Note 42)	600,000,000	83,139,272	45,687,703	112,249,179	841,076,154	124,574,433	965,650,587
Income for the year	-	-	44,212,614	-	44,212,614	5,125,141	49,337,755
Other comprehensive income	-	-	2,026,199	24,636,695	26,662,894	103,852	26,766,746
Total comprehensive income for the year	-	-	46,238,813	24,636,695	70,875,508	5,228,993	76,104,501
Capital increase (Note 1)	100,000,000	(83,139,272)	(16,860,728)	-	-	-	-
Dividends (Note 25)	-	-	(62,500,000)	-	(62,500,000)	(20,000,000)	(82,500,000)
Balance as at 31 December 2024	700,000,000	-	12,565,788	136,885,874	849,451,662	109,803,426	959,255,088

The accompanying notes 1 to 44 form an integral part of these consolidated financial statements.


Islam Mohammed Khairi Ahmed
Chief Financial officer


Riyadh Bin Saleh Malik
Chief Executive Officer


Sultan Bin Mohammad Al-Hudaithi
Vice Chairman and Managing Director

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Notes to consolidated financial statements
As at 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

1 ACTIVITIES

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

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

During the year ended 31 December 2024, the Group has increased its share capital by issuing bonus shares amounting to SR 100 million (equivalent to SR 10 per share) by transferring SR 83,139,272 and SR 16,860,728 from statutory reserve and retained earnings, respectively. This issuance has been recommended by the Board of Directors on 27 March 2024 and approved by the Shareholders' General Assembly held on 9 June 2024. The Group has obtained updated commercial registration and By-laws to reflect the change in share capital.

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

Name of subsidiary	Commercial registration #	Principal field of activity	Direct & indirect ownership percentage (%)	
			31 December 2024	31 December 2023
Fleet Transportation Company	1010283443	Water transportation and distribution, road transportation of goods, transportation of refrigerated and frozen goods, transportation of goods and equipment, transportation of liquids and gases and transportation of cars.	100%	100%
Saudi Automobile Club Company	1010197186	Participation in the local international clubs for cars and motorcycles, local and international bodies interested in automobile affairs, issuing cars’ customs traffic document (TripTik), international driving licenses, establishing, managing, maintaining and operating motorsports and motorcycle circuits, and holding races and events related to motorsports and motorcycles.	100%	100%
Automobile and Equipment Investment Company Limited	1010284946	Establishing workshops for repairing cars and heavy equipment, car service stations and travelers on the main roads between the cities of the Kingdom to provide fuel and oils, maintain cars and heavy equipment, establishing rest houses, motels and restaurants, providing food meals, drinks and beverages, washing and lubricating cars and equipment, importing and selling equipment and tools, and constructing roads and bridges.	100%	100%
SASCO Petroleum Stations Services Company*	1010950315	Retail of automotive and motorcycle fuels, gas stations and integrated office administrative and services activities.	100%	-

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Notes to consolidated financial statements
As at 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

1 ACTIVITIES (CONTINUED)

Name of subsidiary	Commercial registration #	Principal field of activity	Direct & indirect ownership percentage (%)	
			31 December 2024	31 December 2023
The First Palm Company	1010356035	General contracting for buildings (construction, repair, demolition, restoration), construction, management and operation, maintenance of residential and commercial buildings and road works.	100%	100%
SASCO Palm Company	1010302217	Catering, retail of food and beverages in kiosks and markets, groceries, refrigerated food stores, frozen food stores, distribution centers for food and beverages and dry food stores.	100%	100%
SASCO Oasis Company	1010309488	Hotels as per the license of the General Authority for Tourism and National Heritage.	100%	100%
Zaiti Petroleum Services Company ("Zaiti")	1010236767	Retail of car and motorcycle fuel (Fuel stations).	100%	100%
SASCO Investment franchise Company	1010434138	Providing marketing services on behalf of third parties.	100%	100%
Nakhla Properties Company	1010647886	Management and rental of owned or leased (residential) properties, management and rental of owned or leased (non-residential) properties and management activities of properties against commission.	100%	100%
North Front Real Estate Company	010671792	Buying, selling and zoning lands and real estate, off-plan sale activities, managing and renting owned and leased (residential) properties, managing and renting owned and leased (non-residential) properties, management activities of properties against commission and real estate registration service.	100%	100%
Naft Services Company Limited ("Naft")	4030060592	Operation of fuel stations and related activities.	80%	80%
Automotive Services Care Company	7009292033	Washing and lubricating cars.	100%	100%

* During the year ended 31 December 2024, the Group transformed one of its branches into a limited liability company called SASCO Petroleum Stations Services Company.

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
Notes to consolidated financial statements
As at 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

1 ACTIVITIES (CONTINUED)

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

Branch	Commercial registration #	Commercial registration date	City
Saudi Company for Automotive Services and Equipment SASCO	1010358658	10 Safar 1434H (Corresponding to 10 January 2013)	Riyadh
Saudi Company for Automotive Services and Equipment SASCO	1010671615	16 Rabi Al-Thani 1442H (corresponding to 13 December 2020)	Riyadh
Saudi Company for Automotive Services and Equipment SASCO	1010681876	26 Jumada Al Ula 1442H (Corresponding to 10 January 2021)	Riyadh
Saudi Company for Automotive Services and Equipment SASCO	1010950315	17 Rajab 1439H (corresponding to 12 April 2018)	Riyadh
Saudi Company for Automotive Services and Equipment SASCO	1018000425	10 Safar 1434H (Corresponding to 23 December 2012)	Huraymila
Saudi Company for Automotive Services and Equipment SASCO	1128184243	16 Dhu Al-Qida 1441H (corresponding to 1 July 2020)	Onaizah
Saudi Company for Automotive Services and Equipment SASCO	1131306676	16 Dhu Al-Qida 1441H (corresponding to 7 July 2020)	Buraydah
Saudi Company for Automotive Services and Equipment SASCO	2050093628	6 Shawwal 1434H (Corresponding to 13 August 2013)	Dammam
Saudi Company for Automotive Services and Equipment SASCO	3550122825	17 Rajab 1439H (corresponding to 3 April 2018)	Tabuk
Saudi Company for Automotive Services and Equipment SASCO	4030254775	6 Dhu Al-Qida 1434H (Corresponding to 11 September 2013)	Jeddah
Saudi Company for Automotive Services and Equipment SASCO	4030308874	29 Dhul Hijjah 1439H (corresponding to 10 September 2018)	Jeddah
Saudi Company for Automotive Services and Equipment SASCO	4031216803	29 Dhul Hijjah 1439H (corresponding to 10 September 2018)	Makkah Mukarrama
Saudi Company for Automotive Services and Equipment SASCO	4032229606	29 Dhul Hijjah 1439H (corresponding to 10 September 2018)	Taif
Saudi Company for Automotive Services and Equipment SASCO	4650202976	15 Muharram 1440H (corresponding to 26 Sept 2018)	Al Madinah Al Munawwarah
Saudi Company for Automotive Services and Equipment SASCO	5850121385	7 Safar 1440H (Corresponding to 18 October 2018)	Abha
Saudi Company for Automotive Services and Equipment SASCO	5900126408	26 Jumada Al Ula 1442H (Corresponding to 10 January 2021)	Jazan
Saudi Company for Automotive Services and Equipment SASCO	1010950315	28 Safar 1445H (Corresponding 3 September 2023)	Riyadh

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The impact of seasonality or cyclicity on operations is not regarded as significant to the consolidated financial statements.

2 BASIS OF PREPARATION (CONTINUED)

2.2 Going concern

As at 31 December 2024, the Group had a net current liabilities position of SR 1,064 million (31 December 2023: SR 904 million). The Group has performed its assessment on its ability to continue as a going concern. As part of its assessment, the Group anticipates a positive impact on Group's results and profitability in the future. Moreover, the Group considered the cash nature of its main activities, payment terms provided by its main vendor, its access to an undrawn Murabaha facility and the ownership of financial assets held at amortised cost that can be used to settle any dues as needed. Furthermore, the Board of Directors has reviewed the latest financial forecasts including plans to finance committed future development. Based on the above considerations, the Board of Directors believes that the Group has sufficient resources to continue in operation for the foreseeable future. Accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis.

2.3 Historical cost convention

These consolidated financial statements are prepared under the historical cost convention except for the following:

- Certain financial assets and liabilities (including derivative instruments), investment - measured at fair value; and
- Employee benefit obligations as explained in the relevant accounting policies.

2.4 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Classification of liabilities as current or non-current and non-current liabilities with covenants – amendments to IAS 1;
- Lease liability in sale and leaseback – amendments to IFRS 16; and
- Supplier finance arrangements – amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.5 Standards issued but not yet effective

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is as follows:

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025): In August 2023, the International Accounting Standards Board ("IASB") amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026): On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
 - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVTOCI).

The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Standards issued but not yet effective

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027): Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or consolidated financial statements.
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027): IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the consolidated financial statements.
- Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

Management is currently assessing the detailed implications of applying the new standards on the Group's consolidated financial statements. The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18, as applicable.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied for the preparation of the consolidated financial statements of the Group are set out below. The accounting policies have been consistently applied to all the years presented, unless otherwise stated as in note 3.4.1 relating to financial assets at fair value through profit or loss.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income is attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Cash and cash equivalents

For the purpose of consolidated statement of financial position, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Restricted bank balances are amounts placed with banks which are not available for use by the Group and are excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows.

3.3 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the entity's normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Financial instruments

3.4.1 Financial assets

The Group classifies its financial assets under the following categories:

Classification

- Financial assets designated at amortized cost.
- Financial assets designated at fair value through other comprehensive income ("FVTOCI").
- Financial assets designated at fair value through profit or loss ("FVTPL").

Trade receivables issued are initially recognized when they are originated. Trade receivables that do not contain a significant financing component or for which the Group uses the practical expedient are measured at the transaction price determined under IFRS (15). All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument at fair value plus or minus, in the case of financial assets not at fair value through profit or loss, transaction costs.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.*
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, an entity may make an irrevocable selection at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Company reclassifies financial assets only when its business model for managing those financial assets change.

Initial measurement

Except for trade receivables, at initial recognition, an entity shall measure a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Subsequent measurement

Financial assets at amortized cost

The Company measures financial assets at amortized cost when the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the Effective Interest rate ("EIR") method and are subject to impairment. Interest received is recognized as part of finance income in the consolidated statement of comprehensive income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group can classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under IAS (32) Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 Financial instruments (continued)

3.4.1 Financial assets (continued)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company has decided, irrevocably, to classify certain investments at fair value through other comprehensive income in this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of income.

This category includes equity and debt instruments. Dividends from these investments are also recognized as income in the consolidated statement of income when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to fully pay it to a third party under a 'pass-through' arrangement and either:
 - a) *The Company has transferred substantially all the risks and rewards of the asset, or*
 - b) *The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.*

3.4.2 Financial liabilities

The Group's financial liabilities include trade and other payables, term loans, and Murabaha from various financial institutions, contract liabilities and amounts due to related parties which are subsequently measured at amortized cost.

Classification

An entity shall classify all financial liabilities as subsequently measured at amortized cost, except for:

- a) *Financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.*
- b) *Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.*

Initial measurement

At initial recognition, an entity shall measure a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 Financial instruments (continued)

3.4.2 Financial liabilities (continued)

Subsequent measurement

After initial recognition, all financial liabilities, including the short-term loans, and Murabaha from various financial institutions are measured at amortized cost. In case of long-term interest-bearing loans, EIR method will be applied.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

3.4.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.5 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost.

For trade receivables and other financial assets, the Group applies the simplified approach as permitted by IFRS 9 - 'Financial Instruments', which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The amount of the loss is charged to the profit or loss.

The loss rates are based on probability of default based on historical trends relating to collections of Group's trade receivables. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified gross domestic product for the Kingdom of Saudi Arabia as the most relevant factor, and accordingly, adjusts the loss rates based on such expected changes.

Trade receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant decrease in credit worthiness of the customer, the failure of the customer to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 730 days past due.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

For equity instruments measured at FVTOCI, impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. For debt instruments measured at FVTOCI and financial assets carried at FVTPL, impairment gains or losses are recognized in the, consolidated statement of comprehensive income and consolidated statement of income.

For trade receivables only, the Group recognizes expected credit losses for trade receivables based on the simplified approach under IFRS (9). The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Group has recognized provisions based on historical credit losses, adjusted for specific future factors for debtors and the economic environment.

Evidence that financial assets are impaired may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in profit or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Impairment of financial assets (continued)

Expected credit losses are initially measured at the difference between the present value of the contractual cash flows that are due to the Group under the contract, and the cash flows that the Group expects to receive. The Group assesses all information available, including past due cases, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost. The Group measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

3.6 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets to ensure that there is any indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its present value or its fair value less costs to sell. In assessing the present value, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash flows from continuous use that are largely separate of the cash flows of other assets or groups of assets (cash-generating units). If there is an indication that an asset may be impaired, then the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of other assets in the unit (group of units) on a pro rata basis.

For non-financial assets, except goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment losses are reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Derivative financial instruments

The derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3.8 Inventories

Inventories are measured at lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of inventory includes the purchase price plus all expenses incurred in bringing the inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. A provision is offset for obsolete, slow moving and damaged inventories when necessary.

3.9 Investment property

Investment property comprises completed property that is held to earn rentals or for capital appreciation or both. Investment property are measured initially at cost, including transaction costs. Transaction costs include transfer costs, taxes and professional fees for legal services to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, investment property are stated at fair value which reflects the prevailing market conditions at the reporting date. Gains or losses resulting from changes in the fair value of real estate investments are included in the profit or loss of the period in which they arise. The fair value is determined based on an annual calendar by an accredited external evaluator applying the recommended valuation method.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Investment property (continued)

Transfers are made from (or to) investment property only when there is a change in use. For transfers from investment property to property and equipment, the deemed cost for subsequent accounting is the fair value at the date of the change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment property are derecognized either when, investment property is disposed of or when, investment property is permanently withdrawn from use and no future economic benefits is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the investment property is recognized in the consolidated statement of income in the period of derecognition.

3.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.10.1 The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (Impairment of non- financial assets).

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to the option purchase the underlying asset.

Payments of principal and finance costs components relating to leases as financing activities.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10.1 The Group as a lessee (continued)

Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of commercial buildings, accommodations and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of commercial buildings, accommodations and offices that are considered of low value.

Lease payments of short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

3.10.2 The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits associated with ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included under revenue in profit or loss in the statement of income due to its operating nature. Initial direct costs incurred during the negotiation and arrangement of an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

3.11 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing a part of the property and equipment and borrowing costs (if any) for long-term projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their finite useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are met. All other repair and maintenance costs are recognized in statement of income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Item	Years	Item	Years
Buildings	33 – 50	Fixtures and furniture	10
Equipment and machinery	10	Computers	6
Motor vehicles	5 - 14 with 20% residual value	Electronic devices	10
Communication devices and phones	4	billboards	6
Leasehold improvements	25 years or over lease term, whichever is shorter		

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of any asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized. The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.12 Projects in progress

Projects under construction are stated at cost and are not depreciated. Depreciation of projects under construction begins when the assets are ready for their intended use and have been transferred to property and equipment. Murabaha financing expenses and loans used to finance the construction of qualifying assets are capitalized over the period of time required to complete and prepare the asset for its intended use. The financing costs related to leases of projects under construction is also capitalized.

During the year ended 2023, SOCPA in their clarifications published a reply that depreciation on right-of-use assets (related to Lands) during the period of construction of project in progress has to be expensed and not capitalized.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.13 Intangible assets

Intangible assets acquired separately, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are classified to be either finite or infinite. Intangible assets with finite lives are amortized over their estimated useful lives and reviewed for impairment whenever there is an indication of such impairment. The amortization period and the amortization method for the intangible assets with finite lives are reviewed at least once at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expenses of intangible assets with finite lives is recognized in the consolidated statement of income as an expense in consistency with the function of the intangible assets.

Amortization of intangible assets that consist of IT software is calculated on a straight-line basis over the useful life of the asset which is 2-5 years.

Gains or losses arising from derecognizing an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in consolidated statement of income when the asset is derecognized.

3.14 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree either at fair value or at the percentage share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives within other financial instruments in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration that is classified as an equity is not remeasured and subsequent settlement is recognized within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS (9) "Financial Instruments", is measured at fair value with the changes in fair value recognized in the consolidated statement of income in accordance with IFRS (9). All other contingent consideration that is not within the scope of IFRS (9) is measured at fair value at each reporting date with changes in fair value recognized in the consolidated statement of income.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Group's Cash Generating Unit ("CGU") (or groups of CGU) in a region that are expected to benefit from the synergies of the combination. A group of CGUs to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the group of CGUs is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit(Note 3.6). Any impairment loss for goodwill is recognised directly in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.15 Dividends

The Group recognizes obligations to pay cash or non-cash dividends to shareholders when the distribution is approved and is no longer at the discretion of the Group. Final dividends are recognized as liabilities at the time of their approval by the General Assembly. Interim dividends are recorded when approved by the Board of Directors. A corresponding amount is recognized directly in statement of changes in equity.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.16 Zakat

The Company and its subsidiaries are subject to the Zakat regulations issued by Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia and are subject to interpretations issued by ZATCA. The management establishes provisions where appropriate on the basis of amounts expected to be paid to ZATCA and periodically evaluates positions taken in the Zakat returns with respect to situations in which applicable Zakat regulations is subject to interpretation. The zakat provision is charged to the consolidated statement of income. Additional zakat liability, if any, related to prior years' assessments arising from ZATCA are accounted for in the period in which the assessments are finalized.

3.17 Value-added tax ("VAT")

Expenses and assets are recognized after deducting the total value added tax, unless VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of VAT included. The net amount of value added tax recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the consolidated statement of financial position.

3.18 Accruals

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

Provisions, Contingent Assets and Contingent liabilities

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discount is used, the increase in the provision due to the passage of time is recognized as finance costs.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

3.19 Employees' defined benefits

Short term employees' benefits

Short-term employees' benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plans

Retirement benefit in the form of General Organization of Social Insurance (GOSI) is a defined contribution plan. The Group has no obligations, other than the contributions payable to the GOSI. The Group recognizes contributions payable to the GOSI as an expense when fall due.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.19 Employees' defined benefits (continued)

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net pension liability recognized in the consolidated statement of financial position in respect of defined benefit post-employment plans is the present value of the projected defined benefit liability at the consolidated statement of financial position date. The defined benefit liability is calculated annually by qualified actuaries using projected credit unit method. Re-measurement amounts, if any, are recognized and reported within other reserves under the consolidated statement of changes in equity with corresponding debit or credit to the consolidated statement of comprehensive income that comprises of actuarial gains and losses on the defined benefits liability.

3.20 Fair value

Measurement

Fair value is the price that would be received to sell assets or paid to transfer liabilities 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 assets or transfer the liabilities takes place either:

- In the principal market for the assets or liabilities; Or
- In the absence of a principal market, in the most advantageous accessible market for the assets or liabilities.

The principal or the most advantageous market must be accessible by the Group.

The fair value of the assets or liabilities is measured using the assumptions that market participants would use when pricing the assets or liabilities, assuming that market participants act in their economic best interest.

A fair value measurement of non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted or repriced) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in fair value hierarchy by re-assessing classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.21 Revenue

The Group recognizes revenues based on a five-step model as set out in IFRS (15):

- Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.
- Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3. Determine the transaction price; The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For contracts that have more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognize revenues when (or as) the entity satisfies a performance obligation.

Revenue from fuel sales

Revenues are recognized at a point in time when fuel is sold to the customer at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for the fuel. The Group concluded that in general it is the principal in its sale agreements as it usually controls goods before delivery to the customer.

Sale of goods

Revenue is recognized when control of the goods has transferred to the customer, recovery of consideration is probable, the associated costs and potential return of the goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenues are measured net of returns, trade discounts and volume discounts.

Rendering of services

The Group is engaged in providing services related to vehicle inspection, transportation and distribution of refined petroleum products, and it recognizes the revenues of these services upon completion of their provision, given that the duration of services is generally short in nature.

Revenue from rental

The Group leases sections of the stations and is recognized as rental income on a straight line over the lease term (Note 3.10).

Costs and expenses

Expenses are recognized when incurred based on the accrual basis of accounting. Expenses are classified as:

- a) *Cost of revenue: It includes costs directly related to the sales of goods and rendering of services, i.e. directly related to recognized revenue.*
- b) *Selling and marketing: It represents the Company's efforts related to the marketing and sales department.*
- c) *General and administrative expenses: All other expenses, except direct costs, are classified as general and administrative expenses*
- d) *Allocations between costs of revenue, selling and marketing and general and administrative expenses, when required, are made on a consistent basis.*

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.22 Finance income and finance costs

Finance income includes Interest income which is recognized as it accrues in the consolidated statement of income, using the effective Interest method.

Finance costs consist of financial charges related to Murabaha and term loans which are recognized in the consolidated statement of income. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of income using the effective interest method.

3.23 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.24 Segmental information

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses related to transactions with any of the Group's other components. All operating segments' operating results are reviewed by the Group's Chief Operating Decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which separate financial information is available.

3.25 Foreign currency

(a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "Saudi Riyals", which is also the Group's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognized in the profit or loss.

4 CRITICAL ACCOUNTING ESTIMATES ASSUMPTIONS AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period.

4.1 Estimates and assumptions

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

4 CRITICAL ACCOUNTING ESTIMATES ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

4.1 Estimates and assumptions (continued)

4.1.1 Impairment of non-financial assets

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

4.1.2 Expected credit losses (ECLs) of trade receivables

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

4.1.3 Employees' defined benefits liabilities

Employees' defined benefits liabilities are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

4.1.4 Useful lives and residual values of property and equipment

Management reviews the useful lives and residual values of property and equipment annually. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively. The Group estimates the residual value of vehicles to be 20%.

4.1.5 Fair value measurement of financial instruments

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

4.1.6 Leases - estimating the incremental borrowing rate

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

4 CRITICAL ACCOUNTING ESTIMATES ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

4.1.7 Valuation of investment property

To measure the fair value of investment properties, the Group engages an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the asset being valued, for the purpose of disclosures in the consolidated financial statements.

Management reviews the valuer's report and assesses appropriateness of assumptions and valuation techniques and the overall reasonableness of the valuation.

4.1.8 Going concern

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

4.2 Judgments

4.2.1 Determining the lease term of contract with renewal and termination options – the Group as a lessee

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

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

4.2.2 Property lease classification – the Group as a lessor

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

Saudi Automotive Services Company (SASCO)
(A Saudi Joint Stock Company)
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5 PROPERTY AND EQUIPMENT

	Lands	Buildings	Equipment and machinery	Motors vehicles	Communication devices and phones	fixtures and Furniture	Computers	Electronic Devices	Billboards	Leasehold improvements	Total
2024											
Cost:											
At the beginning of the year (Restated – Note 42)	773,357,222	901,083,252	208,358,838	157,693,598	416,864	51,006,939	41,614,695	47,748,272	37,954,100	537,211,776	2,756,445,556
Additions during the year	15,043,421	464,254	7,791,603	11,418,116	-	4,721,305	3,248,113	2,116,854	2,937,029	14,358,110	62,098,805
Transferred from projects in progress (Note 6)	-	884,735	49,225,420	79,386,516	-	3,142,846	19,992,026	4,580,594	960,402	64,727,783	222,900,322
Disposals	-	(2,012,023)	(13,927,623)	(6,294,710)	-	(6,236,688)	(276,296)	(1,187,458)	(176,399)	(858,123)	(30,969,320)
Disposals from exiting leased stations	-	-	(250,901)	-	-	(6,027)	(7,186)	(134)	(11,927)	(1,213,640)	(1,489,815)
At the end of the year	788,400,643	900,420,218	251,197,337	242,203,520	416,864	52,628,375	64,571,352	53,258,128	41,663,205	614,225,906	3,008,985,548
Accumulated depreciation and impairment:											
At the beginning of the year	-	387,059,290	107,115,953	63,537,766	190,591	34,623,315	16,055,611	25,517,968	21,844,821	153,467,733	809,413,048
Charge for the year	-	30,648,472	20,280,434	12,859,837	60,036	4,413,882	6,936,330	3,860,410	3,939,689	44,895,028	127,894,118
Impairment for the year	-	311,350	(137,601)	-	-	(46,008)	(8,474)	(14,411)	(95,372)	(509,485)	(500,001)
Disposals	-	(1,754,730)	(9,432,126)	(4,899,598)	-	(5,783,861)	(266,954)	(1,019,893)	(102,984)	(551,778)	(23,811,924)
Disposals from exiting leased stations	-	-	(250,884)	-	-	(6,023)	(7,174)	(132)	(11,919)	(1,213,612)	(1,489,744)
At the end of the year	-	416,264,382	117,575,776	71,498,005	250,627	33,201,305	22,709,339	28,343,942	25,574,235	196,087,886	911,505,497
Net book value:											
As at 31 December 2024	788,400,643	484,155,836	133,621,561	170,705,515	166,237	19,427,070	41,862,013	24,914,186	16,088,970	418,138,020	2,097,480,051
As at 31 December 2023	773,357,222	514,023,962	101,242,885	94,155,832	226,273	16,383,624	25,559,084	22,230,304	16,109,279	383,744,043	1,947,032,508

As of 31 December 2024 and 31 December 2023, property and equipment did not include any assets mortgaged in favor of banks as collateral for loans and banking facilities provided by them (Note 21).

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5 PROPERTY AND EQUIPMENT (CONTINUED)

2023			Equipment	Motors	Communicat	fixtures and		Electronic		Leasehold	
Cost:	Lands	Buildings	and machinery	vehicles	-ion devices and phones	Furniture	Computers	Devices	Billboards	improvements	Total
At the beginning of the year	773,357,222	833,278,822	186,775,223	133,498,386	1,561,163	48,984,671	28,133,680	39,877,005	33,459,389	355,509,289	2,434,434,850
Additions during the year (Restated – Note 42)	-	1,253,499	6,059,772	28,497,918	-	1,858,298	737,954	1,710,700	2,113,549	18,331,243	60,562,933
Transferred from projects in progress (Note 6)	-	66,705,920	23,478,633	2,743,600	-	4,319,144	16,459,086	9,188,041	4,381,137	169,128,990	296,404,551
Disposals	-	(154,989)	(7,954,790)	(7,046,306)	(1,144,299)	(4,155,174)	(3,716,025)	(3,027,474)	(1,999,975)	(5,695,251)	(34,894,283)
Disposals from exiting leased stations	-	-	-	-	-	-	-	-	-	(62,495)	(62,495)
At the end of the year	773,357,222	901,083,252	208,358,838	157,693,598	416,864	51,006,939	41,614,695	47,748,272	37,954,100	537,211,776	2,756,445,556
Accumulated depreciation and impairment:											
At the beginning of the year (As previously reported)	-	325,616,654	92,389,629	59,947,693	1,275,369	34,101,349	15,525,120	24,751,124	19,917,760	119,870,820	693,395,518
Adjustment of prior year (Note 42)	-	35,682,579	1,278,822	-	-	98,400	58,885	402,601	216,964	2,808,781	40,547,032
At the beginning of the year (Restated – Note 42)	-	361,299,233	93,668,451	59,947,693	1,275,369	34,199,749	15,584,005	25,153,725	20,134,724	122,679,601	733,942,550
Charge for the year (Restated – Note 42)	-	28,865,154	18,275,243	9,734,140	59,355	4,528,991	4,117,656	3,254,248	3,570,977	34,635,658	107,041,422
Impairment (Restated – Note 42)	-	(2,964,440)	6,282	-	-	(2,011)	704	4,149	(1,086)	109,974	(2,846,428)
Disposals	-	(140,657)	(4,834,023)	(6,144,067)	(1,144,133)	(4,103,414)	(3,646,754)	(2,894,154)	(1,859,794)	(3,945,848)	(28,712,844)
Disposals from exiting leased stations	-	-	-	-	-	-	-	-	-	(11,652)	(11,652)
At the end of the year (Restated – Note 42)	-	387,059,290	107,115,953	63,537,766	190,591	34,623,315	16,055,611	25,517,968	21,844,821	153,467,733	809,413,048
Net book value											
As at 31 December 2023 (Restated – Note 42)	773,357,222	514,023,962	101,242,885	94,155,832	226,273	16,383,624	25,559,084	22,230,304	16,109,279	383,744,043	1,947,032,508
As at 31 December 2022 (Restated – Note 42)	773,357,222	471,979,589	93,106,772	73,550,693	285,794	14,784,922	12,549,675	14,723,280	13,324,665	232,829,688	1,700,492,300

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

	Note	2024	2023 (Restated – Note 42)
Cost of revenue	29	122,798,598	102,717,783
General and administrative expenses	30	5,095,520	4,323,639
		127,894,118	107,041,422

6 PROJECTS IN PROGRESS

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

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

	Note	2024	2023
At the beginning of the year		90,688,224	184,126,421
Additions during the year		310,768,200	182,120,818
Capitalization of lease liabilities' interest	6.1	6,025,303	6,603,861
Capitalization of loans interest	6.2	19,595,375	20,784,589
Transferred to property and equipment	5 & 6.3	(222,900,322)	(296,404,551)
Transferred to other intangible assets	10	(867,330)	(4,278,660)
Impairment of projects in progress	6.4	(1,256,845)	(2,264,254)
At the end of the year		202,052,605	90,688,224

6.1 This represents interest cost incurred on lease liabilities relating to stations under projects in progress (note 20).

6.2 This represents finance costs qualified for capitalization. The rate used to determine finance costs qualified for capitalization is the weighted average rate 7.2% per annum (2023: 7.5% per annum) of borrowing costs on the Group's outstanding loans during the year and used to finance these projects (Note 21).

6.3 Transfers to property and equipment mainly represent the cost of constructing new stations (Note 5).

6.4 During the year an impairment at an amount of SR 1.3 million was recorded on the value of projects in progress as of 31 December 2024 (31 December 2023: SR 2.3 million).

7 INVESTMENT PROPERTY

The Group's investment property consists of a land in Makkah valued at SR 138,482,500 as of 31 December 2024 (2023: SR 159,787,500).

Set out below is the movement for the two years ended 31 December:

	2024	2023
Cost:		
At the beginning of the year	159,787,500	89,481,000
Remeasurement recognized in profit or loss	(21,305,000)	70,306,500
At the end of the year	138,482,500	159,787,500

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7 INVESTMENT PROPERTY (CONTINUED)

The fair value of the land was determined based on the valuations conducted by the Adaa Edarah Real Estate Valuation, an independent and accredited valuation expert, with license number 1210000876 by Saudi Organization for Accredited Valuers. The fair value measurement in its entirety is classified into level 2 based on the valuation techniques used in estimating the fair value and related inputs.

The fair value measurement in its entirety is classified into level 2 based on the valuation techniques used in estimating the fair value and related inputs.

Below is the valuation technique used and the main inputs for valuation of investment property:

	Valuation technique	Significant non-observable inputs	Basis
Properties (Commercial)	Comparable value approach	Price per square meter fair value	13,000 per square meter

8 RIGHT-OF-USE ASSETS

The Group has leases relating mainly to fuel stations for which lease terms usually range between 5 years to 35 years. Management considered the judgements and implication of the extension and termination options on the leases (Note 4.2.2). The movement of right-of-use assets during the year is as follows:

	Note	2024	2023 (Restated – Note 42)
Cost:			
At the beginning of the year		2,943,241,131	2,687,141,145
Additions		504,326,752	373,260,565
Lease modifications	8.2	(16,851,369)	(5,204,454)
Disposals	8.1	(63,161,653)	(111,956,125)
At the end of the year		3,367,554,861	2,943,241,131
Accumulated amortisation and impairment			
At the beginning of the year		718,194,339	529,988,005
Lease modifications		(6,694,927)	-
Charge for the year	29 & 30	261,697,228	232,001,480
Impairment		(3,533,709)	(3,442,224)
Disposals	8.1 & 8.2	(43,659,871)	(40,352,922)
At the end of the year		926,003,060	718,194,339
		2,441,551,801	2,225,046,792

8.1 During the year ended 31 December 2024, the Group terminated certain leases for a number of stations before the end of the lease terms. Some other leases were also modified during the year. Consequently, these disposals and modifications resulted in gains of SR 12,986,885 (2023: SR 7,354,067), which were recognized in the consolidated statement of income (Note 31).

8.2 Lease adjustments represent changes made to lease payments and other terms agreed upon with lessors.

8.3 Uncapitalized depreciation was charged to the consolidated statement of income under cost of revenue and general and administrative expenses (Notes 29 and 30).

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

	Note	2024	2023 (Restated – Note 42)
Depreciation expense of right-of-use assets	29 & 30	261,697,228	232,001,480
Finance costs on lease liabilities	20	96,813,676	87,509,919
Variable lease expenses		51,173,215	54,094,964
		409,684,119	373,606,363

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9 INTANGIBLE ASSETS - GOODWILL

Goodwill resulted from the acquisition of Zaiti Petroleum Services Company during 2015 and Naft during 2022.

During the year, the gas stations under the name of Zaiti were transferred to the new subsidiary in the Group; SASCO Petroleum Stations Services Company ("PSSC"), therefore the goodwill relating to Zaiti was reallocated accordingly to PSSC. Carrying amount of goodwill is as follows:

	Naft	PSSC	Zaiti	Total
2024				
At the beginning the year	487,888,656	-	4,308,993	492,197,649
Reallocation of goodwill	-	4,308,993	(4,308,993)	-
At the end of the year	487,888,656	4,308,993	-	492,197,649
2023				
At the beginning the year	491,039,211	-	4,308,993	495,348,204
Impairment	(3,150,555)	-	-	(3,150,555)
At the end of the year	487,888,656	-	4,308,993	492,197,649

International Accounting Standard (36) "Impairment of Assets" requires that goodwill impairment testing be performed on an annual basis regardless of whether or not there is any indication of impairment of goodwill. Goodwill is assigned to the Group of CGUs of the Group that represent the cash-generating units within the region in which the goodwill is managed.

Goodwill impairment test

The Group performed its impairment test. As at 31 December 2024, the recoverable amount of the Group's CGUs was more than the carrying value and hence, no impairment was recognised. The recoverable value is determined on the basis of present value calculations, which use cash flow projections over five years considering terminal values for owned gas stations and the projections till the end of the lease terms for leased stations. Management believes that the assumptions regarding the growth rates are no more than the average long-term growth rates of the subsidiary's activities.

Key assumptions for the current value calculations are set out below.

	2024	2023
Discount rates	10.25%	7.14%
Terminal growth rate	2.5%	2.0%

The discount rates used reflect specific risks relating to the subsidiary.

Sensitivity to changes in assumptions

	Change in assumptions		Impact on fair value	
	Increase in assumption	Decrease in assumption	(Decrease) / Increase in amount	Increase / (Decrease) in amount
Discount rate	1%	1%	(278,919,630)	333,990,273
Terminal growth rate	1%	1%	882,935,900	(604,941,769)

The estimated fair value would increase / (decrease) if the rates were lower / (higher) with no impairment identified.

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10 OTHER INTANGIBLE ASSETS

Other intangible assets mainly include accounting software and operating software at the stations; the following is the movement of other intangible assets during the year:

	Note	2024	2023
Cost:			
At the beginning of the year		19,170,785	14,508,458
Additions		1,844,577	383,667
Transferred from projects in progress	6	867,330	4,278,660
As at the end of the year		21,882,692	19,170,785
Accumulated amortization:			
At the beginning of the year		12,097,783	10,944,547
Charge during the year		2,034,535	1,153,236
At the end of the year		14,132,318	12,097,783
Net book value:			
As at 31 December		7,750,374	7,073,002

Amortization expense was charged to the consolidated statement of income as follows:

	Note	2024	2023
Cost of revenue	29	1,195,559	490,461
General and administrative expenses	30	838,976	662,775
		2,034,535	1,153,236

11 INVESTMENTS

11.1 Financial assets held at fair value through other comprehensive income ("FVTOCI")

The Group has made long term investments in the below mentioned companies. These investments do not give the Group control or the right to direct decisions over the investees. The Group has classified these investments as financial assets held at fair value through other comprehensive income in accordance with the Group's business model for such investments.

Company	% of Ownership	Country of incorporation	2024	2023
Middle East Battery Company	12.79%	Kingdom of Saudi Arabia	157,792,995	134,959,443
Mutual funds - Osool and Bakheet		Kingdom of Saudi Arabia	14,369,656	13,871,662
National Tourism Company	0.36%	Kingdom of Saudi Arabia	2,539,147	1,233,998
Racing Co. Ltd.	25%	Kingdom of Saudi Arabia	125,000	125,000
			174,826,798	150,190,103

The Group has invested in a mutual fund (Osool and Bakheet). The fund's aim is to invest in partial acquisitions of listed companies shares on Tadawul.

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11 INVESTMENTS (CONTINUED)

11.1 The movement of the investments at FVTOCI is as follows:

Cost

	2024	2023
At the beginning of the year	37,697,824	28,015,500
Additions during the year	-	10,000,000
Disposals during the year	-	(317,676)
At the end of the year	37,697,824	37,697,824

Fair value reserve of financial assets held at fair value through other comprehensive income ("FVTOCI")

	2024	2023
At the beginning of the year	112,492,279	130,197,387
Additions during the year	-	-
Disposals during the year	-	(74,584)
Change in fair value during the year	24,636,695	(17,630,524)
At the end of the year	137,128,974	112,492,279
	174,826,798	150,190,103

11.2 Financial assets held at fair value through profit or loss ("FVTPL") - current

The movement in FVTPL investments was as follows:

	2024	2023
At the beginning of the year	-	-
Addition during the year	40,898,867	-
Change in fair value during the year	1,123,595	-
At the end of the year	42,022,462	-

This investment represents equity in securities traded on Tadawul.

11.3 Financial assets held at fair value through profit or loss ("FVTPL") – non-current

During the year ended 2024, the Group invested SR 30,819,636 (equivalent to USD 8,000,000) in a limited life partnership based in Delaware, United States of America. The Partnership was formed to invest in X.AI Corp. which is also based in the United States of America. At the consolidated statement of financial position date, the fair value of this investment amounted to SR 47,749,017. The movement of financial assets held at fair value through profit or loss – non-current was as follows:

	2024	2023
At the beginning of the year	-	-
Addition during the year	30,000,000	-
Change in fair value during the year	18,632,063	-
Other expenses	(838,046)	-
At the end of the year	47,794,017	-

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12 FINANCIAL ASSETS AT AMORTISED COST

Financial assets held at amortised cost represent investments in Sukuk issued by Riyadh Bank with a credit rating of BBB+(31 December 2023: BBB+). These Sukuk carry an average interest rate of 5.25% per annum as at 31 December 2024 (31 December 2023: 5.25% per annum). The details of these investments are as follows:

	Maturity date	Nominal value	Credit rating
Investment in Sukuk - Riyadh Bank	17 September 2027	150,000,000	BBB+
Investment in Sukuk - Riyadh Bank	17 September 2027	100,000,000	BBB+
		2024	2023 (Re-stated Note 42)
Fixed commission debt instruments (Sukuk) – held at amortized cost		253,209,918	253,187,639
Less: Current portion		(3,209,918)	(3,187,639)
Non-Current portion		250,000,000	250,000,000

13 INVENTORIES

	2024	2023
Fuel and petroleum materials	76,335,566	70,329,120
Catering supplies	44,717,298	29,711,217
Spare parts and consumables	8,570,068	6,673,776
Customs traffic document (TripTik) and international licenses	1,437,566	2,070,847
	131,060,498	108,784,960
Less: provision for slow-moving and obsolete items	-	-
	131,060,498	108,784,960

The movement in the provision for obsolete and slow-moving inventories was as follows:

	2024	2023
At the beginning of the year	-	14,074,602
Charge for the year*	17,900,294	18,447,737
Provision written-off*	(17,900,294)	(32,522,339)
At the end of the year	-	-

*The provision and write-offs during the year ended 31 December 2024 did not include the fuel written off. This has been corrected by reflecting the amount in the provision and write offs.

14 TRADE RECEIVABLES

	2024	2023 (Restated – Note 42)
Trade receivables	170,964,417	158,785,751
Provision for expected credit losses	(21,540,222)	(27,362,707)
	149,424,195	131,423,044

Movement in the provision for Expected credit loss during the year was as follows:

	2024	2023 (Restated – note 42)
At the beginning of the year	27,362,707	29,866,746
Provision for expected credit losses	3,880,587	11,922,345
Reversal of a provision during the year	-	(2,816,003)
Written-off during the year	(9,703,072)	(11,610,381)
At the end of the year	21,540,222	27,362,707

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14 TRADE RECEIVABLES (CONTINUED)

The Group applies IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and other financial assets. The expected loss rates are based on the roll-rate method calculated over a period of 3 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product of the Kingdom of Saudi Arabia to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in this factor.

Ageing analysis of trade receivables

Below are the details of the expected credit losses of trade receivables:

Year	Total	Less than 90 days	91-180 days	181-360 days	More than 360 days
31 December 2024	170,964,417	68,671,225	20,921,707	18,799,605	62,571,880
Expected credit losses ("ECL")	(21,540,222)	(1,386,093)	(1,211,686)	(2,836,273)	(16,106,170)
Expected credit loss rate	12.60%	2.02%	5.79%	15.09%	25.74%
31 December 2023 (Restated Note – 41)	158,785,751	55,900,600	29,053,950	30,471,561	43,359,640
Expected credit losses ("ECL")	(27,362,707)	(689,360)	(824,020)	(2,385,881)	(23,463,446)
Expected credit loss rate	17.23%	1.23%	2.84%	7.83%	54.11%

Refer to note 40.6 for information about expected credit losses exposure of the Group's trade receivables.

15 PREPAYMENTS AND OTHER CURRENT ASSETS

	Note	2024	2023 (Restated – Note 42)
Prepayments		40,851,167	35,960,212
Advances to suppliers		23,100,165	23,279,153
Other receivables	15.1 & 15.2	9,695,103	35,417,461
Refundable deposits		4,936,945	8,921,251
Prepaid rentals		3,774,011	5,294,529
Cash margin on letters of guarantee cash margin		3,507,200	750,000
Employee advances and loans		3,023,621	5,380,969
Discount due from vendors		1,756,420	812,453
Due from related parties	27	35,938	36,472
Others		593,868	1,643,732
		91,274,438	117,496,232

- 15.1** As at 31 December 2023, the balance of other receivables included an amount of SR 8.2 million against a claim for the right to use a land, owned by the Group from the Ministry of Housing (the "Ministry"), about which a court judgement was passed in favor of the Group by the General Court in Riyadh and upheld by the Court of Appeals in Riyadh. The Group also lodged another case against the Ministry to repossess the land being used by the Ministry and the case is still under consideration as of 31 December 2024.

Subsequent to the year ended 31 December 2024, the Group received a court ruling on 13 February 2025 based on the appeal of Ministry for the claim of receivable amounting SR 8.2 million which was announced in the previous court ruling dated 25 February 2019. The current court order overturns the previous judgement; therefore, the Group has written-off the receivable.

Current year balance includes a receivable amounting to SR 8.3 million being compensation from the Ministry for loss of sales due to construction of road around the vicinity of the station. The letter was received from the Ministry to this effect on 11 July 2024.

- 15.2** Prior year balance represented an amount initially paid for the purchase of a land in auction. The Group recorded this amount as other receivable as the title of the land could not be transferred to the Group and the refund of the amount was requested in 2023 and majorly collected in 2024 (Note 42).

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16 DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2024, the Group had an interest rate swap financial derivative arrangement with a local financial institution in order to reduce its exposure to interest rate risk against long-term financing. The below table summarizes the fair values of derivatives:

Derivative financial instrument	Fair value
2024	731,475
Interest rate swap	
2023	
Interest rate swap	2,488,468

The following table summarizes the amounts recognized in the statement of profit and loss:

	2024	2023
Changes in fair value, net	(1,756,993)	2,488,468
	(1,756,993)	2,488,468

17.1 RESTRICTED BANK BALANCES

	2024	2023 (Restated – Note 42)
Restricted bank balances	49,601,323	49,704,917

This represents un-claimed dividend accounts which are kept in a separate bank account for dissemination to shareholders. These bank accounts are marked as restricted by the banks as there are restrictions with respect to their usage or withdrawal.

17.2 CASH AND CASH EQUIVALENTS

	Note	2024	2023 (Restated – Note 42)
Bank balances		115,340,138	127,375,566
Short-term deposits	17.2.1	4,200,000	-
Cash on hand		9,822,919	6,073,474
		129,363,057	133,449,040

17.2.1 Short-term deposits represent amounts placed with commercial banks with a tenure of less than ninety days.

18 SHARE CAPITAL

The authorized, issued and fully paid share capital consists of 70 million shares with value SR 10 each (2023: 60 million shares with value SR 10 each).

During the year ended 31 December 2024, the Group has increased its share capital by issuing bonus shares amounting to SR 100 million (equivalent to SR 10 per share) by transferring SR 83,139,272 and SR 16,860,728 from statutory reserve and retained earnings, respectively. This issuance has been recommended by the Board of Directors on 27 March 2024 and approved by the Shareholders' General Assembly held on 9 June 2024. The Group has obtained an updated commercial registration and By-laws to reflect the change in share capital.

19 STATUTORY RESERVE

During the year, the Group revised its By-laws to exclude the requirements of previously held statutory reserve, thereby the Board of Directors approved the transfer of the balance of SR 83,139,272 from statutory reserve to increase the share capital (Notes 1 and 18).

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20 LEASE LIABILITIES

The Group has leases related to fuel filling stations for which lease terms usually range between 5 years to 35 years. In general, there are various leases that include extension and termination options and variable lease payments. The movement of lease liabilities during the year is as follows:

	2024	2023 (Restated – Note 42)
At the beginning of the year	2,416,341,475	2,323,028,180
Additions	504,326,752	373,260,565
Lease modifications	(19,961,053)	(7,008,687)
Finance costs on lease liabilities	96,813,676	87,509,919
Capitalization of finance costs of projects in progress	6,025,303	6,603,861
Disposals	(22,684,056)	(77,153,037)
Payments	(337,458,610)	(289,899,326)
At the end of the year	2,643,403,487	2,416,341,475
Less: Current portion	(328,785,413)	(314,025,382)
Non-Current portion	2,314,618,074	2,102,316,093

The maturity analysis of lease liabilities is disclosed in Note 39.7.

21 LOANS

Long-term loans

During the year ended 31 December 2024, the Group obtained proceeds from term loans in the form of Murabaha financing with a total value of SR 315.8 million (2023: SR 145.7 million) for the purpose of financing certain projects under construction. The interest is based on SAIBOR plus a profit margin according to the interest rates prevailing in the market.

The loan agreements contain covenants, mainly relating to certain leverage ratio, total debt to equity ratio and other commitments. Under the terms of these agreements, the banks have the right to demand immediate repayment of the loans if any of the covenants are not met. The Group didn't comply with certain covenants as at 31 December 2024 and obtained a written waiver of these covenants from banks before the end of the year.

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

	2024	2023 (Restated – Note 42)
At the beginning of the year	1,415,046,390	1,635,081,580
Proceeds during for the year	315,823,962	145,724,987
Finance costs – charged to consolidated statement of income (Note 32)	84,371,095	69,198,271
Financing costs – capitalized (Note 6)	19,595,375	20,784,589
Repayment – principal	(66,669,625)	(368,547,083)
Repayment – finance costs	(110,348,547)	(87,195,954)
At the end of the year	1,657,818,650	1,415,046,390
Less: Current portion	(193,355,973)	(84,783,710)
Non- current portion	1,464,462,677	1,330,262,680

Short-term loans

These items represent working capital facilities obtained during the year from local banks. The facilities are repayable within one year and these carry average finance costs at SAIBOR plus 2.15% per annum (31 December 2023: SAIBOR plus 2.15% per annum).

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22 EMPLOYEES' DEFINED BENEFIT LIABILITIES

	2024	2023
Defined benefit liabilities	49,817,151	44,809,348

The Group grants employee defined benefits ("Benefit Plan") to its employees taking into consideration the local labor law requirements in the Kingdom of Saudi Arabia. The benefit provided by this benefit plan is a lump sum based on the employees' final salaries and allowances and their cumulative years of service at the date of the termination of employment.

The benefit liability recognized in the consolidated statement of financial position in respect of defined terminal benefit plan is the present value of the defined benefit liability at the reporting date.

The defined benefit is calculated regularly by qualified actuaries using projected credit unit method. The present value of the defined benefit liabilities is determined by discounting the estimated future cash outflows using yields on corporate bonds that are denominated in the currency in which the benefits will be paid.

Re-measurement amounts of actuarial gains and losses on the defined benefit liabilities, if any, are recognized and reported within re-measurements of employees' terminal benefits in the consolidated statement of comprehensive income and cumulative actuarial gains or losses in the consolidated statement of changes in equity.

The Group's plan is exposed to actuarial risk including:

- Discount rate risk: the decrease in the discount rate would increase employees' defined benefit liabilities.
- Salary changes risk: The present value of the terminal benefits provision is calculated on the basis of future salaries of plan participants, and therefore the increase in salaries will increase the value of the employees' defined benefits liabilities.

Expenses charged to the consolidated statement of income are as follows:

	2024	2023
Current service cost	8,372,696	7,144,428
Financial charges related to employees' terminal benefit plans	2,117,781	1,703,873
	10,490,477	8,848,301

Actuarial gains charged to the consolidated statement of comprehensive income:

	2024	2023
Re-measurement gain on employees' defined benefit liabilities	2,130,051	1,704,394

Movement of the present value of employees' defined benefit liabilities is as follows:

	2024	2023
At beginning of the year	44,809,348	41,644,697
Employees' terminal benefits expense	10,490,477	8,848,301
Benefits paid	(3,352,623)	(3,979,256)
Actuarial gains from employees' terminal benefits	(2,130,051)	(1,704,394)
At the end of the year	49,817,151	44,809,348

Key actuarial assumptions

	2024	2023
Salary growth rate	4.25%	4.15%
Discount rate	5.25%	4.65%
Number of employees covered under terminal benefits plan	4,309	3,950

The discount rate is derived based on KSA Sukuk bonds.

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22 EMPLOYEES' DEFINED BENEFIT LIABILITIES (CONTINUED)

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on the employees' defined benefits liabilities as at 31 December is presented below:

Assumptions	Salary growth rate		Discount rate	
	Increase by 50 basis points	Decrease by 50 basis points	Increase by 50 basis points	Decrease by 50 basis points
Sensitivity level				
2024	1,429,632	(1,364,522)	(1,536,784)	1,598,175
2023	958,414	(733,057)	(895,974)	895,974

The sensitivity analysis above was performed based on a method by which the impact on employees' defined benefits liabilities is expected due to reasonable changes in principal assumptions which take place at the end of the year. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the employees' defined benefit liability as it is unlikely that changes in assumptions would occur in isolation from one another.

The below represents the amounts by maturity expected to be paid for the employees' defined benefit liabilities:

	2024	2023
Within 12 months	6,006,347	4,831,164
Two to five years	33,639,756	30,863,538
More than five years	48,497,736	43,825,381

23 TRADE PAYABLES

	2024	2023 (Restated – Note 42)
Payables to vendors of fuel and petroleum materials	812,212,530	720,371,195
Payables to vendors of goods and services	48,467,213	68,035,551
	860,679,743	788,406,746

24 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Note	2024	2023 (Restated – Note 42)
Deferred revenue		124,225,275	110,155,640
Accrued expenses		47,338,171	40,021,821
Performance securities		20,119,303	14,873,128
Refundable deposits		5,181,676	7,790,861
Value added tax payable, net		1,636,171	4,099,057
Amounts due to related parties	27	-	69,000
Others		7,729,209	7,945,566
		206,229,805	184,955,073

25 DIVIDENDS PAYABLE TO SHAREHOLDERS

	Note	2024	2023
At the beginning of the year		49,704,917	77,264,901
Dividend declared	35	82,500,000	90,000,000
Dividend paid		(82,603,594)	(117,559,984)
At the end of the year		49,601,323	49,704,917

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26 ZAKAT

Charge during the year

The Zakat charge during the year as follow:

	2024	2023
Zakat expense for the year	5,739,640	4,103,847
Prior year adjustments	(2,365,418)	2,200,000
	3,374,222	6,303,847

Zakat provision has been calculated as follows:

	2024	2023 (Restated – Note 42)
Equity	959,255,088	965,650,587
Opening provisions and other adjustments	3,828,897,902	3,477,388,121
Book value of long-term assets	(5,852,135,795)	(5,322,015,778)
	(1,063,982,805)	(878,977,070)
Income subject to zakat for the year	49,337,755	164,690,494
Zakat base	49,337,755	164,690,494

Movement in provision during the year

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

	2024	2023
At the beginning of the year	3,635,542	13,690,583
Charge during the year	3,374,222	6,303,847
Paid during the year	(4,991,850)	(16,358,888)
At the end of the year	2,017,914	3,635,542

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

Zakat status – SASCO

The Group has submitted its zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") for all previous years up to 2023 and received final Zakat assessments from ZATCA up to 2022. ZATCA also raised Zakat assessments for the years from 2014 to 2018, resulting in additional Zakat liabilities/claims of SR 12.3 million. The Group lodged an objection to all of these additional claims which was rejected by ZATCA, and the Group booked additional zakat provision accordingly in 2023. No further assessment have been raised in this regard.

Zakat status – Naft

Naft group filed its zakat declarations with ZATCA on a consolidated basis for the company and its subsidiaries for all the years up to 2023. ZATCA raised Zakat assessments up to 2018 with no additional liabilities. The assessments of the remaining years have not yet been raised by ZATCA.

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27 RELATED PARTY TRANSACTIONS AND BALANCES

The Group's related parties consist of major shareholders, key management personnel, companies in which the Group, shareholders, Board of Directors or key management personnel have control or common control or significant influence. In the normal course of business, the Group transacts with related parties. These transactions represent mutual services with these entities.

Below are the details of significant transactions and the related balances:

a) Amounts due from related parties

Related party	Relationship	Nature of transaction	Amounts of transactions		Balance	
			2024	2023	2024	2023
Najmat Al Mada'in Company - Najamt Projects	Common directorship	Sale of fuel	87,074	52,911	17,208	7,784
Entertainment Gate Company	Common directorship	Sale of fuel and lease of residential rooms	37,697	90,487	4,522	3,526
Ibrahim Al Hadithi for Investment Company	Common directorship	Sale of fuel	170,404	168,069	13,050	23,607
Zawayya Real Estate Company	Common directorship	Sale of fuel	18,751	16,610	1,158	1,555
Nahaz Investment Company	Common directorship	Sale of fuel	115,567	53,686	-	-
Arzaq Agricultural Company	Common directorship	Sale of fuel	82,915	36,920	-	-
					35,938	36,472

b) Amounts due to related parties

Related party	Relationship	Nature of transaction	Amounts of transactions		Balance	
			2024	2023	2024	2023
Nahaz Investment Company	Common directorship	lease of an administrative building and stations	2,263,658	2,163,658	-	69,000
Najmat Al Mada'in Real Estate Company	Common directorship	Sale of fuel	1,650,000	1,650,000	-	-
					-	69,000

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27 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Benefits and remuneration of key management personnel

Key management includes Board of Directors, members of the executive committee, audit committee and the directors of business functions. Benefits and Remuneration of key management personnel comprise the following:

	2024	2023
Salaries and other short-term employee benefits	4,914,660	5,242,735
Attendance allowance and committee's remuneration	6,414,726	6,903,655
Employee benefit obligations	504,318	563,879
	11,833,704	12,710,269

Terms and conditions relating to related party balances

Outstanding balances with related parties at the year-end are unsecured, interest free, settled in cash within 12 months from the consolidated statement of financial position date. There has been no guarantee provided or received for any related party receivables or payables. For the years ended 31 December 2024 and 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period by examining the financial position of the related party and the market in which the related party operates.

28 REVENUE

	2024	2023
Fuel revenue	9,413,232,044	8,496,674,023
Catering revenue	356,320,065	246,174,389
Leasing revenue	304,861,574	285,566,445
Others	112,158,000	84,512,583
	10,186,571,683	9,112,927,440
Timing of revenue recognition		
Over a period of time	304,861,574	285,566,445
At a point in time	9,881,710,109	8,827,360,995
	10,186,571,683	9,112,927,440

29 COST OF REVENUE

	Note	2024	2023 (Restated – Note 42)
Direct materials		9,076,825,201	8,094,924,142
Depreciation of right-of-use assets	8	261,495,492	231,730,831
Employees' costs		252,278,083	215,914,114
Depreciation of property and equipment	5	122,798,598	102,717,783
Impairment reversal on property and equipment	5	(500,001)	(2,846,428)
Impairment reversal on right-of-use assets	8	(3,533,709)	(3,442,224)
Impairment charge on projects in progress	6	1,256,845	2,264,254
Rent expense on leases of stations		50,636,291	53,852,502
Repair and maintenance		26,314,676	25,035,656
Bank charges		28,081,515	25,043,254
Utilities		32,552,370	30,487,840
Internet and communication expenses		9,469,638	5,353,465
Licenses and subscription		13,396,668	10,720,184
Fuel consumption		8,251,556	3,363,625
Insurance expenses		5,317,655	4,923,834
Amortization of other intangible assets	10	1,195,559	490,461
Professional fees		1,037,172	1,524,245
Others		9,961,068	10,105,419
		9,896,834,677	8,812,162,957

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

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30 GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2024	2023 (Restated - Note 42)
Salaries, wages and employees' benefits		80,092,444	78,530,272
Professional and consultancy fees		8,665,593	8,703,377
Depreciation of property and equipment	5	5,095,520	4,323,639
Bank charges		2,353,692	1,760,935
Amortization of other intangible assets	10	838,976	662,775
Repair and maintenance expenses		1,008,778	1,362,173
Rent expense on lease of stations		536,924	242,462
Electricity and water		495,211	444,743
Depreciation of right-of-use assets	8	201,736	270,649
Impairment of goodwill		-	3,150,555
Internet and communication expenses		1,320,087	424,279
Licenses and subscription		2,012,188	2,245,669
Fuel consumption		468,475	285,992
Insurance expenses		589,534	838,432
Others		2,210,284	2,408,417
		105,889,442	105,654,369

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

31.1 OTHER INCOME

	Note	2024	2023 (Restated Note 42)
Compensation against encroachment	31.1.1	8,295,027	-
Grant income		2,414,919	-
Others		5,428,846	6,517,725
		16,138,792	6,517,725

31.1.1 This relates to compensation to be received from Ministry of Transport with respect to loss of sales caused to the gas station of the Group in prior years as part of ongoing government project (Note 15.1).

31.2 OTHER GAINS / (LOSSES) - NET

	Note	2024	2023 (Restated Note 42)
Write off of other receivable	15 & 43	(8,216,323)	-
(Loss) / profit from financial derivatives	16	(1,756,993)	2,488,468
Gains from disposal of leases		3,182,274	5,549,834
Gains from modification of leases		9,804,611	-
Gains from sale of property and equipment		4,234,703	217,983
		7,248,272	8,256,285

32 FINANCE COSTS

	Note	2024	2023 (Restated – Note 42)
Finance costs on lease liabilities	20	96,813,676	87,509,919
Finance costs on long-term loans	21	84,371,095	69,198,271
		181,184,771	156,708,190

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33 FINANCE INCOME

	Note	2024	2023 (Restated – Note 42)
Finance income on short-term deposits		18,305,725	17,669,427
Finance income on financial assets held at amortized cost	12	13,125,000	13,125,000
		31,430,725	30,794,427

34 EARNINGS PER SHARE

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

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

	2024	2023 (Re-stated – Note 42)
Income for the year attributable to the shareholders of the Parent	44,212,614	114,552,035
Weighted average number of outstanding shares	70,000,000	70,000,000
Basic and diluted earnings per share	0.63	1.64

During the year ended 31 December 2024, the Group issued 10,000,000 bonus shares as stated in Note 1. Accordingly, prior year's earnings per share has been adjusted retrospectively.

35 DIVIDENDS

2024:

On 17 Ramadan, 1445 H (corresponding to 27 March 2024), the Group's Board of Directors recommended to distribute additional cash dividends to the shareholders for the fiscal year 2023 of SR 0.75 per share, amounting to SR 45 million, which has been approved by the Ordinary General Assembly on 29 June 2024 and paid during the year ended 31 December 2024.

On 1 Rabi Al Awwal, 1446 H (corresponding to 4 September 2024), the Group's Board of Directors recommended to distribute interim cash dividends to the shareholders for the first half of the fiscal year 2024 of SR 0.25 per share, amounting to SR 17.5 million.

On 11 Safar 1446 H (corresponding to 15 August 2024) the shareholders of Naft in their Ordinary General Assembly Meeting approved dividends of SR 50 million (SR 5 per share) for the year ended 31 December 2024. The share of non-controlling interest has been adjusted in the consolidated statement of changes in equity.

On 4 Jumada al-Akhirah H (corresponding to 5 December 2024) the shareholders of Naft in their Ordinary General Assembly Meeting approved dividends of SR 50 million (SR 5 per share) for the year ended 31 December 2024. The share of non-controlling interest has been adjusted in the consolidated statement of changes in equity.

2023:

On 26 Rabi Al-Awwal, 1445 H (corresponding to 11 October 2023), the Board of Directors resolved to distribute interim dividends for the first half of 2023 at an amount of SR 30 million (SR 0.50 per share).

On 3 Dhu al-Hijjah 1444 (corresponding to 21 June 2023) the shareholders of Naft in their Ordinary General Assembly Meeting approved dividends of SR 300 million (SR 30 per share) for the year ended 31 December 2023. The share of non-controlling interest has been adjusted in the consolidated statement of changes in equity.

36 AUDIT REMUNERATION

The audit remuneration of the Group for the year ended 2024 amounted to SR 3.0 million (31 December 2023: SR 2.7 million). This comprises of audit services amounting to SR 3.0 million and non-audit assurance services amounting to SR 0.03 million (31 December 2023: audit services SR 2.7 million).

37 SEGMENTAL INFORMATION

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

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

Reclassification to comparative segment information

During the year ended 31 December 2024, the Group separated the segment of “SASCO Palm” in the Chief Operating Decision Maker (‘CODM’) report, which was previously clubbed in “Retail and operations”, for increased transparency. Management assessed the qualitative aspects of the segment and on that basis has reported the same separately. Consequently, the segment information for comparative period has been adjusted retrospectively.

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37 SEGMENTAL INFORMATION (CONTINUED)

	Retail and operation	SASCO palm	Saudi club	Transportation fleet	Others	Eliminations	TOTAL
For the year ended 31 31 December 2024							
Revenue	9,779,083,970	359,184,080	34,933,391	13,370,242	-	-	10,186,571,683
Inter-segment revenue	75,394,488	-	-	57,007,071	-	(132,401,559)	-
Depreciation of property and equipment	(112,599,843)	(6,043,234)	(74,180)	(9,176,861)	-	-	(127,894,118)
Depreciation of right-of-use of assets	(259,251,687)	(320,614)	-	(2,124,927)	-	-	(261,697,228)
Cost of revenue	(9,611,005,772)	(344,417,993)	(15,705,851)	(58,106,620)	-	132,401,559	(9,896,834,677)
Gross profit	243,472,686	14,766,087	19,227,540	12,270,693	-	-	289,737,006
	Retail and operation	SASCO palm	Saudi club	Transportation fleet	Others	Eliminations	TOTAL
For the year ended 31 31 December 2023							
Revenue	8,836,030,006	246,491,117	21,598,094	8,808,223	-	-	9,112,927,440
Inter-segment revenue	40,018,732	-	-	42,571,946	-	(82,590,678)	-
Depreciation of property and equipment*	(95,999,403)	(4,291,015)	(60,328)	(6,690,676)	-	-	(107,041,422)
Depreciation of right-of-use of assets*	(230,161,898)	(183,957)	-	(1,655,625)	-	-	(232,001,480)
Cost of revenue*	(8,606,773,194)	(234,322,444)	(11,390,685)	(42,267,312)	-	82,590,678	(8,812,162,957)
Gross profit*	269,275,544	12,168,673	10,207,409	9,112,857	-	-	300,764,483

*The items include the impact of adjustments relating to prior years (Note 42).

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37 SEGMENTAL INFORMATION (CONTINUED)

	Retail and operation	SASCO palm	Saudi club	Transportation fleet	Others	Eliminations	TOTAL
As at 31 December 2024							
Assets	7,081,121,099	143,985,936	49,976,138	263,925,527	243,980,634	(1,334,166,173)	6,448,823,161
Property and equipment	1,893,144,607	51,311,576	391,872	131,966,897	20,665,099	-	2,097,480,051
Investment property	138,482,500	-	-	-	-	-	138,482,500
Right-of-use assets	2,427,417,809	983,943	-	13,150,049	-	-	2,441,551,801
Liabilities	6,116,815,865	114,358,866	8,295,525	187,248,558	-	(937,150,741)	5,489,568,073
	Retail and operation	SASCO palm	Saudi club	Transportation fleet	Others	Eliminations	TOTAL
As at 31 December 2023							
Assets*	6,094,334,135	100,016,862	32,431,363	172,515,951	181,819,894	(712,568,127)	5,868,550,078
Property and equipment*	1,805,087,965	37,889,133	370,587	83,019,724	20,665,099	-	1,947,032,508
Investment property	159,787,500	-	-	-	-	-	159,787,500
Right-of-use assets*	2,209,929,051	378,578	-	14,739,163	-	-	2,225,046,792
Liabilities*	5,155,978,506	80,492,650	4,118,423	107,434,738	91,785	(445,216,611)	4,902,899,491

The Group's assets are located in the Kingdom of Saudi Arabia, where it carries out all its activities and thus represents the only geographical segment of the Group.

*The items include the impact of adjustments relating to prior years (Note 42).

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37 SEGMENTAL INFORMATION (CONTINUED)

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

	2024	2023 (Restated – Note 42)
Gross profit	289,737,006	300,764,483
Un-allocated items:		
General and administrative expenses	(105,889,442)	(105,654,369)
Selling and marketing expenses	(8,275,484)	(4,637,218)
Provision for expected credit losses	(3,880,587)	(9,106,342)
Fair value change in investment property	(21,305,000)	70,306,500
Other income	16,138,792	6,517,725
Other gains / (losses) – net	7,248,272	8,256,285
Dividends received from financial assets held at FVTOCI	7,494,112	6,202,549
Dividends received from financial assets held at FVTPL	1,442,696	-
Change in fair value of financial assets held at FVTPL	19,755,658	-
Finance costs	(181,184,771)	(156,708,190)
Finance income	31,430,725	30,794,427
Total un-allocated amounts	(237,025,029)	(154,028,633)
Income before zakat	52,711,977	146,735,850

38 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

38.1 Capital commitments

The Group has capital commitments of SR 126.2 million (31 December 2023: SR 48.1 million) mainly related to establishing and developing projects of fuel stations.

38.2 Contingent liabilities

- a) As at 31 December 2024, the Group has bank letters of guarantee amounting to SR 2.7 billion (31 December 2023: SR 2.9 billion). Those have been issued in the normal course of business of the Group.
- b) The Group has several lawsuit cases filed against it in relation to certain leased lands. These cases have not yet been finalized and the expected outcome cannot be determined reliably. Accordingly, a provision has been made against potential liabilities of such lawsuits amounting to SR 2.5 million (2023: SR 2.5 million) as at the date of these consolidated financial statements.

39 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future development of the business. The Board of Directors monitors the return on capital, determined by the Group based on the output of operating activities divided by total shareholders' equity and non- controlling interests. There were no changes in the Group's approach to capital management during the year. The Board of Directors also monitors the level of dividends to ordinary shareholders and capital management. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements. Net debt is calculated as loans and lease liabilities (as listed in the consolidated statement of financial position) minus cash and equivalents.

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39 CAPITAL MANAGEMENT (CONTINUED)

Equity comprises all components of equity.

The Group's net debt rate to its equity as 31 December was as the following:

	2024	2023 (Restated – Note 42)
Total debt	4,321,581,758	3,831,387,865
Less: Cash and cash equivalents	(129,363,057)	(133,449,040)
Net debt	4,192,218,701	3,697,938,825
Total equity	959,255,088	965,650,587
Gearing ratio	4.37	3.83

40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments risk management objective and policies

Senior management is responsible for risk management. Financial instruments carried in the consolidated statement of financial position include cash and cash equivalents, short term deposits, investments, trade receivables, due to related parties, loans, lease liabilities, dividends payable to shareholders, accrued expenses and other current liabilities and trade payables. Recognition methods have been disclosed in the accounting policies under each related item. Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

40.1 Market risk

Market risk is the risk that changes in market prices, such as foreign equity prices, foreign currency exchange risk and interest risk will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

40.2 Equity price risk

The Group's non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

40.3 Currency risk

The Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally performed in Saudi Riyals and United States Dollar ("USD"). Since the exchange rate of SR is pegged against USD, the Group is not exposed to significant risk. Management monitors fluctuations in foreign currency rates closely.

40.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans, lease liabilities and deposits placed with banks at floating interest rates. The Group manages interest rate risk through improvement of available funds, decrease of term loans and use of selected hedging.

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40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.5 Interest rate sensitivity analysis

The table below shows the sensitivity to any potential change reasonably in interest rates to the affected financial instruments. With all other variables held constant, the Group's profit before zakat is affected through the impact of floating rates financial instruments based on SAIBOR is as follows:

	100 basis points increase	100 base points decrease
2024	(16,392,825)	16,392,825
2023 (Restated – Note 42)	(13,901,282)	13,901,282

40.6 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its trade receivables, bank balances and due from related parties as at 31 December:

	Note	2024	2023
Financial assets held at FVTPL	11.3	47,794,017	-
Financial assets held at amortised cost	12	253,209,918	253,187,639
Bank balances	17.2	119,540,138	127,375,566
Trade receivables	14	170,964,417	158,785,751
Other current assets	15	22,919,289	51,282,134
Amounts due from related parties	27	35,938	36,472
		614,463,717	590,667,562

Certain amounts in the above table have been restated due to prior year adjustments (Note 42).

The carrying amounts of financial assets represent the maximum credit exposure.

Financial assets held at amortised cost and at FVTPL

Financial assets held at amortised cost and at FVTPL are maintained with bank with strong credit ratings. Therefore, the credit in this respect is considered as insignificant.

Bank balances

The Group keeps its cash surplus with banks in Kingdom Saudi Arabia with strong credit ratings. Therefore, the credit risk related to bank balances and short-term deposits are considered by management as insignificant.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with this assessment. During the process of monitoring credit risk of customers, such customers are grouped as per their credit characteristics, whether they are individuals, corporate, or governmental bodies, as well as their geographical locations, type of business, transaction dates with the Group, and existence of historical financial difficulties.

The Group measures trade receivables less the provision for expected credit losses. For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs).

Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment (Note 14).

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40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.6 Credit risk (continued)

As at 31 December 2024, more than 37% (2023: 39%) of the Group's customers are companies and governmental bodies. Expected credit loss at an amount of SR 21.5 million (2023: SR 27.4 million) has been recognized in these consolidated financial statements.

During the process of monitoring credit risk of customers, such customers are grouped as per their credit characteristics, whether they are individuals, corporate, or governmental bodies, as well as their geographical locations, type of business, transaction dates with the Group, and existence of historical financial difficulties.

For other receivables the Group assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are then then assigned.

Other current assets

This comprises mainly of other receivables from government, employee loans and advances, refundable deposits, rebates receivables from vendors and margins held by banks. In case of employee loans and advances, the impact on them is immaterial.

Amounts due from related parties

The Group has not recorded any impairment of receivables relating to amounts due from related parties. This assessment is undertaken at each reporting period by examining the financial position of the related party and the market in which the related party operates. There are no significant transactions with related parties as at 31 December 2024 and 31 December 2023.

40.7 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell financial assets quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarizes the maturity profile of the Group's financial liabilities based on undiscounted contractual payments as at 31 December. The effect of undiscounting of certain liabilities due within one year is insignificant.

2024	Within 1 year	1 to 5 years	More than five years	TOTAL
Long-term loans	271,451,580	1,131,281,267	678,005,232	2,080,738,079
Short-term loans	20,000,000	-	-	20,000,000
Trade payables	860,679,743	-	-	860,679,743
Accrued expenses and other current liabilities	80,368,359	-	-	80,368,359
Lease liabilities	365,351,080	1,461,621,369	1,762,262,409	3,589,234,858
Dividends payable to shareholders	49,601,323	-	-	49,601,323
	1,647,452,085	2,592,902,636	2,440,267,641	6,680,622,362

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40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40 Financial instruments and risk management (continued)

40.7 Liquidity risk (continued)

2023	Within 1 year	1 to 5 years	More than five years	TOTAL
Long-term loans*	126,090,408	931,718,558	751,246,015	1,809,054,981
Trade payables*	788,406,746	-	-	788,406,746
Accrued expenses and other current liabilities*	70,700,376	-	-	70,700,376
Lease liabilities*	314,025,382	1,434,289,156	1,264,878,455	3,013,192,993
Dividends payable to shareholders	49,704,917	-	-	49,704,917
	<u>1,348,927,829</u>	<u>2,366,007,714</u>	<u>2,016,124,470</u>	<u>5,731,060,013</u>

*The abovementioned amounts have been restated due to prior year adjustments (Note 24).

As at 31 December 2024, the Group has available cash facilities amounting to SR 2.4 billion (31 December 2023: SR 1.3 billion) representing unwithdrawn cash from cash loan facilities granted.

41 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise financial assets and financial liabilities. The Group's financial assets consist of cash and cash equivalents, financial assets at FVTOCI, FVTPL financial assets held amortised cost, derivatives financial instruments, trade receivables, other current assets and cash and cash equivalents while its financial liabilities consist of term loans, lease liabilities, trade payables, accrued expenses and other current liabilities, dividends payable to shareholders, and other liabilities.

Management determined that the fair value of cash and cash equivalents, financial assets held at amortised cost, trade receivables and payables and dividends payable to shareholders approximate their book value due to the short-term maturity of these instruments. For term loans, the fair value does not significantly differ from the carrying amount in the consolidated financial statements as profit rates prevailing in markets for identical financial instruments do not differ from the contractual rates.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities that are carried at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount (amortized cost) is a reasonable approximation of fair value.

31 December 2024	Level 1	Level 2	Level 3	Carrying value
Financial assets				
Financial assets at FVTOCI (Note 11)	-	-	174,826,798	174,826,798
Financial assets at FVTPL (Note 11)				
Quoted	42,022,462	-	-	42,022,462
Un-quoted	-	47,794,017	-	47,794,017
Derivative financial instruments	-	731,475	-	731,475
	<u>42,022,462</u>	<u>48,525,492</u>	<u>174,826,798</u>	<u>265,374,752</u>

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41 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

31 December 2023	Level 1	Level 2	Level 3	Carrying value
Financial assets				
Financial assets at FVTOCI (Note 11)		-	150,190,103	150,190,103
Derivative financial instruments	-	2,488,468	-	2,488,468
	-	2,488,468	150,190,103	152,678,571

42 COMPARATIVE FIGURES

In accordance with the requirements of IAS 8 “Accounting policies, changes in accounting estimates and errors” (“IAS 8”), management has restated the comparative figures to adjust prior year consolidated financial statements. The note below sets out the details of adjustments and the line items in the consolidated statements of financial position, income, comprehensive income, changes in equity and cash flows:

Adjustment 1:

As per IAS 1 paragraph 29, items of a dissimilar nature or function should be presented separately, unless they are immaterial. A material amount of finance income on financial assets at amortised cost was previously presented together with other income of a dissimilar nature. The consolidated statement of income for the year ended 31 December 2023 has been represented to separately disclose finance income on financial assets at amortised cost of SR 30,794,427. The consolidated statement of cash flows for the year ended 31 December 2023 has been represented to separately adjust the finance income accrued from profit before tax and to separately present finance income received.

Furthermore, the Group presented SR 3,187,639 and SR 3,100,543 as accrued finance income as at 31 December 2023 and 2022 respectively as part of the ‘Prepayments and other current assets’ instead of applying amortised cost method and presenting the accrued finance income as part of the amortised cost of the financial assets. As per IFRS 9, the amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition minus the principal repayment, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The financial assets carried at amortised cost method have been restated to present financial assets at amortised cost to include the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Adjustment 2:

In prior year, the Group presented SR 28,155,499 and SR 8,154,593 of overdue lease payment liability within the “Accrued expenses and other current liabilities” and SR 8,058,237 and SR 6,682,961 within “Trade payables” in the consolidated statement of financial position as at 31 December 2023 and 1 January 2023 respectively. Management has reassessed the classification of these amounts and concluded that they should be presented within the ‘current portion of lease contract liabilities’ since the liability meets the definition of lease liabilities.

Adjustment 3:

In the prior year, the Group presented gain on sale of property and equipment and gain on cancellation of lease, profit from derivative financial instruments, other income and fair value increase in investment property as non-operating items in the consolidated statement of income. In the current year, management concluded that the aforementioned other income results from operating activities of the business. Accordingly, change in fair value of investment property of SR 70,306,500, other income of SR 6,517,725 and other gains / (losses) – net of SR 8,265,285 for the year ended 31 December 2023 have been represented as part of the Group’s operating activities.

42 COMPARATIVE FIGURES (CONTINUED)

Adjustment 4:

As per IAS 37 paragraph 61, a provision should only be used for the expenditures for which it was originally recognised. Where the original provision was charged as an expense, any subsequent reversal should be credited to the same line in the income statement. During the year ended 31 December 2023, the management classified a provision reversal, which was previously charged to general and administrative expenses in other income, net. Accordingly, management corrected prior period error amounting to SR 4,005,391 in the consolidated statement of income for the year ended 31 December 2023 by restating the comparatives.

Adjustment 5:

The Group had a balance amounting to SR 49,704,917 as at 31 December 2023 and SR 77,264,901 as at 1 January 2023, held in separate bank accounts for distribution of dividends payable to shareholders. These amounts do not meet the definition of cash and cash equivalents since they are marked as restricted by the banks and there are restrictions with respect to their usage or withdrawal such that the nature of the balance is other than cash. Therefore, management concluded that the balances in these accounts should have been presented as a separate line item on the consolidated statement of financial position as "Restricted bank balances". The corresponding adjustment was made in the consolidated statement of financial position as at 31 December 2023 and 1 January 2023 by restating the comparatives.

In the consolidated statement of cash flows the payments made to these restricted accounts were previously treated as operating cash outflows despite the Group having a policy of treating dividend payments as financing. Accordingly, the consolidated statement of cash flows for the year ended 31 December 2023 has been restated to present payments to the restricted dividend accounts as financing.

Adjustment 6:

As per IAS 7 and IFRS 16, finance costs paid on a lease are to be presented separately from the capital repayment of the lease liability. In prior periods, management presented finance costs paid on leases and capital repayment of the lease liabilities in one line item amounting to SR 219,274,602. This error has been corrected by presenting finance costs paid on leases amounting to SR 83,074,314 separately from the capital repayment of the lease liabilities amounting to SR 208,227,288 in the consolidated statement of cash flows for the year ended 31 December 2023.

Adjustment 7:

Accrued interest payable amounting to SR 24,918,165 and SR 22,131,259 was presented within "Accrued expenses and other current liabilities" in the consolidated statement of financial position as at 31 December 2023 and 1 January 2023 respectively instead of being presented as part of the related liability carried at amortised cost. In the current year, accrued interest payable has been correctly presented together with the related liabilities at amortised cost and comparative figures have been adjusted accordingly.

Adjustment 8:

In prior year, the Group did not correctly disclose the change in fair value of financial assets held at fair value through other comprehensive income ("FVTOCI") in non-cash transactions disclosure. The change in the fair value was SR 17,630,524 for the year ended 31 December 2023 whereas the Group did not disclose any amount. Management has reassessed the presentation of this change in fair value consequently corrected the same in the consolidated statement of cash flows for the year ended 31 December 2024 by restating the comparative figures in the non-cash transactions of cash flow.

Adjustment 9:

The Group did not derecognise some of its gas station leases at the end of the enforceable lease period when the landlord terminated early. Management performed a review of these leases and restated comparatives to derecognise the lease accounting at the end of the lease term. Subsequently, a limited ad hoc usage of the sites was permitted again but no accrual was made for any rentals that might be due. The impact on the right-of-use assets, lease liabilities and accrued expenses and other current liabilities was SR 50,776,520, SR 61,346,934 and SR 2,560,000 respectively (1 January 2023: SR 52,272,715, SR 59,127,203 and SR 1,280,000 respectively). In 2023, reversal of amortization on right-of-use assets and booking of rental accrual expense having a net impact on cost of revenue amounting to SR 216,195 and reversal of finance cost relating to the leases amounting to SR 2,219,731 was recorded accordingly.

Adjustment 10:

There were a number of gas station locations that had been persistently loss-making for many years but had never been tested for impairment in breach of IAS 36. Each gas station is a separate CGU and should have been tested previously where indicators were present. Historic budgets existed for each location allowing the impairment test to be done at previous dates without the use of hindsight. Consequently, the Group performed impairment tests for these sites using contemporaneous data at the start of the earliest comparative period which was the earliest date it was practicable to compute the restatement at in accordance with IAS 8. Some of these sites noticed significantly improved performance during 2023 and impairment reversal was recorded in subsequent years as part of this restatement. The impairment test was performed using entirely contemporaneous data and without the use of hindsight. Management restated the comparative figures to correct these errors. The impact of this adjustment on property and equipment and right-of-use assets as at 31 December 2023 amounted to SR 36,112,877 and SR 7,673,420 respectively (1 January 2023: SR 40,507,086 and 11,130,791 respectively). The impact of these adjustments on the consolidated statement of income for the year ended 31 December 2023 is SR 7,891,526 on cost of revenue.

Adjustment 11:

The Group presented SR 4,522,382 on 31 December 2023 and 1 January 2023 relating to accrued expenses relating to customs claims within "Trade receivables" in the provision for expected credit losses in the consolidated statement of financial position as at 31 December 2023 and 1 January 2023. The same portion of this liability was misrepresented at each date. Management has reassessed the classification of this amount and concluded that it should be presented within "Accrued expenses and other current liabilities" because the accrued expenses are unrelated to the trade and other receivables.

Adjustment 12:

In prior year, the Group presented a payment made for land purchased in auction during 2023, at an amount of SR 25,800,000 within "Property and equipment" in the consolidated statement of financial position as at 31 December 2023. The land was purchased through auction but the title deed could not be transferred as the land was part of government projects and been subject to compulsory purchase already. At the prior year end, the Group was aware of these facts and that its sole right was to recover the cash sat in the auctioneer's account. Management has therefore reassessed the classification of this amount and concluded that it should have been presented as an other receivable in "Prepayments and other current assets" since the amount will be recovered within a period of 12 months. The cash was recovered in 2024. Prior period ended 31 December 2023 has been adjusted to this effect.

Adjustment 13:

In prior year, the Group presented discount due from vendors amounting to SR 5,619,442 and SR 3,411,456 within "Prepayments and other current assets" in the consolidated statement of financial position as at 31 December 2023 and 1 January 2023 respectively. Management has reassessed the classification of these amounts and concluded that these should have been offset against the related payables on the grounds that the contract with the supplier required the prior month rebates earned to be set off against the month end payables.

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42 COMPARATIVE FIGURES (CONTINUED)

Adjustment 14:

During the year, the management reassessed the presentation of the consolidated statement of cash flows for the year ended 31 December 2023 and noted various computational errors. Accordingly the consolidated statement of cash flows was restated in addition to other cash flow restatements described above as follows:

Cash flow item	Impact	Amount (SR)
Operating activities		
Provision for slow-moving goods	Adding provision for slow-moving goods as part of cash flow adjustments within operating activities	18,447,737
Dividends from financial assets held at FVTPL	Adding dividends income as part of cash flow adjustments within operating activities	(6,202,549)
Gains from lease modification	Adding gains from lease modification as part of cash flow adjustments within operating activities	(1,804,233)
Prepayments and other current assets	Adjusting movement within operating activities	2,310,275
Inventories	Adjusting movement within operating activities	(18,447,737)
Trade payables	Adjusting movement within operating activities	(3,583,262)
Accrued expenses	Adjusting movement within operating activities	(21,365,066)
		(30,644,835)
Investing activities		
Additions to projects in progress	Double counting of capitalised finance costs	27,388,450
Interest income on Sukuks	Correction to present cash interest received rather than book interest income	(87,096)
		27,301,354
Financing activities		
Payment of long-term loans – finance costs	Adjusting payment of long-term loans – finance costs	1,968,205
Lease contracts liabilities paid - principal	Adjusting lease contracts liabilities paid - principal	1,375,276
		3,343,481
Significant non-cash items:		
Capitalisation of finance costs on projects in progress		27,388,450
Finance costs transfer from long-term loans to projects in progress		(6,603,861)
Finance costs transfer from leases to projects in progress		(20,784,589)

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42 COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to consolidated statement of financial position as at 31 December 2023:

	31 December 2023 (As previously reported)	Adjustment 1	Adjustment 2	Adjustment 5	Adjustment 7	Adjustment 9	Adjustment 10	Adjustment 11	Adjustment 12	Adjustment 13	31 December 2023 (Restated)
Property and equipment	2,008,945,385	-	-	-	-	-	(36,112,877)	-	(25,800,000)	-	1,947,032,508
Right-of-use assets	2,283,496,732	-	-	-	-	(50,776,520)	(7,673,420)	-	-	-	2,225,046,792
Trade receivables	126,900,662	-	-	-	-	-	-	4,522,382	-	-	131,423,044
Financial assets held at amortised cost	-	3,187,639	-	-	-	-	-	-	-	-	3,187,639
Prepayments and other current assets	100,503,313	(3,187,639)	-	-	-	-	-	-	25,800,000	(5,619,442)	117,496,232
Restricted bank balances	-	-	-	49,704,917	-	-	-	-	-	-	49,704,917
Cash and cash equivalents	183,153,957	-	-	(49,704,917)	-	-	-	-	-	-	133,449,040
Non-current portion of lease liabilities	2,161,443,296	-	-	-	-	(59,127,203)	-	-	-	-	2,102,316,093
Current portion of long term loans	59,865,545	-	-	-	24,918,165	-	-	-	-	-	84,783,710
Accrued expenses and other current liabilities	230,946,355	-	(28,155,499)	-	(24,918,165)	2,560,000	-	4,522,382	-	-	184,955,073
Trade payables	802,084,425	-	(8,058,237)	-	-	-	-	-	-	(5,619,442)	788,406,746
Current portion of lease liabilities	280,031,377	-	36,213,736	-	-	(2,219,731)	-	-	-	-	314,025,382

Impact of adjustments to consolidated statement of financial position as at 1 January 2023:

	1 January 2023 (As previously reported)	Adjustment 1	Adjustment 2	Adjustment 5	Adjustment 7	Adjustment 9	Adjustment 10	Adjustment 11	Adjustment 13	1 January 2023 (Restated)
Property and equipment	1,741,039,332	-	-	-	-	-	(40,547,032)	-	-	1,700,492,300
Right-of-use assets	2,220,556,646	-	-	-	-	(52,272,715)	(11,130,791)	-	-	2,157,153,140
Trade receivables	133,038,185	-	-	-	-	-	-	4,522,382	-	137,560,567
Financial assets held at amortised cost	-	3,100,543	-	-	-	-	-	-	-	3,100,543
Prepayments and other current assets	97,542,789	(3,100,543)	-	-	-	-	-	-	(3,411,456)	91,030,790
Restricted cash balances	-	-	-	77,264,901	-	-	-	-	-	77,264,901
Cash and cash equivalents	636,973,481	-	-	(77,264,901)	-	-	-	-	-	559,708,580
Non-current portion of lease liabilities	2,113,667,861	-	-	-	-	(57,070,875)	-	-	-	2,056,596,986
Current portion of long term loans	51,809,756	-	-	-	22,131,259	-	-	-	-	73,941,015
Accrued expenses and other current liabilities	194,685,427	-	(8,154,593)	-	(22,131,259)	1,280,000	-	4,522,382	-	170,201,957
Trade payables	777,655,481	-	(6,682,961)	-	-	-	-	-	(3,411,456)	767,561,064
Current portion of lease liabilities	253,649,968	-	14,837,554	-	-	(2,056,328)	-	-	-	266,431,194

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42 COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the consolidated statement of income for the year ended 31 December 2023:

	For the year ended 31 December 2023 (As issued)	Adjustment 1	Adjustment 3	Adjustment 4	Adjustment 9	Adjustment 10	For the year ended 31 December 2023 (Restated)
Cost of revenue	(8,820,270,678)	-	-	-	216,195	7,891,526	(8,812,162,957)
Gross profit	292,656,762	-	-	-	216,195	7,891,526	300,764,483
General and administrative expenses	(109,659,760)	-	-	4,005,391	-	-	(105,654,369)
Fair value change in investment property	-	-	70,306,500	-	-	-	70,306,500
Other income	-	-	6,517,725	-	-	-	6,517,725
Other gains / (losses) - net	-	-	8,256,285	-	-	-	8,256,285
Operating income	169,253,442	-	85,080,510	4,005,391	216,195	7,891,526	266,447,064
Finance costs	(158,927,921)	-	-	-	2,219,731	-	(156,708,190)
Finance income	-	30,794,427	-	-	-	-	30,794,427
Other income, net	119,880,328	(30,794,427)	(85,080,510)	(4,005,391)	-	-	-
Income before zakat	136,408,398	-	-	-	2,435,926	7,891,526	146,735,850
Net income	130,104,551	-	-	-	2,435,926	7,891,526	140,432,003
Attributable to:							
Equity holders of the parent	105,493,896	-	-	-	2,435,926	6,622,213	114,552,035
Non-controlling interests	24,610,655	-	-	-	-	1,269,313	25,879,968
Basic and diluted earnings per share for the period attributable to equity holders of the parent	1.51	-	-	-	0.04	0.09	1.64

Impact of adjustments to the consolidated statement of comprehensive income for the year ended 31 December 2023:

	31 December 2023 (As previously reported)	Adjustment 9	Adjustment 10	31 December 2023 (Restated)
Net income	130,104,551	2,435,926	7,891,526	140,432,003
Total comprehensive income for the period	114,178,421	2,435,926	7,891,526	124,505,873
Attributable to:				
Equity holders of the parent	89,166,007	2,435,926	6,622,213	98,224,146
Non-controlling interests	25,012,414	-	1,269,313	26,281,727

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42 COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the consolidated statement of cash flows for the year ended 31 December 2023:

	For the year ended 31 December 2023 (As issued)	Adjustment 1	Adjustment 5	Adjustment 9	Adjustment 10	Adjustment 12	Adjustment 14	For the year ended 31 December 2023 (Restated)
Operating activities								
Income before zakat	136,408,398	-	-	2,435,926	7,891,526	-	-	146,735,850
Depreciation on right-of-use assets	233,512,822	-	-	(1,496,195)	(15,147)	-	-	232,001,480
Depreciation on property and equipment	108,629,149	-	-	-	(1,587,727)	-	-	107,041,422
Finance costs on lease liabilities	89,729,650	-	-	-	(2,219,731)	-	-	87,509,919
Finance income	-	(30,794,427)	-	-	-	-	-	(30,794,427)
Impairment on property and equipment	-	-	-	-	(2,846,428)	-	-	(2,846,428)
Impairment on right-of-use assets	-	-	-	-	(3,442,224)	-	-	(3,442,224)
Provision for slow-moving goods	-	-	-	-	-	-	18,447,737	18,447,737
Dividends received from financial assets held at FVTPL	-	-	-	-	-	-	(6,202,549)	(6,202,549)
Gains from lease modification	-	-	-	-	-	-	(1,804,233)	(1,804,233)
Prepayments and other current assets	(2,960,524)	-	-	-	-	(25,800,000)	2,310,275	(26,450,249)
Retention by banks for dividend payments	27,559,984	-	(27,559,984)	-	-	-	-	-
Inventories	(26,210,528)	-	-	-	-	-	(18,447,737)	(44,658,265)
Trade payables	24,428,944	-	-	-	-	-	(3,583,262)	20,845,682
Accrued expenses and other current liabilities	34,838,182	-	-	1,280,000	-	-	(21,365,066)	14,753,116
Net cash generated from operating activities	617,787,288	(30,794,427)	(27,559,984)	2,219,731	(2,219,731)	(25,800,000)	(30,644,835)	502,988,042

	For the year ended 31 December 2023 (As previously report)	Adjustment 1	Adjustment 5	Adjustment 12	Adjustment 14	For the year ended 31 December 2023 (Restated)
Investing activities						
Purchase of property and equipment	(86,362,933)	-	-	25,800,000	-	(60,562,933)
Additions to projects in progress	(209,509,268)	-	-	-	27,388,450	(182,120,818)
Interest income on Sukuk investments and short-term deposits	-	30,794,427	-	-	(87,096)	30,707,331
Net cash used in investing activities	(293,225,987)	30,794,427	-	25,800,000	27,301,354	(209,330,206)

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42 COMPARATIVE FIGURES (CONTINUED)

	For the year ended 31 December 2023 (As issued)	Adjustment 1	Adjustment 5	Adjustment 6	Adjustment 9	Adjustment 10	Adjustment 12	Adjustment 14	For the year ended 31 December 2023 (Restated)
Financing activities									
Dividends paid to shareholders for prior periods	(27,559,984)	-	27,559,984	-	-	-	-	-	-
Dividends paid	(90,000,000)	-	(27,559,984)	-	-	-	-	-	(117,559,984)
Restricted bank balances	-	-	27,559,984	-	-	-	-	-	27,559,984
Payment of long-term loans – finance costs	(89,164,159)	-	-	-	-	-	-	1,968,205	(87,195,954)
Lease liabilities paid	(291,274,602)	-	-	291,274,602	-	-	-	-	-
Lease contracts liabilities paid - principal	-	-	-	(208,227,288)	-	-	-	1,375,276	(206,852,012)
Lease contracts liabilities paid – finance costs	-	-	-	(83,047,314)	-	-	-	-	(83,047,314)
Net cash used in financing activities	(750,820,841)	-	27,559,984	-	-	-	-	3,343,481	(719,917,376)
Net change in cash and cash equivalents	(426,259,540)	-	-	-	2,219,731	(2,219,731)	-	-	(426,259,540)
Cash and cash equivalents at the beginning of the period	559,708,580	-	-	-	-	-	-	-	559,708,580
Cash and cash equivalents at end of the period	133,449,040	-	-	-	2,219,731	(2,219,731)	-	-	133,449,040

	For the year ended 31 December 2023 (As previously reported)	Adjustment 8	Adjustment 14	For the year ended 31 December 2023 (Restated)
Significant non-cash transactions				
Change in fair value reserve relating to financial assets held at FVTOCI	-	(17,630,524)	-	(17,630,524)
Capitalisation of finance costs in projects in progress	-	-	27,388,450	27,388,450
Finance costs transfer from long-term loans to projects in progress	-	-	(6,603,861)	(6,603,861)
Finance costs transfer from leases to projects in progress	-	-	(20,784,589)	(20,784,589)

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42 COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the consolidated statement of changes in equity as at 31 December 2023:

	<i>Retained earnings attributable to equity holders of the parent</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
As at 31 December 2023 - As previously reported)	79,617,175	126,420,844	1,001,426,470
Adjustment 9	8,010,414	-	8,010,414
Adjustment 10	(41,939,886)	(1,846,411)	(43,786,297)
As at 31 January 2023 – Restated	45,687,703	124,574,433	965,650,587

Impact of adjustments to the consolidated statement of changes in equity as at 1 January 2023:

	<i>Retained earnings attributable to equity holders of the parent</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
As at 1 January 2023 - As previously reported)	13,370,034	161,408,430	977,248,049
Adjustment 9	5,574,488	-	5,574,488
Adjustment 10	(48,562,099)	(3,115,724)	(51,677,823)
As at 1 January 2023 - Restated	(29,617,577)	158,292,706	931,144,714

Disclosures related to the above adjustments have been restated accordingly in these consolidated financial statements.

43 SUBSEQUENT EVENTS

The Group announced on 19 January 2025 the signing of the acquisition agreement of Tadbeer Recruitment Co. ("Tadbeer") after completing financial and legal due diligence studies and receiving initial approval to convert Tadbeer from category (B) to category (A). The signing of this agreement has no impact on these consolidated financial statements.

On 13 February 2025, the Group received a court ruling based on the appeal of Ministry of Housing for the claim of receivable amounting to SR 8.2 million which was announced in previous court ruling dated 25 February 2019. This court order overturned the previous judgement issued in 2019 (Note 15).

44 Approval of the consolidated financial statements

The consolidated financial statements have been approved by the Board of Directors on **25 March 2025**.