

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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(A SAUDI JOINT STOCK COMPANY)
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AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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**Independent Auditor's Review Report on the Interim Financial information
To The Shareholders of Scientific and Medical Equipment House Company
(A Saudi Joint Stock Company)**

Introduction

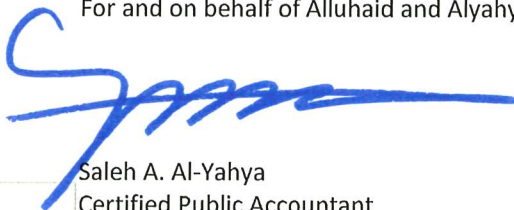
We have reviewed the accompanying interim condensed consolidated statement of financial position of Scientific and Medical Equipment House Company, A Saudi Joint Stock Company (the "Company") and its subsidiaries (collectively referred to as "Group") as at 31 March 2025, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For and on behalf of Alluhaid and Alyahya Chartered Accountants



Saleh A. Al-Yahya
Certified Public Accountant
License No. 473

Riyadh: 17 Dhu'l-Qi'dah, 1446 AH
(15 May 2025)



SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

		31 March 2025 SAR (Unaudited)	31 December 2024 SAR (Audited)
	Notes		
ASSETS			
Non-current assets			
Property, plant, and equipment		30,019,577	29,789,154
Right-of-use assets		16,835,871	16,449,700
Investment properties		31,140,095	31,226,545
Intangible assets		933,615	971,000
Prepayments and other debit balances non-current portion		3,108,558	3,108,558
Total non-current assets		82,037,716	81,544,957
Current assets			
Inventories		110,587,643	103,207,010
Trade receivables and contract assets	5	549,097,758	587,148,702
Prepayments and other debit balances		67,982,304	66,260,065
Due from related parties	6a	24,935,668	25,539,825
Cash and cash equivalents		66,108,827	88,064,217
Total current assets		818,712,200	870,219,819
TOTAL ASSETS		900,749,916	951,764,776
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	300,000,000	300,000,000
Statutory reserve		36,586,165	36,586,165
Retained earnings		181,710,637	174,021,556
Equity attributable to the shareholders of the Parent Company		518,296,802	510,607,721
Non-controlling interests		(6,014,813)	(5,619,787)
TOTAL EQUITY		512,281,989	504,987,934
LIABILITIES			
Non-current liabilities			
Employees' defined benefits obligations		71,581,394	70,078,886
Lease liabilities		9,159,434	9,011,392
Long-term borrowings	8	6,775,000	6,775,000
Total non-current liabilities		87,515,828	85,865,278
Current liabilities			
Lease liabilities – current portion		5,299,112	5,677,668
Long-term borrowings - current portion	8	1,550,000	1,550,000
Short-term borrowings	8	119,528,063	185,138,364
Trade payables		48,527,454	56,251,385
Accrued expenses and other credit balances		96,642,813	87,038,781
Due to related parties	6b	948,750	-
Contract liabilities		8,740,030	10,243,328
Zakat payable		19,715,877	15,012,038
Total current liabilities		300,952,099	360,911,564
TOTAL LIABILITIES		388,467,927	446,776,842
TOTAL EQUITY AND LIABILITIES		900,749,916	951,764,776



Chairman of the Board of Directors
Mr. Basil Bin Saud Al-Arifi



Chief Executive Officer
Mr. Barakat Bin Saud Al-Arifi



Chief Financial Officer
Mr. Yasser Ahmed El-Safadi

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

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

	Notes	Three-month period ended	
		31 March 2025 SAR	31 March 2024 SAR
Continuing operations:			
Revenue	12	221,733,292	216,175,770
Cost of revenue	12	(188,467,151)	(178,812,825)
Gross profit		33,266,141	37,362,945
Selling and marketing expenses		(5,381,568)	(4,200,955)
General and administrative expenses		(14,617,497)	(15,174,286)
Reversal / (Provision) for expected credit losses	5	502,783	(889,812)
Operating profit		13,769,859	17,097,892
Finance cost		(3,731,485)	(7,964,137)
Other income	9	2,084,533	5,033,376
Profit before zakat from continuing operations		12,122,907	14,167,131
Zakat for the period		(4,828,852)	(3,163,574)
Net profit for the period from continuing operations		7,294,055	11,003,557
Discontinued operations:			
Net loss for the period from discontinued operation	1	-	(2,704,602)
Net profit for the period		7,294,055	8,298,955
Other comprehensive income		-	-
Total comprehensive income for the period		7,294,055	8,298,955
Net profit / (loss) for the period attributable to:			
Shareholders of the parent company		7,689,081	8,767,240
Non-controlling interests		(395,026)	(468,285)
		7,294,055	8,298,955
Net profit / (loss) attributable to shareholders arises from:			
Continuing operations		7,689,081	11,444,796
Discontinued operations		-	(2,677,556)
		7,689,081	8,767,240
Total comprehensive income for the period attributable to:			
Shareholders of the parent company		7,689,081	8,767,240
Non-controlling interests		(395,026)	(468,285)
		7,294,055	8,298,955
Basic and diluted earnings per share attributable to the shareholders of the parent company:			
From continuing operations		0.26	0.38
From discontinued operations		-	(0.09)
Total	10	0.26	0.29



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SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

	Attributable to the shareholders of the parent			Non-controlling interests	Total equity
	Share capital	Statutory reserve	Retained earnings		
	SAR	SAR	SAR	SAR	SAR
As at 1 January 2024 (Audited)	300,000,000	36,586,165	174,180,026	510,766,191	(3,998,442) 506,767,749
Net profit for the period	-	-	8,767,240	8,767,240	(468,285) 8,298,955
Other comprehensive income for the period	-	-	-	-	- -
Total comprehensive income for the period	-	-	8,767,240	8,767,240	(468,285) 8,298,955
As at 31 March 2024 (Unaudited)	300,000,000	36,586,165	182,947,266	519,533,431	(4,466,727) 515,066,704
As at 1 January 2025 (Audited)	300,000,000	36,586,165	174,021,556	510,607,721	(5,619,787) 504,987,934
Net profit for the period	-	-	7,689,081	7,689,081	(395,026) 7,294,055
Other comprehensive income for the period	-	-	-	-	- -
Total comprehensive income for the period	-	-	7,689,081	7,689,081	(395,026) 7,294,055
As at 31 March 2025 (Unaudited)	300,000,000	36,586,165	181,710,637	518,296,802	(6,014,813) 512,281,989


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SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

	Three-month period ended	
	31 March 2025	31 March 2024
	SAR	SAR
OPERATING ACTIVITIES		
Profit before zakat from continuing operations	12,122,907	14,167,131
Loss before zakat from discontinued operations	-	(2,704,602)
Profit before zakat	12,122,907	11,462,529
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	2,348,132	2,867,669
Depreciation of investment properties	86,450	86,450
Depreciation of right-of-use assets	2,301,088	2,308,098
Amortization of intangible assets	37,385	114,600
(Reversal) / provision for expected credit losses	(502,783)	889,812
Provision for slow-moving inventories	400,299	450,000
(Gain) / loss on disposal of property, plant and equipment	(3,907)	126,512
Loss on disposal of intangible assets	-	479,897
Finance cost	3,731,485	8,490,967
Employees' defined benefits obligation	4,279,200	4,460,421
Changes in working capital:		
Decrease in trade receivables and contract assets	38,553,727	56,151,476
Increase in inventories	(7,780,932)	(6,713,787)
(Increase)/Decrease in prepayments and other debit balances	(1,722,239)	6,868,762
(Decrease)/Increase in trade payables	(7,723,931)	7,415,452
Increase in accrued expenses and other credit balances	9,604,032	13,615,738
(Decrease)/Increase in contract liabilities	(1,503,298)	2,041,248
Increase in due from / to related parties, net	1,552,907	329,187
	55,780,522	111,445,031
Employees' defined benefits obligation paid	(2,776,692)	(3,491,753)
Zakat paid	(125,013)	(80,403)
Net cash flows provided by operating activities	52,878,817	107,872,875
INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	(2,592,909)	(610,373)
Proceeds from disposal of property, plant, and equipment	18,261	1,312,396
Net cash flows (used in)/provided by investing activities	(2,574,648)	702,023
FINANCING ACTIVITIES		
Notes payable	-	(12,256,314)
Payment of principal portion of lease liabilities	(3,182,759)	(3,857,358)
Proceeds from short-term borrowings	76,047,432	282,781,988
Repayments of short-term borrowings	(141,657,733)	(310,620,092)
Financing costs paid	(3,466,499)	(6,701,392)
Net cash flows used in financing activities	(72,259,559)	(50,653,168)
Net (decrease)/increase in cash and cash equivalents	(21,955,390)	57,921,730
Cash and cash equivalents at beginning of the period	88,064,217	16,947,670
Cash and cash equivalents at the end of the period	66,108,827	74,869,400
Non-cash transactions		
Additions to right-of-use assets against lease liabilities	2,687,259	2,798,238
Termination of right-of-use assets against lease liabilities	-	(3,043,925)



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SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)

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 1422 H (corresponding to 26 May 2001).

The Company is licensed to engage 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 address of the Company is 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, where the Company is also operating under sub-commercial registrations:

Commercial registration number	Commercial name	City	Registration date	Activity
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, serving 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.
1009081998	Scientific and Medical Equipment House Company	Riyadh	02/02/1446H	Land freight for goods.

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)

1. ORGANIZATION AND ACTIVITY (Continued)

The interim condensed consolidated financial statements include the financial information 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:

Company's name	Ownership % as at		Activity
	31 March 2025	31 December 2024	
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, electronical, 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 Era 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.	100%	100%	Refrigerated food warehouses, wholesale of food and drinks

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

Company's name	Ownership % as at 31 March		Ownership % as at 31 December 2024	Activity
	2025	2024		
United Purity Pharmaceutical Company*	-	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.

* During the year ended 31 December 2024, Girgas signed a sale purchase agreement (“Girgas” or the “Seller”) with Nada Al Hayat Medical Company – Holding (“Nada” or the “Buyer”) for the sale of United Purity Pharmaceutical Company dated 25 August 2024.

Accordingly comparative figures in this interim financial information have been re-presented.

2. BASIS OF PREPARATION

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard (IAS 34) “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December 2024.

These interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of consolidated financial statements, however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since 31 December 2024.

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

Preparation of Interim Condensed Consolidated Financial Statements

The material 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 requires the use of certain critical accounting estimates. It also requires the Group’s management to exercise judgment in applying the Group’s accounting policies.

The interim condensed consolidated financial statements have been prepared 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 are prepared using the accrual basis of accounting and the going concern basis.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the interim condensed financial statements of the Company and subsidiaries controlled by the Company (collectively referred to as Group). Subsidiaries’ interim condensed financial statements are prepared for the same reporting period as that of the Company, using consistent accounting policies.

Subsidiaries are the companies controlled by the Group. 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.
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls the investee, if facts and circumstances indicate that there is a change to one or more of the control’s elements mentioned above.

2. BASIS OF PREPARATION (CONTINUED)

Basis of Consolidation (continued)

In general, there is an assumption that a majority of voting rights results in control. To support this presumption, when the Group has less than a majority of voting rights 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(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Balances between the Company and its subsidiaries, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial statements.

Functional and Presentation Currency

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

3. USE OF JUDGMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Judgements and estimates 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 judgements made by the management in applying the Group's material accounting policies and the primary sources of estimating the unreliability were the same as those described in the last annual consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in preparing the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the application of the new standards that became effective on 1 January 2025. The Group did not early adopt any standard, interpretation or amendment issued but not yet effective.

a) NEW CURRENTLY EFFECTIVE REQUIREMENTS

<u>New accounting standards or amendments:</u>	<u>Effective date</u>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

Management anticipates that these new standards, interpretations and amendments will be adopted in the consolidated financial statements for the period of initial application. Adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application

b) FORTHCOMING IFRS REQUIREMENTS

<u>New accounting standards or amendments:</u>	<u>Effective date</u>
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	
Annual Improvements to IFRS Accounting Standards – Volume 11	
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date deferred indefinitely

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)

5. TRADE RECEIVABLES AND CONTRACT ASSETS

(SAUDI RIYAL)		
	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	5-A 353,649,250	457,411,050
Contract assets	5-B 218,303,760	153,095,687
	571,953,010	610,506,737
Allowance for expected credit losses	5-C (22,855,252)	(23,358,035)
	549,097,758	587,148,702

5 -A Trade receivables

(SAUDI RIYAL)		
	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables – Government and semi-government sector	295,311,290	403,014,947
Trade receivables – Private sector	57,888,181	54,024,372
Retentions	449,779	371,731
	353,649,250	457,411,050

5 -B Contract assets

It represents balances relating to the performance completed against operation and maintenance contracts and constructions projects that were not billed as of period / year end:

(SAUDI RIYAL)		
	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Operation and maintenance contracts	212,049,216	148,058,946
Construction projects	6,254,544	5,036,741
	218,303,760	153,095,687

5 -C Allowance for expected credit losses

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

(SAUDI RIYAL)		
	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	23,358,035	27,945,225
Provision/(Reversal) for the period / year	(502,783)	(4,568,842)
Disposal of a subsidiary	-	(3,169)
Write off	-	(15,179)
Balance at the end of the period / year	22,855,252	23,358,035

6. 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 have significant influence over these parties.

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)

6. RELATED PARTIES BALANCES AND TRANSACTIONS (Continued)

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	Three-month period ended	
			31 March 2025 (Unaudited) SAR	31 March 2024 (Unaudited) SAR
Rawabi Marketing International Co.	Affiliate	Expenses paid on behalf of an Affiliate	162,375	143,511
		Rental income	216,000	216,000
		Revenue from construction	2,318,332	-
		Revenue from maintenance and operating contracts	1,024,533	1,288,714
Rawabi for Smart Services & Devices Co.	Affiliate	Purchases	948,750	948,750
National Company for Sulfur Products	Affiliate	Expenses paid on behalf of an Affiliate	207,860	206,970
		Rental income	96,000	96,000
		Revenue from maintenance and operating contracts	1,277,490	1,283,438
German Metal Surface Treatment Chemicals Co	Affiliate	Expenses paid on behalf of an Affiliate	10,729	22,254
		Rental income	66,000	66,000
		Maintenance and operating revenues	222,841	235,641
Dirat Al Amar Real Estate Co.	Affiliate	Expenses paid on behalf of an Affiliate	265,256	373,198
		Rent Expense	1,404,197	1,378,322
		Maintenance and operating revenues	498,720	-
Uni Land for Trading Est.	Affiliate	Expenses paid on behalf of an Affiliate	309,337	-
		Purchases	677,310	-

SCIENTIFIC AND MEDICAL EQUIPMENT HOUSE COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (CONTINUED)

6 (a). DUE FROM RELATED PARTIES

	(SAUDI RIYAL)	
	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Rawabi Marketing International Company	20,303,757	20,142,639
Uni Land for Trading Establishment	2,429,020	2,796,993
Dirat Al Amar Real Estate Company	1,959,973	2,600,193
German Metal Surface Treatment Chemicals Company	65,570	-
National Company for Sulfur Products	177,348	-
	24,935,668	25,539,825

6 (b). DUE TO RELATED PARTIES

	(SAUDI RIYAL)	
	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Rawabi for Smart Services & Devices Company	948,750	-
	948,750	-

7. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company consists of 30 million shares of SAR 10 each (31 December 2024: 30 million shares of SAR 10 each).

8. BANK FACILITIES

The Group has obtained Islamic bank facilities from local banks in the form of term loans (Murabaha and Tawarruq). Balance outstanding as at period end from these facilities amounts to SAR 127.9 million (31 December 2024: SAR 193.5 million). These facilities were obtained in accordance with the conditions stated in the bank facilities' agreements. The following are the facilities details:

	(SAUDI RIYAL)	
	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Short-term borrowings (a)	119,528,063	185,138,364
Long-term borrowings (b)	8,325,000	8,325,000
	127,853,063	193,463,364

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

	(SAUDI RIYAL)	
	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Opening balance	185,138,364	319,543,993
Additions during the period /year	76,047,432	764,160,031
Paid during the period /year	(141,657,733)	(898,565,660)
Ending balance	119,528,063	185,138,364

(b) This represents the amount withdrawn from a long-term loan facility which has been obtained by a subsidiary from the Saudi Industrial Development Fund with a total value of SAR 6,200,000 as well as a long-term loan amounting to SAR 3,750,000 obtained by the subsidiary from Saudi Aramco Entrepreneurship "Waed" in order to finance projects in progress.

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8. BANK FACILITIES (Continued)

The movement of the long-term borrowings is as follows:

	(SAUDI RIYAL)	
	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	8,325,000	9,575,000
Paid during the period/year	-	(1,250,000)
Balance at the end of the period/year	8,325,000	8,325,000
Current portion	1,550,000	1,550,000
Non-current portion	6,775,000	6,775,000

9. OTHER INCOME

	(SAUDI RIYAL)	
	Three-month period ended	
	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Compensation from Human Resources Development Fund	1,206,552	4,655,376
Rental income (note 6)	378,000	378,000
Gain/(Loss) on disposal of property, plant and equipment	3,907	-
Miscellaneous	496,074	-
	2,084,533	5,033,376

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 amounted to 30 million (2024: 30 million shares). The diluted earnings per share is the same as the basic earnings per share as the Group does not have any issued dilutive instruments.

11. COMMITMENTS AND CONTINGENCIES

Commitments and guarantees:

The Group has commitments in the form of letters of credit as of 31 March 2025 amounting to SAR 28.7 million (31 December 2024: SAR 27 million) and contingent liabilities against the letters of guarantee as of 31 March 2025 amounting to SAR 307.5 million (31 December 2024: SAR 329.4 million).

Legal claim contingency:

- In 2025, one of the Group's customers—a government entity—deducted SAR 14.6 million from payments related to ongoing projects. These deductions pertain to a service contract performed between 2013 and 2019 and are associated with alleged breaches of contractual terms regarding service delivery. On 12 March 2025, the Group filed a legal claim with the Administrative Court in Makkah. Subsequent to the period ending, on 6 April 2025, the Group received the official court decision confirming the lack of jurisdiction. The Group has filed a lawsuit with the Administrative Court in Makkah on 11 April 2025 under request number (3004513), and is currently awaiting the scheduling of the hearing. Following an initial internal review, the Group concluded that the matter relates to conditions existing as of the year ended 31 December 2024 and the three-month period ended 31 March 2025 and accordingly, relying on internal legal counsel, assessed the likelihood of an unfavorable outcome as probable and recognized an estimated liability of SAR 1.8 million in the consolidated financial statements.

- On 2 March 2025, the Third Appellate Chamber of the Commercial Court in Riyadh issued a final judgment in respect of a legal dispute between Protecta Vision Company and National Unified Procurement Company for Drugs, Devices, and Medical Supplies (NUPCO) for purchased equipment several years ago for delivery to NUPCO based on an award letter (purchase confirmation) issued by NUPCO. However, NUPCO has not accepted the goods, citing non-compliance with the required specifications as per a letter addressed to the company. In favor of Protecta Vision Company, NUPCO to pay a total of SAR 61,203,458, consisting of SAR 60,568,458 as the principal amount due, SAR 135,000 as expert fees, and SAR 500,000 as attorney's fees. As of the reporting date, Protecta Vision Company is in the process of executing the judgment, and management expects the full amount to be collected.

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12. SEGMENT INFORMATION

The operating segments are recorded in a manner consistent with the internal reporting structure. The Management monitors the operating results of its segments independently for the purpose of performance evaluation. For management purposes, the Group is organized into business units based on its products and services and has five reportable segments and all the operations are carried out in the Kingdom of Saudi Arabia, the segments are as follows:

- Operation and maintenance:** Deals with supply of medical and non-medical staff and medical equipment maintenance services.
 - Medical equipment sales and post-sale maintenance services revenue:** Supplier of medical equipment and related spare parts.
 - Construction segment:** Deals in general contracting of buildings, roads, electrical, electronic and mechanical works.
 - Meat and food segment:** Supplies refrigerated food warehouses, wholesale of food and drinks.
 - Medicine and medical supplies:** Supplies segment is involved in wholesale and retail trade in medical supplies through pharmacies.
- No operating segments have been aggregated to form the above reportable operating segments.

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

	Operation and maintenance	Medical equipment sales and post-sale maintenance services revenue	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
External Customers	187,770,620	16,027,224	12,795,368	4,401,082	738,998	-	221,733,292
Inter Segment	5,576,149	-	-	519,531	-	(6,095,680)	-
Revenues	193,346,769	16,027,224	12,795,368	4,920,613	738,998	(6,095,680)	221,733,292
Cost of Sales	(168,233,404)	(10,525,918)	(10,787,240)	(4,537,854)	(478,415)	6,095,680	(188,467,151)
Gross profit	25,113,365	5,501,306	2,008,128	382,759	260,583	-	33,266,141
Selling and marketing expenses	(211,165)	(4,919,679)	-	(44,525)	(206,199)	-	(5,381,568)
General and administrative expenses	(12,094,659)	(571,139)	(1,073,094)	(435,960)	(459,520)	16,875	(14,617,497)
Impairment of accounts receivable	1,402,783	(600,000)	-	-	(300,000)	-	502,783
Operation Profit / (loss)	14,210,324	(589,512)	935,034	(97,726)	(705,136)	16,875	13,769,859
Other income	1,605,334	-	498,720	-	-	(19,521)	2,084,533
Net profit / (loss)	6,132,991	(2,080,720)	1,408,600	(549,049)	(993,217)	3,375,450	7,294,055

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12. SEGMENT INFORMATION (CONTINUED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024							
	Operation and maintenance	Medical equipment sales and post- sale maintenance services revenue	Construction	Meat and food	Medicine and medical supplies	Eliminations	Total
External Customers	174,838,652	22,028,041	11,941,440	4,930,278	2,437,359	-	216,175,770
Inter Segment	4,075,759	277,732	-	-	-	(4,353,491)	-
Revenues	178,914,411	22,305,773	11,941,440	4,930,278	2,437,359	(4,353,491)	216,175,770
Cost of Sales	(152,569,900)	(15,931,156)	(8,814,243)	(4,278,528)	(1,572,489)	4,353,491	(178,812,825)
Gross profit	26,344,511	6,374,617	3,127,197	651,750	864,870	-	37,362,945
Selling and marketing expenses	(23,580)	(4,177,375)	-	-	-	-	(4,200,955)
General and administrative expenses	(12,382,176)	(356,257)	(1,327,199)	(456,756)	(671,838)	19,940	(15,174,286)
Impairment of accounts receivable	(300,000)	(600,000)	-	10,188	-	-	(889,812)
Operation Profit / (loss)	13,638,755	1,240,985	1,799,998	205,182	193,032	19,940	17,097,892
Other income	5,050,251	-	-	-	-	(16,875)	5,033,376
Net profit / (loss)	4,367,461	319,722	1,766,711	(145,419)	(2,692,893)	4,683,373	8,298,955

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's financial instruments included in the interim condensed consolidated statement of financial position include cash and cash equivalents, trade receivables, contract assets, other debit balances, due from / to related parties, short and long-term loans, trade payables, and other credit balances.

Currency risks

Currency risks are the risk arising from the fluctuation in the value of financial instruments due to changes in foreign exchange rates. The risks are managed by periodic monitoring of the relevant exchange rates.

Credit risks

Credit risks are the risk that a party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's credit risks arise primarily from its dealings with government agencies. The government agencies are part of the government of the Kingdom of Saudi Arabia which has a strong credit rating.

The Group's management monitors the unpaid balances, and, when appropriate, trade receivables is stated at net, after deducting the provision for expected credit losses. Cash is placed with banks with investment grade credit ratings.

Commission rate risks

Commission rate risks are the risk that the value of financial instruments will fluctuate due to changes in commission rates prevailing in the market. The Group is exposed to commission rate risk on its commission-bearing financial liabilities as of 31 March 2025 and 31 December 2024.

Liquidity risks

This is the risk that the Group will not be able to secure the necessary liquidity to meet commitments related to financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through periodic monitoring to ensure that sufficient liquidity is available to meet any future commitments.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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. 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 2025, and 31 December 2024, the Group has no financial instruments measured at fair value.

15. SUBSEQUENT EVENTS

Other than what is mentioned in note 11, the management believes that there are no other significant subsequent events that require disclosure or adjustment to these interim condensed consolidated financial statements.

16. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The Interim Financial information has been approved by the Board of Directors on 14 Dhu'l-Qi'dah, 1446 AH corresponding to 12 May 2025.