

**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**

**AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025**

**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION(UNAUDITED)  
AND INDEPENDENT AUDITOR’S REVIEW REPORT  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025**

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

To the shareholders  
**Service Equipment Company**  
(A joint stock company)  
Jeddah - Kingdom of Saudi Arabia

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Service Equipment Company ("the Company") as of June 30, 2025 and the related interim condensed statement of profit or loss and other comprehensive income, the interim condensed information of changes in equity and cash flows for the six-months period then ended, and other explanatory notes, Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standards 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 condensed financial information based on our review.

### Scope of Review

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

### RSM Allied Accountants Professional Services



**Abdullah Bin Ahmed Al Faddaghi**

License No, 706

Jeddah, Kingdom of Saudi Arabia

24 Safar 1447H (corresponding August 18, 2025)



**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

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

**AS OF JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	<b>Note</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,671,464	1,846,988
Right-of-use assets		1,501,947	1,802,337
Intangible assets		338,047	358,743
<b>Total non-current assets</b>		<b>3,511,458</b>	<b>4,008,068</b>
<b>Current assets</b>			
Inventory	4	22,175,708	21,419,149
Prepayments and other current assets		5,383,468	4,122,747
Due from related parties	6-a	41,680	643,422
Accounts receivables	5	17,315,913	13,128,569
Cash and cash equivalents	7	7,489,741	9,603,640
<b>Total current assets</b>		<b>52,406,510</b>	<b>48,917,527</b>
<b>TOTAL ASSETS</b>		<b>55,917,968</b>	<b>52,925,595</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	24,000,000	24,000,000
Statutory reserve	9	600,000	600,000
Retained earnings		21,854,525	17,287,871
<b>TOTAL EQUITY</b>		<b>46,454,525</b>	<b>41,887,871</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees benefit plan liabilities		1,127,594	968,879
Lease liabilities - non-current portion		1,060,181	1,388,371
<b>Total non-current liabilities</b>		<b>2,187,775</b>	<b>2,357,250</b>
<b>Current liabilities</b>			
Lease liabilities - current portion		648,988	624,884
Accrued expenses and other current liabilities		2,432,249	1,688,494
Due to related parties	6-c	168,089	483,566
Trade payables		4,026,342	4,808,300
Zakat provision		-	1,075,230
<b>Total current liabilities</b>		<b>7,275,668</b>	<b>8,680,474</b>
<b>TOTAL LIABILITIES</b>		<b>9,463,443</b>	<b>11,037,724</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,917,968</b>	<b>52,925,595</b>



**Chairman**  
Ahmed Omar Abu Bakr Balubaid

**Chief Executive Officer**  
Majid Ahmed Omar Balubaid

**Chief Financial Officer**  
Sameer Abdul Murdi

The accompanying notes from (1) to (14) form an integral of these interim condensed financial information.

**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**

**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	<b>For the six-months period ended June 30,</b>	
		<b>2025 (Unaudited)</b>	<b>2024 (Unaudited)</b>
<b><u>Profit or loss</u></b>			
Sales	11	26,400,589	26,012,876
Cost of sales		(14,524,226)	(13,903,387)
<b>Gross profit</b>		<b>11,876,363</b>	<b>12,109,489</b>
General and administrative expenses		(7,496,634)	(4,971,170)
Selling and marketing expenses		(406,389)	(181,991)
<b>Net profit from operating activities</b>		<b>3,973,340</b>	<b>6,956,328</b>
Finance costs		(41,914)	(48,396)
Other income, net		635,228	711,211
<b>Net profit for the period before zakat</b>		<b>4,566,654</b>	<b>7,619,143</b>
Zakat	10	-	-
<b>Net profit for the period</b>		<b>4,566,654</b>	<b>7,619,143</b>
<b><u>Other comprehensive income</u></b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement gains of employees benefit plan liabilities		-	-
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>4,566,654</b>	<b>7,619,143</b>
<b><u>Basic and diluted earnings per share</u></b>			
Basic and diluted EPS (Riyal per share)	13	1.90	3.17



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**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Additional share capital	Statutory reserve	Retained earnings	Total
Balance at December 1, 2023 (Audited)	2,000,000	4,629,281	1,484,879	17,069,204	25,183,364
Net profit for the period	-	-	-	7,619,143	7,619,143
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	7,619,143	7,619,143
Share capital increase from additional share capital	4,629,281	(4,629,281)	-	-	-
Transfer a part of statutory reserve to retained earnings	-	-	(884,879)	884,879	-
Share capital increase from retained earnings:	17,370,719	-	-	(17,370,719)	-
<b>Balance at June 30, 2024 (Unaudited)</b>	<b>24,000,000</b>	<b>-</b>	<b>600,000</b>	<b>8,202,507</b>	<b>32,802,507</b>
Balance at December 1, 2024 (Audited)	24,000,000	-	600,000	17,287,871	41,887,871
Net profit for the period	-	-	-	4,566,654	4,566,654
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,566,654	4,566,654
<b>Balance at June 30, 2025 (Unaudited)</b>	<b>24,000,000</b>	<b>-</b>	<b>600,000</b>	<b>21,854,525</b>	<b>46,454,525</b>

**Chairman**  
Ahmed Omar Abu Bakr Balubaid

**Chief Executive Officer**  
Majid Ahmed Omar Balubaid

**Chief Financial Officer**  
Sameer Abdul Murdi

The accompanying notes from (1) to (14) form an integral of these interim condensed financial information.



**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**  
(All amounts in Saudi Riyals unless otherwise stated)

		<b>For the six-months period ended June 30,</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>Note</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before zakat		4,566,654	7,619,143
<b>Adjustments for non-cash items:</b>			
Depreciation of property, plant and equipment		205,738	177,825
Capital gain		-	(429,164)
Amortization of intangible assets		20,696	20,697
Amortization of right-of-use assets		300,390	265,616
Provision for inventory impairment	4	60,000	60,000
Finance costs		41,914	48,396
Employees benefit plan liabilities provided		176,538	121,694
<b>Changes in operating assets and liabilities:</b>			
Inventory		(816,559)	(3,502,978)
Prepayments and other current assets		(1,260,721)	(697,903)
Due from related parties		601,742	(473)
Accounts receivables		(4,187,344)	(3,220,675)
Accrued expenses and other current liabilities		743,755	(381,102)
Due to related parties		(315,477)	1,460,104
Trade payables		(781,958)	73,042
<b>Cash (used in) / generated from operating activities</b>		<b>(644,632)</b>	<b>1,614,222</b>
Zakat provision paid during the period	10	(1,075,230)	(554,952)
Employees benefit plan Liabilities paid		(17,823)	(30,972)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,737,685)</b>	<b>1,028,298</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(30,214)	(76,465)
Proceeds from disposal of property, plant and equipment		-	530,024
<b>Net cash (used in) / generated from investing activities</b>		<b>(30,214)</b>	<b>453,559</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for lease contracts		(346,000)	(317,667)
<b>Cash used in financing activities</b>		<b>(346,000)</b>	<b>(317,667)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,113,899)</b>	<b>1,164,190</b>
Cash and cash equivalents at beginning of the period		9,603,640	1,261,504
<b>Cash and cash equivalents at end of the period</b>		<b>7,489,741</b>	<b>2,425,694</b>

**Non-cash transactions:**

Increase in share capital - 22,000,000

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**Chief Executive Officer**  
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The accompanying notes from (1) to (14) form an integral of these interim condensed financial information.



**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

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**1 - ORGANIZATION AND ACTIVITIES**

Service Equipment Company (the “Company”), is a joint-stock company established under Commercial Registration No. 4030185301 issued in Jeddah on 7 Muharram 1430H (corresponding to January 4, 2009), As a limited liability company, the company operates under the unified national number 7001674931.

On 4 Dhu al-Hijjah 1445H (corresponding to June 10, 2024), the partners resolved to convert the company from a limited liability company to a closed Saudi joint stock company. This conversion included all the company’s rights, obligations, workforce, classification, licenses, and all its financial, technical, administrative, and executive elements. The partners’ shares were converted into shares with a nominal value of SAR 10 each. The company’s Articles of Association and Commercial Registration were amended accordingly.

On 8 Jumada al-Thani 1446H (corresponding to December 9, 2024), the Capital Market Authority announced its approval of the company’s request to register and offer 720,000 shares, representing 30% of its outstanding shares, on the Parallel Market (Nomu).

On 6 Dhu al-Qi’dah 1446 AH (corresponding to May 4, 2025), the company listed 720,000 shares, representing 30% of its outstanding shares, on the Parallel Market (Nomu).

As of June 30, 2025, and December 31, 2024, the issued and paid-up capital amounted to SAR 24,000,000, divided into 2,400,000 shares with a nominal value of SAR 10 each.

The company’s activities include the installation of machinery and equipment fittings, wholesale of transport equipment excluding cars, motorcycles, and electric vehicles, wholesale and retail of spare parts for industrial machinery and equipment, and retail of fuel station equipment and spare parts, including fuel pumps. It also includes general warehouses that contain a variety of goods.

The Company’s registered office is located at the following address:

Building No. 4751  
King Abdullah Road - Al Naseem District  
Jeddah, Kingdom of Saudi Arabia

**2 - BASIS OF PREPARATION AND MEASUREMENT**

**2.1 Statement of compliance**

These interim condensed financial information have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as endorsed in Kingdom of Saudi Arabia. should be read in conjunction with the Company’s financial statements as of and for the year ended December 31, 2024, as it does not include all the information required to prepare a full set of financial statements. However, it indicates the accounting policies and explanatory notes to explain significant events and transactions for understanding changes in the Company’s financial position and performance since the Company’s last annual financial statements.

The results for the six-months period ended June 30, 2025 are not necessarily indicative of the results that can be expected for the financial year ended December 31, 2025.

**2-2 Basis measurement**

The interim condensed financial information have been prepared under the historical cost basis, except for the recognition of employees’ benefits obligations, using the projected unit credit method, and leases at the present value of future obligations, under the accrual basis, and the going concern concept.

**2-3 Functional presentation currency**

These interim condensed financial information are presented in Saudi Riyals (“SR”), which is the Company’s functional and presentation currency.

**2-4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of these interim condensed financial information required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts, Of assets, liabilities, income, and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable. Actual results may differ from these estimates.



**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)  
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

**2 - BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)**

**2-4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are reviewed if the revision affects only that period, or in the period of the revision and future periods affected.

The significant estimates made by management in applying the Company's accounting policies and key sources of estimation uncertainties were similar to those described in the last annual financial statements.

**Going concern**

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. accordingly, the interim condensed financial information has been prepared on a going concern basis.

**3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of these interim condensed financial information are consistent with policies followed in the preparation of the Company's annual financial statements for the year ended December 31, 2024.

**3.1 NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

The Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments; however, the company has not early adopted them in preparing this interim condensed financial information. The Company is currently evaluating the impact of the adoption of these standards on the Financial Statements.

- Amendments to IAS 21 – Lack of exchangeability
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- IFRS 18, 'Presentation and Disclosure in Financial Statements'.
- IFRS 19, Subsidiaries without Public Accountability: Disclosures

**4 - INVENTORY**

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Finished goods	<u>22,832,824</u>	22,147,952
Less: Allowance for inventory impairment (a)	<u>(788,803)</u>	(728,803)
	<u>22,044,021</u>	21,419,149
Goods in transit	<u>131,687</u>	-
	<u><b>22,175,708</b></u>	<u>21,419,149</u>

a) The movement in Allowance for inventory impairment is as follows:

	<b>June 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at the beginning of the period / year	<u>728,803</u>	864,327
Charge for the period / year	<u>60,000</u>	120,000
Utilization during the period / year	<u>-</u>	(255,524)
Balance at end of the period / year	<u><b>788,803</b></u>	<u>728,803</u>

**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

**5 - ACCOUNTS RECEIVABLES**

	<b>June 30, 2025</b> <b>(Unaudited)</b>	December 31, 2024 <b>(Audited)</b>
Trade receivables	<b>16,343,413</b>	12,375,267
Trade receivables – Related parties	<b>1,273,176</b>	1,053,978
	<b>17,616,589</b>	13,429,245
Less: Allowance for expected credit losses (a)	<b>(300,676)</b>	(300,676)
	<b>17,315,913</b>	13,128,569

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

	<b>June 30, 2025</b> <b>(Unaudited)</b>	December 31, 2024 <b>(Audited)</b>
Balance at the beginning of the period / year	<b>300,676</b>	300,676
Charge during the period / year	-	-
	<b>300,676</b>	300,676

No interest is charged on trade receivables. The Company recognizes a loss allowance for trade receivables equal to the lifetime expected credit losses using the simplified approach.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from external customers:

<b>As of June 30, 2025 (Unaudited)</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Impairment</b>
1 to 30 days past due	2.45%	<b>2,609,560</b>	<b>63,832</b>
31 to 60 days past due	1.54%	<b>2,385,240</b>	<b>36,666</b>
61 to 90 days past due	4.42%	<b>1,213,029</b>	<b>53,666</b>
91 to 120 days past due	10.95%	<b>726,320</b>	<b>79,557</b>
121 to 150 days past due	1.06%	<b>1,722,430</b>	<b>18,201</b>
More than 150 days past due	1.02%	<b>4,797,140</b>	<b>48,754</b>
<b>Total</b>		<b>13,453,719</b>	<b>300,676</b>
Allowance for expected credit losses determined by government authorities		<b>4,162,870</b>	-
<b>Total impairment losses on financial assets</b>		<b>17,616,589</b>	<b>300,676</b>
<b>As of December 31, 2024 (Audited)</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Impairment</b>
1 to 30 days past due	2.05%	3,114,852	63,832
31 to 60 days past due	2.26%	1,625,783	36,666
61 to 90 days past due	5.14%	1,043,272	53,666
91 to 120 days past due	1.77%	4,492,536	79,557
121 to 150 days past due	2.23%	817,632	18,201
More than 150 days past due	2.12%	2,295,170	48,754
<b>Total</b>		13,389,245	300,676
Allowance for expected credit losses determined by government authorities		40,000	-
<b>Total impairment losses on financial assets</b>		13,429,245	300,676

**SERVICE EQUIPMENT COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

**6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties including the shareholders, the directors and top management.

The Company deals with related parties in its normal activities, and these transactions include providing operational services and others. Related party transactions and balances as of June 30, include the following:

	<b>Nature of relationship</b>	<b>Nature of transaction</b>	<b>June 30, 2025 (Unaudited)</b>	<b>June 30, 2024 (Unaudited)</b>
Ahmed Omar Abu Bakr Balubaid Holding Company	Contribution	Expenses incurred on behalf	<b>58,500</b>	16,680
Omar Abu Bakr Balubaid Company Limited	Contribution	Expenses incurred on behalf	<b>585,272</b>	18,109
Mersana Car Rental Company	Associate	Vehicle Rental	<b>256,643</b>	260,589
Balubaid Group Holding Company	Associate	Expenses incurred on behalf	<b>519,021</b>	65,415
Balubaid Motors Company Limited	Associate	Sales	-	20,942
United Frame Area Company	Associate Executive Officers	Sales	<b>81,306</b>	3,649
Dhiab Car Rental Company		Sales	<b>1,498,744</b>	-
Building Lines Contracting Company	Associate	Provision of services	-	550,440
Three Pillars Management Consulting Company	Associate	Provision of services	<b>60,283</b>	155,152

a- Balance due from related parties is comprised of the following:

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Ahmed Omar Abu Bakr Balubaid Holding Company	<b>41,680</b>	18,681
Omar Abu Bakr Balubaid Company Limited	-	418,362
Balubaid Group Holding Company	-	206,379
	<b>41,680</b>	<b>643,422</b>

b- The balance due from related parties, classified under trade receivables, is as follows:

	<b>Nature of relationship</b>	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Balubaid Motors Company Limited	Associate	-	553,583
Dhiab Car Rental Company	Executive Officers	<b>727,284</b>	-
United Frame Area Company	Associate	<b>545,892</b>	500,395
		<b>1,273,176</b>	<b>1,053,978</b>

c- Balance due to related parties is as follows:

	<b>June 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Balubaid Group Holding Company	<b>134,357</b>	-
Three Pillars Management Consulting Company	<b>22,788</b>	321,794
Omar Abu Bakr Balubaid Company Limited	<b>8,431</b>	-
Mersana Car Rental Company	<b>2,513</b>	40,721
Building Lines Contracting Company	-	121,051
	<b>168,089</b>	<b>483,566</b>

Amounts due to related parties are unsecured, non-interest bearing, and have no fixed repayment terms; however, these balances are expected to be settled within twelve months from the end of the reporting period.

d- The following table shows the significant transactions with key executives and the board of Directors during the year:

	<b>June 30, 2025 (Unaudited)</b>	<b>June 30, 2024 (Unaudited)</b>
Executive management's salaries and allowances	<b>714,550</b>	136,500
	<b>714,550</b>	<b>136,500</b>

**SERVICE EQUIPMENT COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

**7 - CASH AND CASH EQUIVALENTS**

	<b>June 30, 2025</b> <b>(Unaudited)</b>	<b>December 31, 2024</b> <b>(Audited)</b>
Time deposits at banks	<b>6,700,000</b>	-
Cash at banks	<b>778,912</b>	9,536,205
Cash on hand	<b>10,829</b>	67,435
	<b>7,489,741</b>	9,603,640

The Company maintains cash balances with local banks that have high credit ratings and also holds short-term time deposits with maturities of less than three months.

**8 - SHARE CAPITAL**

On 12 Shawwal 1445H (corresponding to April 21, 2024), the partners in Service Equipment Company (a limited liability company) resolved to increase the company's capital from SAR 2,000,000 to SAR 24,000,000, an increase of SAR 22,000,000. This increase was affected by converting SAR 4,629,281 from additional paid-in capital and SAR 17,370,719 from retained earnings. The company's Articles of Association were amended to reflect the new capital of SAR 24,000,000, and the ownership structure became as follows:

	<b>Nationalit y</b>	<b>No. of shares</b>	<b>Value of share s</b>	<b>Value</b>	<b>Percentag e</b>
Ahmed Omar Abu Bakr Balubaid	Saudi	6,000	1,000	6,000,000	25%
Sarah Ahmed Omar Balubaid	Saudi	1,200	1,000	1,200,000	5%
Adel Ahmed Omar Balubaid	Saudi	2,400	1,000	2,400,000	10%
Abdul-Ilah Ahmed Omar Balubaid	Saudi	2,400	1,000	2,400,000	10%
Abdulrahman Ahmed Omar Balubaid	Saudi	2,400	1,000	2,400,000	10%
Majid Ahmed Omar Balubaid	Saudi	2,400	1,000	2,400,000	10%
Majdi Ahmed Omar Balubaid	Saudi	2,400	1,000	2,400,000	10%
Maram Ahmed Omar Balubaid	Saudi	1,200	1,000	1,200,000	5%
Nasreen Ahmed Omar Balubaid	Saudi	1,200	1,000	1,200,000	5%
Hoda Abu Bakr Salem Bamakora	Saudi	2,400	1,000	2,400,000	10%
		<b>24,000</b>		<b>24,000,000</b>	<b>100%</b>

On 21 Shawwal 1445H (corresponding to April 30, 2024), the partners in the company resolved to amend the company's ownership structure, whereby all the above-mentioned partners transferred their entire shares in the company to Ahmed Omar Abu Bakr Al-Balubaid Holding Company and Omar Abu Bakr Al-Balubaid Limited Company, respectively, along with all associated rights and obligations.

The shareholding structure was amended to become as follows:

	<b>Place of incorporation</b>	<b>No. of shares</b>	<b>Value of shares</b>	<b>Value</b>	<b>Percentage</b>
Ahmed Omar Abu Bakr Balubaid Holding Company	Saudi	21,120	1,000	21,120,000	88%
Omar Abu Bakr Balubaid Company Limited	Saudi	2,880	1,000	2,880,000	12%
		<b>24,000</b>		<b>24,000,000</b>	<b>100%</b>

On 4 Dhu al-Hijjah 1445H (corresponding to June 10, 2024), the partners resolved to convert the company from a limited liability company to a closed Saudi joint stock company, along with all its rights, obligations, employees, classification, licenses, and all its financial, technical, administrative, and operational elements. The partners' shares were converted into shares with a nominal value of SAR 10 each. The company's Articles of Association and Commercial Registration were amended accordingly.

As of June 30, 2024, the company's capital amounted to SAR 24,000,000, divided into 2,400,000 nominal shares of equal value, with each share valued at SAR 10. The shares were distributed among the shareholders as follows:

	<b>Place of incorporation</b>	<b>No. of shares</b>	<b>Value of shares</b>	<b>Value</b>	<b>Percentage</b>
Ahmed Omar Abu Bakr Balubaid Holding Company	Saudi	2,112,000	10	21,120,000	88%
Omar Abu Bakr Balubaid Company Limited	Saudi	288,000	10	2,880,000	12%
		<b>2,400,000</b>		<b>24,000,000</b>	<b>100%</b>

**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

**8- SHARE CAPITAL (CONTINUED)**

On 8 Jumada al-Thani 1446H (corresponding to December 9, 2024), the Capital Market Authority announced its approval of the company's request to register and offer 720,000 of its existing shares, representing 30% of its capital, on the Parallel Market (Nomu).

On 6 Dhu al-Qi'dah 1446H (corresponding to May 4, 2025), the company listed 720,000 shares, representing 30% of its capital, on the Parallel Market (Nomu). Accordingly, the ownership structure as of June 30, 2025, was as follows:

	Place of incorporation	No. of shares	Value of shares	Value	Percentage
Ahmed Omar Abu Bakr Balubaid Holding Company	Saudi	1,478,400	10	14,784,000	61.6%
Omar Abu Bakr Balubaid Company Limited	Saudi	201,600	10	2,016,000	8.4%
Others	Saudi	720,000	10	7,200,000	30%
		<u>2,400,000</u>		<u>24,000,000</u>	<u>100%</u>

**9 - STATUTORY RESERVE**

The statutory reserve is established, subject to the approval of the Ordinary General Assembly, to the extent that it serves the Company's interests or ensures the distribution of fixed dividends to shareholders, and the General Assembly did not approve creating of any amounts during the period.

**10 -ZAKAT**

**a- Zakat provision**

The movement in zakat provision is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	1,075,230	554,952
Charge for the period / year	-	1,075,230
Payment during the period / year	(1,075,230)	(554,952)
Balance at end of the period / year	<u>-</u>	<u>1,075,230</u>

**b- Zakat assessments**

The Company finalized its zakat status with the Zakat, Tax and Customs Authority in respect of zakat-assessable amounts up to December 31, 2020, and received a final zakat assessment and settlement accordingly. The Company has submitted its zakat returns for the years ended December 31, 2021, December 31, 2022, December 31, 2023, and December 31, 2024, which are still under review by the Authority. The Company has obtained a zakat certificate valid until April 30, 2026.

**11 -SALES, NET**

	Timing of revenue recognition	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Total sales		35,996,247	36,710,321
Less:			
Cash discounts		(8,970,786)	(9,734,389)
Sales returns		(624,872)	(963,056)
Net sales	At a point in time	<u>26,400,589</u>	<u>26,012,876</u>

The Company's sales are generated from sales of the following categories:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Private companies	20,096,106	22,535,540
Government authorities	3,594,705	70,828
Individuals	2,709,778	3,406,508
Net sales	<u>26,400,589</u>	<u>26,012,876</u>

Revenue is generated entirely within the Kingdom of Saudi Arabia.

**SERVICE EQUIPMENT COMPANY**  
(A JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts in Saudi Riyals unless otherwise stated)

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**12 -SUBSEQUENT EVENTS**

Management believes that no events that occurred after the date of the interim condensed financial information require adjustment or disclosure.

**13 - Basic and Diluted Earnings per Share**

Basic earnings per share is calculated by dividing the net income for the period attributable to the shareholders of the Company by the number of ordinary shares outstanding during the period, which amounted to 2,400,000 shares (June 30, 2024: 2,400,000 share). The diluted earnings per share is the same as the basic earnings per share as the Company has no dilutive instruments.

	<b>June 30, 2025</b> <b>(Unaudited)</b>	<b>June 30,</b> <b>2024</b> <b>(Unaudited)</b>
Net income for the period	<b>4,566,654</b>	7,619,143
Number of ordinary shares	<b>2,400,000</b>	2,400,000
<b>Basic and Diluted Earnings per Share</b>	<b>1.90</b>	3.17

**14 -APPROVAL OF INTERIM CONDENSED FINANCIAL INFORMATION**

The interim condensed financial information was approved by the Board of directors and authorized for issue on 24 Safar 1447H (corresponding August 18, 2025).