

**PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)**

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

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

<u>Index</u>	<u>Page</u>
Independent auditor's review report on the interim condensed consolidated financial information	-
Interim condensed consolidated statement of financial position	1
Interim condensed consolidated statement of profit or loss and other comprehensive income	2
Interim condensed consolidated statement of changes in equity	3
Interim condensed consolidated statement of cash flows	4
Notes to the interim condensed consolidated financial information	5 - 13

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

To the shareholders of
Professional Medical Expertise Company
(Public joint stock company)
Dhahran, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Professional Medical Expertise Company** ("the Company") and its subsidiaries (together "the Group") as of 30 June 2025, and the related interim condensed consolidated statement of profit or loss and comprehensive income, and the interim condensed consolidated statements 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 consolidated 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 consolidated 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 consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Other matter

The interim condensed consolidated financial information of the Group for the six-months period ended 30 June 2024 were reviewed by another auditor who expressed an unmodified conclusion on that interim condensed consolidated financial information on 17 Safar 1446H (corresponding to 21 August 2024). In addition, the Group's consolidated financial statement for the year ended 31 December 2024 were audited by another auditor who issued unmodified opinion on those consolidated financial statements on 27 Ramadan 1446H (corresponding to 27 March 2025).

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Kingdom of Saudi Arabia
4 Rabi' al-Awwal 1447H (corresponding to 27 August 2025)



PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2025

(All amounts in ₤ unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	20,234,142	13,395,330
Right-of-use assets		4,884,956	2,722,993
Total non-current assets		25,119,098	16,118,323
Current assets			
Inventory	5	152,001,414	146,175,876
Trade receivables	6	183,707,604	137,256,379
Prepayments and other receivables		16,050,262	16,683,815
Cash at banks		7,244,256	4,893,118
Total current assets		359,003,536	305,009,188
TOTAL ASSETS		384,122,634	321,127,511
EQUITY AND LIABILITIES			
Equity			
Share capital	7	35,000,000	35,000,000
Additional funding by shareholders		1,080,225	1,080,225
Statutory reserve		2,051,582	2,051,582
Retained earnings		93,669,558	75,063,323
Equity attributable to the shareholders		131,801,365	113,195,130
Non-controlling interest		(14,425)	(8,605)
Total equity		131,786,940	113,186,525
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities		2,353,084	1,394,053
Employees' benefits obligations		13,708,447	12,200,945
Total non-current liabilities		16,061,531	13,594,998
Current Liabilities			
Trade payables		106,622,028	83,377,266
Accrued expenses and other current liabilities		19,447,997	16,445,671
Short-term borrowings	9	106,275,263	90,778,119
Current portion of lease liabilities		2,428,875	1,639,932
Zakat payable	10.4	1,500,000	2,105,000
Total current Liabilities		236,274,163	194,345,988
Total liabilities		252,335,694	207,940,986
TOTAL EQUITY AND LIABILITIES		384,122,634	321,127,511

Chairman of Board of Directors	Vice Chairman of Board of Directors, Senior Executives (Managing Director)	Financial Director, Senior Executive
Samir Sulaiyman Alumran	Amr Mahmoud Abouelamayem	Tamer Mahmoud Alakkad
		
<small>Dr. Samir Alomran (Aug 27, 2025 21:38:15 GMT+3)</small>	<small>Amr Abou Elamayem (Aug 27, 2025 21:53:22 GMT+3)</small>	<small>Tamer Elakkad (Aug 27, 2025 21:42:40 GMT+3)</small>

The accompanying notes from 1 to 18 form an integral part of these interim condensed consolidated financial information.

**PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

(All amounts in ₭ unless otherwise stated)

		For the six-months period ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited – Restated – Note 15)
	Note		
<u>Profit or Loss</u>			
Revenue from contracts with customers	13	190,037,403	147,394,070
Cost of sales		(104,981,803)	(84,797,657)
Gross profit		85,055,600	62,596,413
Selling and marketing expenses		(34,480,509)	(26,044,579)
General and administrative expenses		(21,904,873)	(17,498,953)
Expected credit losses		(1,558,501)	(1,712,196)
Operating profit		27,111,717	17,340,685
Finance costs		(5,933,404)	(5,065,428)
Other income, net		2,464,340	1,233,173
Net profit before zakat		23,642,653	13,508,430
Zakat	10.4	(1,542,238)	(1,400,000)
Net profit for the period		22,100,415	12,108,430
<u>Other comprehensive income</u>			
Items that will not subsequently reclassified to profit or loss:			
Total other comprehensive income for the period		-	-
Total comprehensive income for the period		22,100,415	12,108,430
Total comprehensive income for the period attributable to:			
Shareholders of the Parent Company		22,106,235	12,109,618
Non-controlling interest		(5,820)	(1,188)
		22,100,415	12,108,430
<u>Earnings per share:</u>			
Basic and diluted earnings per share	12	6.31	3.46

Chairman of Board of Directors	Vice Chairman of Board of Directors, Senior Executives (Managing Director)	Financial Director, Senior Executive
Samir Sulaiyman Alumran	Amr Mahmoud Abouelamayem	Tamer Mahmoud Alakkad
		
<small>Dr. Samir Alomran (Aug 27, 2025 21:38:15 GMT+3)</small>	<small>Amr Abou Elamayem (Aug 27, 2025 21:53:22 GMT+3)</small>	<small>Tamer Elakkad (Aug 27, 2025 21:42:40 GMT+3)</small>

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PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ₤ unless otherwise stated)

	Equity attributable to the shareholders of the Parent Company					Non-controlling interest	Total
	Capital	Additional funding by shareholders	Statutory reserve	Retained earnings	Equity attributable to the shareholders		
For the Six-months period ended 30 June 2025:							
As at 31 December 2024 (Audited)	35,000,000	1,080,225	2,051,582	75,063,323	113,195,130	(8,605)	113,186,525
Net profit for the period	-	-	-	22,106,235	22,106,235	(5,820)	22,100,415
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	22,106,235	22,106,235	(5,820)	22,100,415
Dividends declared (note 8)	-	-	-	(3,500,000)	(3,500,000)	-	(3,500,000)
As at 30 June 2025 (Unaudited)	35,000,000	1,080,225	2,051,582	93,669,558	131,801,365	(14,425)	131,786,940
For the Six-months period ended 30 June 2024:							
As at 31 December 2023 (Audited)	35,000,000	1,080,225	2,051,582	59,068,682	97,200,489	7	97,200,496
Net profit for the period	-	-	-	12,109,618	12,109,618	(1,188)	12,108,430
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	12,109,618	12,109,618	(1,188)	12,108,430
Dividends declared (note 8)	-	-	-	(9,975,000)	(9,975,000)	-	(9,975,000)
As at 30 June 2024 (Unaudited)	35,000,000	1,080,225	2,051,582	61,203,300	99,335,107	(1,181)	99,333,926

Chairman of Board of Directors

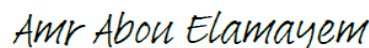
Samir Suliaiman Alumran



Dr. Samir Alomran (Aug 27, 2025 21:38:15 GMT+3)

Vice Chairman of Board of Directors, Senior Executives (Managing Director)

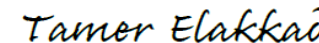
Amr Mahmoud Abouelamayem



Amr Abou Elamayem (Aug 27, 2025 21:53:22 GMT+3)

Financial Director, Senior Executive

Tamer Mahmoud Alakkad



Tamer Elakkad (Aug 27, 2025 21:42:40 GMT+3)

The accompanying notes from 1 to 18 form an integral part of these interim condensed consolidated financial information.

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ₪ unless otherwise stated)

		For the six-months period ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited – Restated – Note 15)
Note			
	OPERATING ACTIVITIES		
	Profit for the period before Zakat	23,642,653	13,508,430
	<u>Adjustments for non-cash items:</u>		
	Depreciation of property, plant and equipment	2,788,420	2,315,471
	Amortization of right of use assets	1,067,198	864,388
	Gain on disposal of property and equipment	(2,186,906)	(1,711,746)
	Expected credit loss	1,558,501	1,712,196
	Inventory provision	810,897	-
	Employee's benefits obligations	1,702,217	1,148,568
	Finance cost	5,933,404	5,065,428
		35,316,384	22,902,735
	<u>Changes in working capital:</u>		
	Inventory	(6,636,435)	2,538,833
	Trade receivables	(44,646,879)	(8,396,900)
	Contract assets	-	(7,225,464)
	Prepayments and other receivables	633,553	(7,746,683)
	Trade payables	23,244,762	(15,536,225)
	Accrued expenses and other current liabilities	(2,786,454)	1,376,185
		5,124,931	(12,087,519)
	Employee benefits paid	(194,716)	(342,600)
	Zakat paid	(2,147,238)	-
	Net cash flows generated from / (used in) operating activities	2,782,977	(12,430,119)
	INVESTING ACTIVITIES		
	Purchase of property and equipment	(12,082,224)	(4,028,313)
	Proceeds from disposal of property, plant and equipment	1,279,051	335,374
	Net cash flows used in investing activities	(10,803,173)	(3,692,939)
	FINANCING ACTIVITIES		
	Proceeds from short-term borrowings	90,771,295	134,313,612
	Payment of short-term borrowings	(75,274,148)	(96,429,623)
	Dividends paid	-	(9,975,000)
	Finance costs paid	(3,544,233)	(4,355,747)
	Lease liabilities paid	(1,581,580)	(1,024,988)
	Net cash flows generated from financing activities	10,371,334	22,528,254
	Net change in cash at banks during the period	2,351,138	6,405,196
	Cash at banks at the beginning of the period	4,893,118	951,865
	CASH AT BANKS AT 30 JUNE	7,244,256	7,357,061
	Non-cash transactions:		
	Dividend declared but not paid	3,500,000	-
	Addition to right of use assets through lease liabilities	3,229,161	-
	Accrued Interest	2,288,778	605,941
	Disposals of property and equipment through trade receivables	3,362,847	-

**Chairman of Board of
Directors**

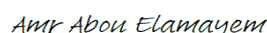
Samir Suliaiman Alumran



Dr. Samir Alumran (Aug 27, 2025 21:38:15 GMT+3)

**Vice Chairman of Board of
Directors, Senior Executives
(Managing Director)**

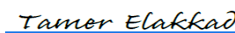
Amr Mahmoud Abouelamayem



Amr Abou Elamayem (Aug 27, 2025 21:53:32 GMT+3)

**Financial Director, Senior
Executive**

Tamer Mahmoud Alakkad



Tamer Elakkad (Aug 27, 2025 21:40:40 GMT+3)

The accompanying notes from 1 to 18 form an integral part of these interim condensed consolidated financial information.

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ﷲ unless otherwise stated)

1. ORGANIZATION AND ACTIVITY

Professional Medical Expertise Company (the “Company”) is a Public Joint Stock Company formed under the Regulation for Companies in the Kingdom of Saudi Arabia under Commercial Registration number 2052001627 dated 14 Sha’ban 1431H (corresponding to 6 August 2010) and the unified number of the company 7001629836.

On 26 July 2023, the Company’s shares were listed on the Nomu-Parallel Market with the symbol 9574 (ProMedEx).

The company is engaged in the retail sale of medical equipment, tools, and supplies; warehouse operations for medical devices; legal representation of medical product and device manufacturers; and acts as an agent in the sale of pharmaceuticals and drug warehousing activities.

The company’s registered office is located in Dhahran, Saudi Arabia.

The accompanying interim condensed consolidated financial information include the financial statements of the Parent Company and its branches and its subsidiaries as of 30 June 2025 (collectively referred to hereinafter as the 'Group') as follows:

(a) The Parent Company’s branches:

Branch Name	Location	Activity	Commercial Registration Number
Professional Medical Expertise Company	Jeddah	Retail sale of orthopedic devices, retail sale of medical equipment and supplies, retail sale of herbal medical preparations.	4030251913
Professional Medical Expertise Company	Dammam	Warehousing of medical devices and products, warehousing of pharmaceutical preparations.	2050106678
Professional Medical Expertise Company	Riyadh	Agents involved in the sale of medicines, retail sale of medical equipment and supplies, warehousing of pharmaceutical preparations.	1010613828
Professional Medical Expertise Company	Khobar	Retail sale of medical equipment and supplies, warehousing of pharmaceutical preparations.	2051225780
Professional Medical Expertise Company	Jeddah	Wholesale of medical equipment, supplies, laboratory and diagnostic devices; retail sale of medical equipment, supplies, and herbal medical preparations; warehousing of medical devices and pharmaceuticals.	4030479566

(b) The Group’s subsidiaries, which it owns directly or indirectly (“the Group”):

Subsidiary name	Country of incorporation	Main activities	Effective ownership	
			30 June 2025	30 June 2024
PROMEDEX Medical Equipment Trading L.L.C	United Arab Emirates	Medical, surgical, equipment and instruments trading	100%	100%
PROMEDEX Drug Store L.L.C *	United Arab Emirates	Drug Store	49%	49%

* The subsidiary is controlled through PROMEDEX Medical Equipment Trading LLC. Although the Company holds less than 50% of the voting rights in PROMEDEX Drug Store Company, it exercises control due to its effective authority, as the other shareholder has relinquished decision-making powers related to management and daily operations. Furthermore, on December 26, 2023 according to the Addendum to the company's articles of association, the Company is entitled to 99% of PROMEDEX Drug Store Company's profit or loss.

**PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

(All amounts in ₪ unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT

2.1 Statement of compliance

This interim condensed consolidated 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 Group’s financial statements as of and for the year ended 31 December 2024 as it does not include all the information required to prepare a full set of consolidated financial statements. However, it indicates the accounting policies and explanatory notes to explain significant events and transactions for understanding changes in the Group’s financial position and performance since the Group’s last annual consolidated financial statements.

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

2.2 Basis of consolidation

The interim condensed consolidated financial information includes the financial information of Professional Medical Expertise Company, its branches (“the Parent Company”) and subsidiaries (“Group”) as described in note (1).

Subsidiaries are entities which are controlled by Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

**PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

(All amounts in ﷲ unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)

2.2 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

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

2.3 Basis of measurement

The interim condensed consolidated financial information have been prepared on the accrual basis of accounting, going concern basis and historical cost convention, except for items included in the interim condensed consolidated statement of financial position:

- Employees' end of service benefits are measured at the present value of future liabilities using the projected unit credit method.
- Lease liabilities are measured at the net present value of lease payments.
- Loans measured at present value.

2.4 Functional and presentation currency

These interim condensed consolidated financial information are presented in Saudi Riyals ("ﷲ"), which is the Group's functional and presentation currency. Figures are rounded to the nearest Riyal unless otherwise stated.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of these interim condensed consolidated financial information required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts, 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.

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 consolidated financial statements.

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

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ₪ unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 New standards, 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 Group has not early adopted them in preparing these Consolidated Financial Statements. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated 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. PROPERTY AND EQUIPMENT

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Cost</u>		
Balance as at 1 January 2024	31,582,716	29,098,059
Additions during the period / year	12,082,224	6,575,388
Disposals during the period / year	(4,190,744)	(4,090,731)
Balance as at 30 June 2025	39,474,196	31,582,716
<u>Accumulated Depreciation</u>		
Balance as at 1 January 2024	18,187,386	15,355,778
Depreciation during the period / year	2,788,420	4,894,460
Disposals during the period / year	(1,735,752)	(2,062,852)
Balance as at 30 June 2025	19,240,054	18,187,386
Net book value for the period / year	20,234,142	13,395,330

5. INVENTORY

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Orthopedic surgery items	44,081,443	39,390,217
General surgery items	51,177,799	35,677,223
Other medical supplies	16,050,146	16,137,232
Consignment goods	44,927,527	40,665,495
Goods in transit	268,996	17,999,308
	156,505,911	149,869,475
Less: Provision inventory	(4,504,497)	(3,693,599)
	152,001,414	146,175,876

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ₪ unless otherwise stated)

5. INVENTORY (CONTINUED)

The movement in the provision of the inventories is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	3,693,599	2,030,279
Provision charged during the period / year	810,898	1,663,320
Balance at end of the period / year	4,504,497	3,693,599

6. TRADE RECEIVABLES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Accounts receivable - Public sector	139,861,231	104,697,830
Accounts receivable - Private sector	55,429,965	42,583,640
Accounts receivable - Related parties	170,827	170,827
	195,462,023	147,452,297
Less: Provision for Doubtful Debts	(11,754,419)	(10,195,918)
	183,707,604	137,256,379

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	10,195,918	6,398,040
Provision charged during the period / year	1,558,501	3,797,878
Balance at end of the period / year	11,754,419	10,195,918

7. SHARE CAPITAL

As of 30 June 2025, the Company's share capital consisted of 3,500,000 shares with a nominal value of ₪ 10 per share (31 December 2024: ₪ 10 per share)

8. DIVIDENDS

On 24 June 2025, the General Assembly approved dividends declaration of ₪ 3,500,000 which was not paid (31 December 2024: ₪ 9,975,000 which was paid 25 January 2024).

9. SHORT TERM BORROWINGS

The short-term borrowings represent Islamic Murabaha facility agreements obtained by the Group from local banks to finance domestic and international purchases and open credit lines. These facilities carry an average interest rate of SIBOR plus a fixed margin, and are repayable within one year. The loans are secured by corporate guarantees. Under the terms of the facility agreements, the Group is required to maintain certain financial covenants, including financial leverage ratios and other specified conditions.

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ₪ unless otherwise stated)

9. SHORT TERM BORROWINGS (CONTINUED)

Short term borrowings include the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Riyad Bank	36,757,742	20,757,742
Banque Saudi Fransi	46,968,247	28,923,202
Saudi Awwal Bank - SAB	22,549,274	21,893,477
Al Rajhi Bank	-	19,203,698
	106,275,263	90,778,119

10. ZAKAT AND TAX

10.1 Zakat status

The Group has submitted its zakat declarations to the Zakat, Tax and Customs Authority (“ZATCA”) up to the year ended December 31, 2024, and has obtained valid certificates from ZATCA accordingly. Final assessments from ZATCA have been received to the years 2021 and 2023 with payments of ₪ 145,192 and ₪ 316,841 respectively. The assessment for the year 2024 is currently under review by ZATCA.

10.2 Withholding tax status

The Group has received final assessment for the year 2023 with no adjustments. The withholding tax assessment for the year 2024 is currently under review by ZATCA.

10.3 Value added tax status

The Group has received a VAT assessment for the year 2024, which is still under review by ZATCA.

10.4 Movement in Zakat provision

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	2,105,000	2,372,341
Charge during the period / year	1,542,238	2,362,124
Payment during the period / year	(2,147,238)	(2,629,465)
Balance at end of the period / year	1,500,000	2,105,000

11. RELATED PARTIES

11.1 Benefits, remunerations and compensation to key management and executives

	For the six-months period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Key management personnels’ salaries and benefits	2,448,000	2,325,996
	2,448,000	2,325,996

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ₪ unless otherwise stated)

12. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

There were no dilutive elements affecting the weighted average number of ordinary shares

	For the six-months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Net profit for the period	22,100,415	12,108,430
Weighted average number of shares	3,500,000	3,500,000
	6.31	3.46

13. SEGMENT REPORTING:

Operating segments:

The Group has one operating segment which is sale of medical equipment and supplies. The performance obligation is satisfied at a point in time when the goods are delivered.

Geographical segments:

The Group operates in the Kingdom of Saudi Arabia (KSA) and United Arab of Emirates (UAE). The following is a summary of some financial information according to geographical areas:

	KSA	UAE	Total
<u>For six months period ended 30 June 2025</u>			
<u>(Unaudited)</u>			
Revenue from contracts with customers	187,377,550	2,659,853	190,037,403
Cost of Sales	(102,931,315)	(2,050,488)	(104,981,803)
Selling and marketing expenses	(33,299,607)	(1,180,902)	(34,480,509)
General and administrative expenses	(20,777,884)	(1,126,989)	(21,904,873)
Expected credit losses	(1,263,093)	(295,408)	(1,558,501)
Others	(4,948,090)	(63,212)	(5,011,302)
Net profit / (loss) for the period	24,157,561	(2,057,146)	22,100,415
<u>As at 30 June 2025</u>			
Property and equipment	20,105,971	128,171	20,234,142
	20,105,971	128,171	20,234,142
	KSA	UAE	Total
<u>For six months period ended 30 June 2024 (Unaudited - Restated)</u>			
Revenue from contracts with customers	142,322,079	5,071,991	147,394,070
Cost of Sales	(81,257,298)	(3,540,359)	(84,797,657)
Selling and marketing expenses	(24,311,086)	(1,733,493)	(26,044,579)
General and administrative expenses	(16,401,287)	(1,097,666)	(17,498,953)
Expected credit losses	(1,998,555)	286,359	(1,712,196)
Others	(5,203,710)	(28,545)	(5,232,255)
Net profit / (loss) for the period	13,150,143	(1,041,713)	12,108,430
<u>As at 30 June 2024</u>			
Property and equipment	13,718,488	1,402,397	15,120,885
	13,718,488	1,402,397	15,120,885

PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

(All amounts in ₪ unless otherwise stated)

14. CONTINGENCIES AND CAPITAL COMMITMENTS

Commitment for capital expenditure:

There were no capital expenditures contracted by the Group as at 30 June 2025 (31 December 2024: Nil).

Contingent liabilities

The Group is contingently liable for bank guarantees and letter of credits issued in the normal course of business as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Letter of guarantees	25,946,698	48,481,059
Letter of Credits	17,544,382	9,521,110
	43,491,080	58,002,169

15. PRIOR PERIOD RESTATEMENT

The Group has adjusted some of the amounts and balances included in the interim condensed consolidated financial information for the prior period ended June 30, 2024, as the transactions related to those balances have not been properly classified, and accordingly, the adjustment was made in accordance with the requirements of IFRS (8) “Accounting Policies, Change in Accounting Estimates and Errors”.

15.1 The impact of these restatements on the condensed consolidated statement of profit or loss and other comprehensive income for the six-months period ended June 30, 2024 as follows:

Item	Balance before reclassification	Reclassification	Balance after reclassification (Unaudited)
Revenue from contracts with customers	149,432,647	(2,038,577)	147,394,070
Cost of sales	(85,125,624)	327,967	(84,797,657)
Gross profit	64,307,023	(1,710,610)	62,596,413
Other income	(477,437)	1,710,610	1,233,173
	63,829,586	-	63,829,586

15.2 The impact of these restatements on the condensed consolidated statement of cash flow for the six-months period ended June 30, 2024 as follows:

Item	Balance before reclassification	Reclassification	Balance after reclassification (Unaudited)
Gain on disposal of property and equipment	(1,136)	(1,710,610)	(1,711,746)

16. SUBSEQUENT EVENTS

Management believes that there are no significant events occurred from the end of the financial period until the date of approval of the condensed consolidated interim financial information, that would require disclosure or adjustment to this interim condensed consolidated financial information.

**PROFESSIONAL MEDICAL EXPERTISE COMPANY
(PUBLIC JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

(All amounts in ₭ unless otherwise stated)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial assets consist of bank balances, trade receivables and other receivables. Its financial liabilities consist of trade payables and short-term borrowings. The fair values of financial instruments are not materially different from their book values. As at 30 June 2025, the Group did not hold any financial instruments measured at fair value.

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information for the period ended 30 June 2025 were approved and authorized by the Board of Directors on 4 Rabi' al-Awwal 1447H (corresponding to August 27, 2025).