

**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS  
SUBSIDIARIES  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

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**Independent Auditor's Review Report on the  
Interim Condensed Consolidated Financial Statements**

**To the Shareholders,**

**Scientific and Medical Equipment House Company**

(A Saudi Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Scientific and Medical Equipment House Company (the "Company") and its subsidiaries, collectively referred to as the ("Group") as at 31 March 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended, and the accompanying notes, including a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards (IAS 34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (2410), 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**BAKER TILLY MKM & CO.**  
*Certified Public Accountant*

**Majid Muneer Alnemer**

License No. 381

Riyadh on 2 Dhul Qadah 14443H

Corresponding to 22 May 2023





**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**  
**(SAUDI RIYAL)**

	Notes	31 March 2023 (Unaudited)	31 December 2022 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		41,135,124	36,698,464
Right-of-use assets		26,453,390	20,545,054
Investment properties		31,831,694	31,918,144
Intangible assets		3,502,304	3,693,434
<b>Total non-current assets</b>		<b>102,922,512</b>	<b>92,855,096</b>
<b>Current Assets</b>			
Inventories		100,096,193	97,679,230
Trade receivables and contract assets	6	627,290,239	594,848,337
Prepaid expenses and other debit balances		66,891,959	60,084,652
Capitalized contacts Costs		14,119,322	12,241,632
Due from related parties	7	21,389,152	18,766,227
Cash and cash equivalents		63,401,317	54,558,170
<b>Total current assets</b>		<b>893,188,182</b>	<b>838,178,248</b>
<b>TOTAL ASSETS</b>		<b>996,110,694</b>	<b>931,033,344</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	8	200,000,000	200,000,000
Statutory reserve		36,586,165	36,586,165
Retained earnings		240,646,485	233,786,599
<b>Equity attributable to the shareholders of the Parent Company</b>		<b>477,232,650</b>	<b>470,372,764</b>
Non-controlling interests		(2,308,514)	(1,744,361)
<b>TOTAL EQUITY</b>		<b>474,924,136</b>	<b>468,628,403</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' defined benefits obligations		64,451,493	63,610,909
Lease liabilities – noncurrent portion		15,288,273	10,606,791
Long-term borrowings – noncurrent portion	9	9,673,750	9,673,750
<b>Total non-current liabilities</b>		<b>89,413,516</b>	<b>83,891,450</b>
<b>Current liabilities</b>			
Lease liabilities– current portion		7,796,406	8,232,953
Long-term borrowings – current portion	9	163,750	163,750
Notes payable	9	8,026,974	7,841,356
Short-term borrowings	9	220,869,757	170,038,472
Trade payables		68,765,209	68,490,730
Accrued expenses and other credit balances		106,345,381	107,794,566
Due to related parties	7	979,501	-
Contract liabilities		3,518,398	3,788,673
Zakat provision		15,307,666	12,162,991
<b>Total current liabilities</b>		<b>431,773,042</b>	<b>378,513,491</b>
<b>TOTAL LIABILITIES</b>		<b>521,186,558</b>	<b>462,404,941</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>996,110,694</b>	<b>931,033,344</b>

  
**Chief Financial Officer**  
Mr. Yasser Ahmed El-Safadi


  
**Chief Executives' Officer**  
Mr. Barakat Bin Saud Al-Arifi

  
**Chairman of Board of Director**  
Mr. Basil Bin Saud Al-Arifi

The accompanying notes form an integral part of these interim condensed consolidated financial statements

**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
**(SAUDI RIYAL)**

	Notes	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Revenues		164,939,113	162,563,669
Cost of revenues		(134,063,760)	(124,647,450)
<b>Gross profit</b>		<b>30,875,353</b>	<b>37,916,219</b>
Selling and marketing expenses		(3,197,294)	(2,702,599)
General and administrative expenses		(16,331,155)	(12,470,710)
Reversal (provision) of expected credit losses	6	949,235	(900,000)
<b>Operating profit</b>		<b>12,296,139</b>	<b>21,842,910</b>
Finance cost		(4,691,240)	(3,840,381)
Other income		1,860,834	2,663,719
<b>Profit before zakat</b>		<b>9,465,733</b>	<b>20,666,248</b>
Zakat for the period		(3,170,000)	(3,897,967)
<b>Profit for the period</b>		<b>6,295,733</b>	<b>16,768,281</b>
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period</b>		<b>6,295,733</b>	<b>16,768,281</b>
Profit for the period attributable to:			
Shareholders of the parent company		6,859,886	16,725,708
Non-controlling interests		(564,153)	42,573
		<b>6,295,733</b>	<b>16,768,281</b>
Total comprehensive income for the period attributable to:			
Shareholders of the parent company		6,859,886	16,725,708
Non-controlling interests		(564,153)	42,573
		<b>6,295,733</b>	<b>16,768,281</b>
<b>Basic and diluted earnings per share</b>	10	<b>0.34</b>	<b>0.84</b>

  
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**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
**(SAUDI RIYAL)**

	Attributable to the shareholders of the Parent Company				Total equity
	Share capital	Statutory reserve	Retained earnings	Non-controlling interests	
<b>As of 1 January 2022 (Audited)</b>	200,000,000	34,829,506	238,628,179	218,049	473,675,734
Profit for the period	-	-	16,725,708	42,573	16,768,281
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	16,725,708	42,573	16,768,281
<b>As of 31 March 2022 (Unaudited)</b>	200,000,000	34,829,506	255,353,887	260,622	490,444,015
<b>As of 1 January 2023 (Audited)</b>	200,000,000	36,586,165	233,786,599	(1,744,361)	468,628,403
Profit for the period	-	-	6,859,886	(564,153)	6,295,733
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	6,859,886	(564,153)	6,295,733
<b>As of 31 March 2023 (Unaudited)</b>	200,000,000	36,586,165	240,646,485	(2,308,514)	474,924,136



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**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
**(SAUDI RIYAL)**

	31 March 2023 <u>(Unaudited)</u>	31 March 2022 <u>(Unaudited)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before zakat	9,465,733	20,666,248
<b>Adjustments for non-cash items:</b>		
Depreciation of property and equipment	2,764,257	2,390,484
Depreciation of investment properties	86,450	86,450
Depreciation of right-of-use assets	2,022,822	1,168,545
(Reversal) provision of expected credit losses	(949,235)	900,000
Provision of slow-moving inventories	750,000	450,000
Amortization of intangible assets	191,130	-
Gain on sale of properties and equipment	(78,991)	(40,831)
Finance cost	4,691,240	3,840,381
Employees' defined benefits obligations	3,273,430	3,669,748
	<u>22,216,836</u>	<u>33,131,025</u>
<b>Working capital changes:</b>		
Trade receivables and contract assets	(31,492,667)	(56,979,724)
Inventory	(3,166,963)	(4,764,696)
Prepaid expenses and other debit balances	(6,807,307)	(3,252,212)
Capitalized contracts Costs	(1,877,690)	2,936,005
Trade payables	274,479	(2,672,663)
Accrued expenses and other credit balances	(1,449,185)	(2,497,269)
Contract liabilities	(270,275)	(2,032,155)
Due from / to related parties	(1,643,424)	(11,904,533)
	<u>(24,216,196)</u>	<u>(48,036,222)</u>
Employees' defined benefits obligations paid	(2,432,846)	(1,155,898)
Finance costs paid	(4,421,764)	(3,758,989)
Zakat paid	(25,325)	(130,000)
<b>Net cash used in operating activities</b>	<u>(31,096,131)</u>	<u>(53,081,109)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(7,207,942)	(770,842)
Proceeds from disposal of property and equipment	86,016	128,455
Other non-current assets	-	50,365
<b>Net cash used in investing activities</b>	<u>(7,121,926)</u>	<u>(592,022)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Notes Payable	185,618	(5,604,516)
Lease liabilities paid	(3,955,699)	(1,177,762)
Proceeds from short-term borrowings	142,197,924	320,274,604
Repayments of short-term borrowings	(91,366,639)	(271,946,053)
<b>Net cash generated from financing activities</b>	<u>47,061,204</u>	<u>41,546,273</u>
<b>Net change in cash and cash equivalents</b>	<u>8,843,147</u>	<u>(12,126,858)</u>
Cash and cash equivalents at beginning of the period	54,558,170	45,322,900
<b>Cash and cash equivalents at the end of the period</b>	<u>63,401,317</u>	<u>33,196,042</u>
<b>Non-cash transactions</b>		
Additions to right-of-use assets against lease liabilities	8,912,796	4,475,250

  
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**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**1. ORGANIZATION AND ACTIVITY**

Scientific and Medical Equipment House Company (the "Company" or "Parent Company") is a Saudi joint stock company, under Commercial Registration No. 1010166664, issued in Riyadh dated 3 Rabi' Al- Awwal 1422H (corresponding to 26 May 2001).

The Company is engaged in general contracting of buildings, roads, bridges, electrical, electronic and mechanical works, dams, roads and bridges, maintaining, cleaning, managing and operating of medical centers, cities' cleanliness, maintaining and operating of industrial, water and sewage works, maintenance of scientific and medical equipment, wholesale and retail trade in medical, laboratorial and scientific equipment and its accessories, import and export services, and catering services.

The registered Company's address is as follows: P.O. Box 1584, Riyadh 11441, Kingdom of Saudi Arabia.

The accompanying interim condensed consolidated financial statements include the assets and liabilities of the Company and its branches listed below, the Company is also operating under the following sub-commercial registrations:

<b>Commercial registration number</b>	<b>Commercial name</b>	<b>City</b>	<b>Registration date</b>	<b>Activity</b>
1010228685	Scientific and Medical Equipment House Company for Contracting	Riyadh	01/02/1428H	General contracting for buildings, roads and bridges.
1010358380	Scientific and Medical Equipment House Company	Riyadh	06/02/1434H	Operating restaurants, supplying, cooking, providing nutrition services and trading foodstuffs.
1010358386	Scientific and Medical Equipment House Company	Riyadh	06/02/1434H	Sale of safety equipment, installation and maintenance of firefighting and fire alarms equipment, filling, and maintenance of fire extinguishers.
1010399879	Scientific and Medical Equipment House Company	Riyadh	27/02/1435H	Importing, selling, installation and maintenance of security surveillance cameras, security detectors, inspection and burglar alarm devices.
1010608122	Scientific and Medical Equipment House Company for Private Civil Security Guards	Riyadh	11/08/1438H	Providing a private civil security guard service.
1010613686	Scientific and Medical Equipment House Company	Riyadh	26/03/1439H	Maintenance and operation contracting.
1010636049	Al-Biruni Medical Industries Co.	Riyadh	26/09/1441H	Manufacture of ordinary radiological equipment, tubes, devices and its accessories for medical, scientific and research purposes, including (X-rays, beta rays, gamma rays).
1010653676	Scientific and Medical Equipment House Company	Riyadh	27/01/1442H	Medical operating of hospitals.
1010653677	Scientific and Medical Equipment House Company	Riyadh	27/01/1442H	Repairing and maintenance of radiological, electronic, medical and therapeutic equipment, cleaning services for governmental buildings, building maintenance services activities.



**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**1. ORGANIZATION AND ACTIVITY (Continued)**

The interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries (collectively referred to as the "Group"). The subsidiaries listed below are limited liability companies registered in the Kingdom of Saudi Arabia:

<b>Company's name</b>	<b>Ownership % as at</b>		<b>Activity</b>
	<b>31 March 2023</b>	<b>31 December 2022</b>	
Girgas Trading Co. Drug Store Co. (A)	100%	100%	A warehouse for wholesale and retail trade in medical supplies.
Protecta Visions Co.	100%	100%	Import, export, wholesale and retail trade in medical, electrical, electrical and mechanical equipment and devices, laundries, incinerator equipment and pumps.
Nabd Medical Industries Co.	51%	51%	Manufacture of pacemakers, manufacture of ECG devices, manufacture of tubes for catheterization, nutrition and liposuction, etc.
Alwateen A/C & Refrigeration Co.	100%	100%	Cooling and air conditioning systems installation, maintenance and repair.
New Testament Co., Ltd.	100%	100%	Installation and extension of television, satellite, computer and telecommunications networks. Installation and maintenance of fire alarm, security and lighting systems and equipment. Extension of electrical and communication wires.
Future Doors Contracting Co.	100%	100%	Installation and maintenance of cooling, air conditioning, electric, gas and oil heating systems. Extension and maintenance of gas, steam and fire pipes. Installation, extension and maintenance of air conditioning and irrigation pipes.
The House of Food Supplies Co. (B)	100%	100%	Refrigerated food warehouses, wholesale of food and drinks

(A) Girgas Trading Co. Drug Store owns the following subsidiaries:

<b>Company's name</b>	<b>Ownership % as at</b>		<b>Activity</b>
	<b>31 March 2023</b>	<b>31 December 2022</b>	
United Purity Pharmaceutical Company	99%	99%	Sales agent for drugs, wholesale of medical devices, equipment and supplies and scientific devices, pharmacies, pharmaceutical warehouse, retail of medical devices, equipment and supplies.
First Purity Pharmaceutical Company *	99%	99%	Retail sale of pharmaceutical, medical, cosmetic and toiletry products in specialized stores.

\* First Purity Pharmaceutical Company has not practiced in any activity since the date of its establishment, the commercial registration has been cancelled on 17 Jamada Al Thani 1444H (corresponding to 10 January 2023).

(B) During the first quarter of 2022, The House of Food Supplies Co. was converted from a branch of the Company to a limited liability company.

**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**1. ORGANIZATION AND ACTIVITY (Continued)**

Non-controlling interests in the subsidiaries in the interim condensed consolidated financial statements are as follows:

<u>Company's name</u>	<u>Legal structure</u>	<u>Non-controlling interests (%)</u>	
		<u>31 March 2023</u>	<u>31 December 2022</u>
Nabd Medical Industries Co.	Limited liability company	49	49
United Purity Pharmaceutical Company	Limited liability company	1	1
First Purity Pharmaceutical Company	Limited liability company	1	1

**2. STATEMENT OF COMPLIANCE WITH IFRS**

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

The interim period is considered to be an integral part of the full fiscal year; however, the results of operations for the interim periods may not be a fair indication of the results for the full-year operations.

**3. BASIS OF PREPARATION**

**3.1 Overall considerations**

These interim condensed consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of assets, liabilities, income and expenses. The measurement bases are further fully described in the accounting policies.

The main accounting policies adopted in the preparation of these interim condensed consolidated financial statements have been consistently applied to all the periods presented unless otherwise stated.

The preparation of these interim condensed consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group's management to exercise judgment in applying the Group's key accounting policies. The areas where significant judgments and estimates have been made in preparing these interim condensed consolidated financial statements and their effect are disclosed in note (5).

The interim condensed consolidated financial statements have been prepared based on a historical cost basis except for employees' defined benefits obligations, which are measured using the Projected Unit Credit Method.

Furthermore, these interim condensed consolidated financial statements were prepared using the accrual basis of accounting and the going concern basis.

**3.2 Functional and presentation currency**

The interim condensed consolidated financial statements are presented in Saudi riyal, which is the Group's functional currency.



**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in preparing the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual financial statements for the year ended 31 December 2022.

**New standards, amendment to standards and interpretations**

There are no new standards issued; however, there are number of amendments to standards which are effective from 1 January 2023 which have been explained in the Group's annual financial statements, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

**5. USE OF JUDGMENTS AND ESTIMATES**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The significant estimates that have been made by the management for applying the Group's accounting policies and the primary sources of estimating the unreliability are the same as those that were applied in the last annual consolidated financial statements.

**6. TRADE RECEIVABLES AND CONTRACT ASSETS**

		(SAUDI RIYAL)	
		31 March 2023	31 December 2023
Trade receivables	6-A	492,383,990	480,189,453
Contract assets	6-B	182,621,953	163,323,823
		675,005,943	643,513,276
Provision for expected credit losses	6-C	(47,715,704)	(48,664,939)
		627,290,239	594,848,337

**6 -A Trade receivables**

		(SAUDI RIYAL)	
		31 March 2023	31 December 2022
Trade receivables - governmental sector		461,319,430	450,128,561
Trade receivables – private sector		31,064,560	30,060,892
		492,383,990	480,189,453

**6 -B Contract assets**

Represents balances resulting from implementation works of operation and maintenance contracts and constructions projects that were not billed as of period \ year end:

		(SAUDI RIYAL)	
		31 March 2023	31 December 2022
Implementation of operation and maintenance contracts		182,507,775	163,089,885
Implementation of construction projects		114,178	233,938
		182,621,953	163,323,823

**6 -C Provision for expected credit losses**

The movement in the provision for expected credit losses is as follows:

		(SAUDI RIYAL)	
		31 March 2023	31 December 2022
Opening balance		48,664,939	9,235,668
(Reversal) / additions during the period / year		(949,235)	39,429,271
Closing balance		47,715,704	48,664,939



**SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

**7. RELATED PARTIES BALANCES AND TRANSACTIONS**

The related parties represent the Group's shareholders, key management personnel and the entities owned or managed by these parties, as well as the entities that have control or joint control or has significant influence over these parties. Transactions with related parties are made on terms agreed on between the two parties and are approved by the management during the ordinary course of business.

The following is a summary of significant transactions that took place between the Group and related parties during the three-month period ended 31 March:

Related party name	Relationship	Nature of transactions	(SAUDI RIYAL)	
			31 March 2023	31 March 2022
		Expenses paid on behalf of a related party	491,857	700,000
Rawabi Marketing International Co.	Affiliate	Rental income	216,000	216,000
		Revenue from maintenance and operating contracts	1,614,061	1,631,459
Rawabi for Smart Services & Devices Co.	Affiliate	Purchases	855,751	735,000
		Expenses paid on behalf of a related party	338,686	130,000
The National of Sulfur Products Co.	Affiliate	Construction revenues	1,425,909	1,420,444
		Rental income	96,000	96,000
German Metal Surface Treatment Chemicals Co.	Affiliate	Construction revenues	187,149	240,134
		Rental income	66,000	66,000
Dirat Al Amar Real Estate Co.	Affiliate	Expenses paid on behalf of a related party	308,239	239,544
		Expenses paid on behalf of a related party	162,972	2,411,255
Uni Land for Trading Est.	Affiliate	Purchases	1,725	1,228,846
		Expenses paid on behalf of a related party	218,178	2,220,520
Barakat Al Khair for Trading Est.	Affiliate	Purchases	383,379	633,276

**DUE FROM RELATED PARTIES**

	(SAUDI RIYAL)	
	31 March 2023	31 December 2022
Dirat Al Amar Real Estate Co.	9,006,201	8,902,813
Barakat Al Khair for Trading Est.	1,299,593	1,464,793
Uni Land for Trading Est.	2,455,716	1,010,469
Rawabi Marketing International Co.	8,210,070	7,388,152
The National of Sulfur Products Co.	360,595	-
German Metal Surface Treatment Chemicals Co	56,977	-
	<b>21,389,152</b>	<b>18,766,227</b>

**DUE TO RELATED PARTIES**

	(SAUDI RIYAL)	
	31 March 2023	31 December 2022
Rawabi for Smart Services & Devices Co.	979,501	-
	<b>979,501</b>	<b>-</b>

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**8. SHARE CAPITAL**

The Company's share capital consists of 20 million shares, at SR 10 per each share, the shareholders have fully subscribed the share capital.

**9. BORROWINGS AND BANK FACILITIES**

The Group has obtained bank facilities from local banks in the form of overdraft, letters of credit, term loans (Murabaha and Tawarruq), and notes payable amounting to SR 238.7 million as of 31 March 2023 (31 December 2022: SR 187.7 million). These facilities were obtained in accordance with the conditions stated in the bank facilities' agreements, the following is the facilities details:

	(SAUDI RIYAL)	
	31 March 2023	31 December 2022
Short-term borrowings (A)	220,869,757	170,038,472
Long-term borrowings (B)	9,837,500	9,837,500
Notes payable	8,026,974	7,841,356
	<b>238,734,231</b>	<b>187,717,328</b>

(A) The movement of short-term borrowings is as follows:

	(SAUDI RIYAL)	
	31 March 2023	31 December 2022
Opening balance	170,038,472	232,884,177
Additions during the period \ year	142,197,924	1,006,447,936
Paid during the period \ year	(91,366,639)	(1,069,293,641)
<b>Closing balance</b>	<b>220,869,757</b>	<b>170,038,472</b>

(B) This item represents the amount withdrawn from a long-term loan which has been obtained by a subsidiary from the Saudi Industrial Development Fund with a total value of SR 6,200,000 as well as long-term loan amounting to SR 3,637,500 obtained from Saudi Aramco Entrepreneurship "Waed" in order to finance projects in progress. The movement of the long-term borrowings is as follows:

	(SAUDI RIYAL)	
	31 March 2023	31 December 2022
Opening balance	9,837,500	7,725,000
Additions during the period \ year	-	2,112,500
<b>Closing balance</b>	<b>9,837,500</b>	<b>9,837,500</b>
Current portion	163,750	163,750
Non-current portion	9,673,750	9,673,750

**10. BASIC AND DILUTED EARNINGS PER SHARE**

The earnings per share is calculated based on the net profit for the period attributable to the Company's shareholders on the basis of the weighted average number of outstanding shares during that period, which is amounted to 20 million shares. The diluted earnings per share is the same as the basic earnings per share as the Company does not have any issued dilutive instruments.

	31 March 2023	31 March 2022
Profit for the period (SR)	6,859,886	16,725,708
Weighted average number of shares (Shares)	20,000,000	20,000,000
Basic and diluted earning per share (SR)	<b>0,34</b>	<b>0,84</b>

**11. CONTINGENT LIABILITIES**

	(SAUDI RIYAL)	
	31 March 2023	31 December 2022
Letters of credit	41,682,875	38,471,098
Letters of guarantee	286,873,527	270,627,221
	<b>328,556,402</b>	<b>309,100,341</b>



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**12. SEGMENT INFORMATION**

The operating segments are recorded in a manner consistent with the internal reporting structure. All the segments of the group concentrated in the Kingdom of Saudi Arabia. The Management monitors the operating results of its segments independently for the purpose of performance evaluation:

	FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023						
	Maintenance and operation	Trading	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
Revenues	132,790,245	14,340,312	10,872,549	1,862,033	9,243,661	(4,169,687)	164,939,113
Cost of revenues	(112,286,063)	(10,469,727)	(6,319,442)	(2,492,018)	(6,666,197)	4,169,687	(134,063,760)
Gross profit (loss)	20,504,182	3,870,585	4,553,107	(629,985)	2,577,464	-	30,875,353
Profit (loss) of the period	3,933,155	(499,309)	2,972,161	(1,672,974)	(3,318,221)	4,880,921	6,295,733

	FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022						
	Operation and maintenance	Trading	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
Revenue	130,148,684	11,473,406	11,038,964	3,476,062	8,941,268	(2,514,715)	162,563,669
Cost of revenue	(101,391,081)	(8,117,234)	(8,474,458)	(3,110,701)	(6,068,691)	2,514,715	(124,647,450)
Gross profit (loss)	28,757,603	3,356,172	2,564,506	365,361	2,872,577	-	37,916,219
Profit (loss) of the period	14,726,509	(1,172,720)	913,717	(5,007)	(1,035,277)	3,341,059	16,768,281



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**13. THE FAIR VALUE OF THE FINANCIAL ASSETS AND LIABILITIES**

Fair value is the amount with which an asset is exchanged or a liability is settled between parties who have knowledge and desire to do so with fair transaction conditions, and since the Group's financial instruments are listed in accordance with the historical cost convention, as differences may appear between the book values and fair value estimates, and the management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values. As of 31 March 2023, and 31 December 2023, The Group has no financial instruments measured at fair value.

**14. SUBSEQUENT EVENTS**

Management believes that there are no significant subsequent events since the period end, which require disclosure or adjustments to these interim condensed consolidated financial statements.

**15. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements have been approved by the Company's Board of Directors on 1 Dhul Qedah 1444H corresponding to 21 May 2023.