Riyadh Cables Group Company

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements and Independent Auditor's Review Report for the three-month period ended 31 March 2025

KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim consolidated financial statements

To the Shareholders of Riyadh Cables Group Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 31 March 2025 condensed interim consolidated financial statements of **Riyadh Cables Group Company ("the Company") and its subsidiaries (collectively referred to as the "Group")** which comprises:

- the condensed consolidated statement of financial position as at 31 March 2025;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2025.
- the condensed consolidated statement of other comprehensive income for the three-month period ended 31 March 2025;
- The condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025;
- The condensed consolidated statement of cash flows for the three-month period ended 31 March 2025; and
- The notes to the condensed interim consolidated financial statements.

Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of 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 condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements as at and for the period ended 31 March 2025 of Riyadh Cables Group Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Fahad Mubark Al Dossari
License No. 469

كي بي إم جي للاستشارات المهنية
Lic No. 46
C.R. 1010425494
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KPMG
ترخيص رقم ٤٦
س.ت ١٠١٠٤٢٥٤٩٤
KPMG Professional Services

Riyadh, 13 Dhul Qadah 1446H
Corresponding to: 11 May 2025

Riyadh Cables Group Company

(A Saudi Joint Stock Company)

Condensed Consolidated Statement of Financial Position (unaudited)

As at 31 March 2025

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

	Note	**31 March 2025 (unaudited)**	31 December 2024 (audited)
Assets			
Property, plant and equipment, net	7	**1,367,368,069**	1,336,038,944
Investment properties		**10,030,841**	10,030,841
Intangible assets, net		**56,396,025**	57,163,451
Right-of-use assets	8	**70,191,184**	7,073,017
Investments at fair value through other comprehensive income		**20,903,790**	26,347,118
Equity accounted investee-Joint venture		**31,464,223**	31,409,377
Deferred tax assets		**10,923,643**	9,673,252
Non-current assets		**1,567,277,775**	1,477,736,000
Inventories	9	**2,106,085,666**	2,126,036,688
Trade receivables	10	**2,266,567,162**	2,022,901,423
Contract assets		**21,606,765**	15,207,694
Advances and other current assets		**114,477,458**	73,989,450
Derivative financial instruments	12	**42,313,775**	5,040,118
Cash and cash equivalents		**138,066,158**	90,672,725
Current assets		**4,689,116,984**	4,333,848,098
Total assets		**6,256,394,759**	5,811,584,098
Equity			
Share capital		**1,500,000,000**	1,500,000,000
Statutory reserve		**288,326,294**	288,326,294
Retained earnings		**1,071,077,441**	814,601,950
Treasury Shares		**(21,097,836)**	(21,097,836)
Other reserves		**61,603,842**	42,523,242
Equity attributable to the shareholders of the Company		**2,899,909,741**	2,624,353,650
Non-controlling interests		**(458,107)**	(476,754)
Total equity		**2,899,451,634**	2,623,876,896
Liabilities			
End-of-service benefits obligations		**129,821,216**	125,899,543
Lease liabilities		**9,016,152**	6,296,317
Deferred tax liabilities		**7,029,425**	6,526,171
Total non-current liabilities		**145,866,793**	138,722,031
Islamic financing facilities	11	**486,588,001**	433,053,112
Accrued expenses and other liabilities		**405,529,068**	381,082,442
Contracts liabilities		**64,066,698**	61,191,218
Derivative financial instruments	12	**16,820,676**	83,413,600
Trade payables		**1,568,913,157**	1,598,433,491
Provisions	13	**580,596,744**	423,305,127
Provision for Zakat and income tax	14	**87,316,041**	67,410,011
Lease liabilities - current portion		**1,245,947**	1,096,170
Current liabilities		**3,211,076,332**	3,048,985,171
Total liabilities		**3,356,943,125**	3,187,707,202
Total equity and liabilities		**6,256,394,759**	5,811,584,098

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Chairman of Board of Directors	**Chief Financial Officer**	***Chief Executive Officer***
Khalid Abdulrahman Al- Gwaiz	***Mr. Baha Eissa***	***Mr. Borjan Sehovac***

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Condensed consolidated statement of profit or loss (unaudited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

	Note	**31 March 2025 (unaudited)**	31 March 2024 (unaudited)
Revenue	18	**2,489,050,435**	2,031,546,481
Cost of revenue	15	**(2,062,241,660)**	(1,748,344,881)
Gross Profit		**426,808,775**	283,201,600
Selling and distribution expenses		**(32,128,740)**	(28,915,091)
General and administrative expenses		**(42,302,946)**	(36,445,676)
Impairment losses on trade receivables		**(58,713,347)**	(4,387,060)
Impairment losses on investment properties		-	(2,490,354)
Other (expenses)/ income, net	16	**(724,129)**	(6,857,599)
Income from operations		**292,939,613**	204,105,820
Finance costs	17	**(17,504,491)**	(20,174,639)
Profit before zakat and income tax		**275,435,122**	183,931,181
Zakat and income tax		**(19,948,605)**	(15,953,685)
Deferred tax		**747,137**	1,016,800
profit for the period		**256,233,654**	168,994,296
Attributable to:			
Shareholders of the Company		**256,184,594**	170,215,669
Non-controlling interests		**49,060**	(1,221,373)
Profit for the period		**256,233,654**	168,994,296
Basic and diluted earnings per share	19	**1.71**	1.14

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Chairman of Board of Directors
Khalid Abdulrahman Al- Gwaiz

Chief Financial Officer
Mr. Baha Eissa

Chief Executive Officer
Mr. Borjan Sehovac

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Condensed consolidated statement of other comprehensive income (unaudited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

	Note	**31 March 2025 (unaudited)**	31 March 2024 (unaudited)
Profit for the period		**256,233,654**	168,994,296
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		**135,431**	-
Cash flow hedge- Effective portion of the change in fair value	12	**22,388,497**	17,070,290
		22,523,928	17,070,290
Items that will not be reclassified to profit or loss			
Investments at fair value through comprehensive income -net change in fair value		**(5,443,328)**	766,665
Re-measurement of end-of-service benefits obligations		**290,897**	(345,746)
		(5,152,431)	420,919
Other comprehensive income for the period		**17,371,497**	17,491,209
Total comprehensive income		**273,605,151**	186,485,505
Comprehensive income attributable to:			
Shareholders of the Company		**273,556,091**	187,706,878
Non-controlling interests		**49,060**	(1,221,373)
Total comprehensive income		**273,605,151**	186,485,505

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Chairman of Board of Directors
Khalid Abdulrahman Al- Gwaiz

Chief Financial Officer
Mr. Baha Eissa

Chief Executive Officer
Mr. Borjan Sehovac

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity (unaudited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

	Equity attributable to the shareholders of the Company												
					Other reserves								
	Share capital	Statutory reserve	Retained earnings	Treasury Shares	Acquisition reserve of a subsidiary	Reserve for valuation of investments at fair value through other comprehensive income	Employee share plan reserve	Cash flow hedge reserve	Foreign operations translation reserve	Total other reserves	Total	Non-controlling interests	Total equity
For the three-month period ended 31 march 2024													
Balance as at 1 January 2024 (unaudited)	1,500,000,000	288,326,294	448,228,187	(21,097,836)	22,725,173	12,989,410	8,000,000	(11,612,617)	(814,270)	31,287,696	2,246,744,341	(545,883)	2,246,198,458
Net profit for the period	-	-	170,215,669	-	-	-	-	-	-	-	170,215,669	(1,221,373)	168,994,296
Other comprehensive income for the period	-	-	(345,746)	-	-	766,665	-	17,070,290	-	17,836,955	17,491,209	-	17,491,209
Total comprehensive income for the period	-	-	169,869,923	-	-	766,665	-	17,070,290	-	17,836,955	187,706,878	(1,221,373)	186,485,505
Share-based payments	-	-	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
Dividends	-	-	-	-	-	-	-	-	-	-	-	(30,463)	(30,463)
Balance as at 31 March 2024 (unaudited)	1,500,000,000	288,326,294	618,098,110	(21,097,836)	22,725,173	13,756,075	10,000,000	5,457,673	(814,270)	51,124,651	2,436,451,219	(1,797,719)	2,434,653,500
For the three-month period ended 31 March 2025													
Balance at 1 January 2025 (audited)	1,500,000,000	288,326,294	814,601,950	(21,097,836)	22,725,173	22,042,964	16,000,000	(17,304,578)	(940,317)	42,523,242	2,624,353,650	(476,754)	2,623,876,896
Net profit for the period	-	-	256,184,594	-	-	-	-	-	-	-	256,184,594	49,060	256,233,654
Other comprehensive income for the period	-	-	290,897	-	-	(5,443,328)	-	22,388,497	135,431	17,080,600	17,371,497	-	17,371,497
Total comprehensive income for the period	-	-	256,475,491	-	-	(5,443,328)	-	22,388,497	135,431	17,080,600	273,556,091	49,060	273,605,151
Share-based payments	-	-	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
Dividends	-	-	-	-	-	-	-	-	-	-	-	(30,413)	(30,413)
Balance as at 31 March 2025 (unaudited)	1,500,000,000	288,326,294	1,071,077,441	(21,097,836)	22,725,173	16,599,636	18,000,000	5,083,919	(804,886)	61,603,842	2,899,909,741	(458,107)	2,899,451,634

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Chairman of Board of Directors
Khalid Abdulrahman Al- Gwaiz

Chief Financial Officer
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Chief Executive Officer
Mr. Borjan Sehovac

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Riyadh Cables Group Company

(A Saudi Joint Stock Company)

Condensed consolidated statement of cash flows (unaudited)

For the three-month period ended 31 March 2025

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

	For the three-month period ended	
	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Operating activities:		
Profit for the period before zakat and income tax	**275,435,122**	183,931,181
Adjustments:		
Depreciation	**17,424,020**	16,576,514
Share of profits in equity-accounted investee - joint venture	**(54,846)**	-
Depreciation of the right-of-use of assets	**380,591**	270,825
Interest on lease liabilities	**67,815**	68,785
Impairment losses charge on trade receivables, net	**58,713,347**	4,387,060
Provisions during the period	**157,291,617**	85,918,579
Expected adjustments of net realizable value of inventory	**(10,431,377)**	38,028,895
Impairment losses of investment property	-	2,490,354
Employees' end-of-service benefits	**5,759,761**	4,685,630
Loss on disposal of property, plant and equipment	**112,812**	1,295,193
Losses on evaluation of financial derivatives	**(81,443,917)**	13,189,476
Share-based payments expenses	**2,000,000**	2,000,000
Finance costs	**16,104,432**	23,142,105
Changes in working capital:		
Inventories	**30,382,399**	(241,672,074)
Trade receivables	**(302,379,086)**	(347,850,715)
Contract assets	**(6,399,071)**	8,593,230
Contract liabilities	**2,875,480**	(1,665,930)
Advances and other current assets	**(40,488,008)**	(34,102,071)
Accrued expenses and other liabilities	**24,446,626**	67,373,638
Trade payables	**(29,520,334)**	268,408,060
Employees' end-of-service benefits paid	**(1,545,698)**	(2,306,796)
Net finance costs paid	**(16,172,247)**	(23,142,105)
Zakat and income tax paid	**(42,575)**	(373,744)
Net cash flows generated from operating activities	**102,516,863**	69,246,090
Investing activities		
Payments for the purchase of property, plant and equipment	**(47,354,657)**	(14,826,065)
Payments to purchase intangible assets	**(644,103)**	-
Proceed from sale of property, plant and equipment	-	199,537
Net cash flows used in investing activities	**(47,998,760)**	(14,626,528)
Financing activities		
Repayment of Islamic financing facilities during the period	**(682,301,336)**	(1,189,769,241)
Proceeds from Islamic financing facilities during the period	**735,836,225**	1,046,753,943
Additions under right-of-use assets	**(60,136,601)**	-
Lease liabilities under right-of-use assets	**(492,545)**	(342,828)
Dividends paid	**(30,413)**	(30,463)
Net cash flows used in financing activities	**(7,124,670)**	(143,388,589)
Net change in cash and cash equivalents during the period	**47,393,433**	(88,769,027)
Cash and cash equivalents at the beginning of the period	**90,672,725**	150,051,628
Cash and cash equivalents at the end of the period	**138,066,158**	61,282,601
Non-cash transactions		
Re-measurements of employees' retirement benefits	**290,897**	(345,746)
Change in the fair value of investments at fair value through other comprehensive income	**(5,443,328)**	766,665
Changes in the value of the hedging instruments recognized in other comprehensive income	**22,388,497**	17,070,290

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Chairman of Board of Directors	**Chief Financial Officer**	***Chief Executive Officer***
Khalid Abdulrahman Al- Gwaiz	***Mr. Baha Eissa***	***Mr. Borjan Sehovac***

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

1- Reporting Entity

Riyadh Cables Group Company ("Company") was formed as a Saudi Joint Stock Company in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia (KSA). The Company operates under the commercial registration no. 1010052927 issued on 24 Jumada II 1435H (corresponding to 24 April 2014). The Company operates under the Industrial License no. 396/R dated 12 Jumada II 1416H (corresponding to 25 November 1995) amended by Industrial License no. 36/R dated 5 Muharram 1418H (corresponding to 12 May 1997) amended by Industrial License no. 2572 dated 16 Rajab 1434H (corresponding to 26 May 2013). The Company's registered office is located at Second Industrial Area, P.O. Box 26862 Riyadh 11496, Kingdom of Saudi Arabia.

The principal activities of the Group include the production of isolated and non-isolated cables made from copper as well as aluminum.

The financial year begins on 1 January and ends on 31 December of each Gregorian year.

The accompanying interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries listed below (collectively referred to as the "Group").

			Shareholding percentage held by the Group (directly or indirectly)	
Subsidiaries	Legal form	Country of incorporation	**2025**	2024
1- Saudi Modern Company for Metals, Cables and Plastic Industry and its subsidiaries listed below:	Closed joint stock company	Kingdom of Saudi Arabia	**100%**	**100%**
1.1 Qatar Cables Company LLC	Limited liability company	Qatar	**50%**	**50%**
1.2 Arabian Gulf Company for Electrical Cables LLC	Limited liability company	Kuwait	**49%**	**49%**
1.3 Gulf Company Electrical Works	Limited liability company	Oman	**100%**	**100%**
1.4 Egyptian Riyadh Cable Company for Electrical Works	Joint Stock Company (E.S.C)	Egypt	**49%**	**49%**
2- Saudi Modern Company For Specialized Wires And Cables Industry	Closed joint stock company	Kingdom of Saudi Arabia	**100%**	**100%**
3- Saudi Modern Company for Telephone Cables Industry	Closed joint stock company	Kingdom of Saudi Arabia	**100%**	**100%**
4- Riyadh Cables Company and its subsidiaries listed below:	Closed joint stock company	Kingdom of Saudi Arabia	**100%**	**100%**
4.1 National Cables Industry Company	Single shareholder limited liability company	U.A.E	**100%**	**100%**
4.2 Alrowad Company for Production of Electrical Cables Limited	Single shareholder limited liability company	IRAQ	**100%**	**100%**
5- Saudi Modern Company for Cables Limited	Limited liability company	Kingdom of Saudi Arabia	**100%**	**100%**

2- Basis of preparation and statement of Compliance

These interim condensed consolidated financial statements for the three-month period ended 31 March 2025 have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024 ("last annual financial statements").

These interim condensed consolidated financial statements do not include all the required information to prepare a full set of the financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia; however, certain accounting policies and selected explanatory notes are included to explain significant events and transactions during the period to understand the changes in the Group's financial position and financial performance since the prior year financial statements.

The results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the year ended 31 December 2025.

3- Use of estimates and judgements

The preparation of the interim condensed consolidated financial statements of the Group requires management to make judgments, estimates and assumptions that affect the amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Actual result may differ from these estimates.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties of the estimates were similar to those outlined in the Group's annual consolidated financial statements as at 31 December 2024.

4- Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis and the going concern concept, except for the following:

- Employees' defined benefits obligations that have been actuarially evaluated and measured at their present value using the projected unit credit method.
- Investments at fair value through other comprehensive income ("FVOCI")
- Derivative financial instruments at fair value.

5- Presentation and functional currency

These interim condensed consolidated financial statements are prepared in Saudi Riyal ("⃁") which is the Company's presentation and functional currency.

6- Significant accounting polices

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

The principal accounting policies have been consistently applied to all periods presented in these interim condensed consolidated financial statements.

New standards, amendments to standards, and interpretations

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations were applied for the first time in 2025, but these do not have any impact on the interim condensed consolidated financial statements of the Group.

Pillar Two minimum global tax rate

The OECD/G20 Inclusive Framework addresses base erosion and profit shifting (BEPS) challenges arising from the digitalization of the global economy. The global anti-base Erosion (GloBE) rules (Pillar Two) apply to multinational enterprises (MNEs) with annual revenues exceeding €750 million, as per their consolidated financial statements. These rules aim to ensure a minimum level of taxation on income earned in each country where the entity operates.

The Group is subject to the global minimum tax under the Pillar Two tax legislation. Additionally, the Group has a subsidiary in the United Arab Emirates, where the relevant tax legislation has been enacted and will come into effect on January 1, 2025. Consequently, the Group will be required to record the potential impact of this tax concerning the subsidiary. The Group will periodically review this policy, especially upon the issuance of any final legislation in the kingdom of Saudi Arabia that may necessitate recognition of potential impacts in accordance with Pillar Two.

The Group continues to monitor legislative developments related to Pillar Two to assess the potential future impact on its consolidated financial statements.

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

7- Property, plant and equipment, net

The total cost of property, plant and equipment as at 31 March 2025 amounted to ⃁ 3,19 billion (31 December 2024: ⃁ 3,16 billion). The accumulated depreciation amounted to ⃁ 1.83 billion (31 December 2024: ⃁ 1.82 billion). During the three-month period ended 31 March 2025, the Group has added property, plant and equipment amounting to ⃁ 47.3 million (31 December 2024: ⃁ 194.9 million) which are mainly represented in new plants for the Group's companies.

8- Right of use assets

On January 26, 2025, the Group entered into an agreement with Crown Paper Industries Company to acquire the lease rights for land leased from the Saudi Authority for Industrial Cities, to purchase a building on that land. The total consideration amounted to ⃁ 74.8 million, of which ⃁ 14.8 million relates to the cost of the building, while an amount of ⃁ 60 million was recognized as part of the Right-of-Use assets as consideration for the lease assignment. The lease contract with the Authority for Industrial Cities was signed on March 17, 2025, with a contractual lease term of four years. At the commencement date of the lease, the Group assessed whether it is reasonably certain to exercise the renewal options for an additional 20 years. The Group has estimated the incremental borrowing rate at 6.67%.

Total interest expense on lease liabilities recognized in the statement of profit or loss amounted to ⃁ 67,815 as of 31 March 2025, while total depreciation expense on the right-of-use assets amounted to ⃁ 380,591 for the same period.

9- Inventories

	31 March 2025 (unaudited)	31 December 2024 (audited)
Finished production	**1,334,002,742**	1,226,136,677
Work in progress	**490,024,326**	464,126,999
Raw materials	**308,918,659**	306,655,673
Spare parts	**43,295,024**	42,940,174
Packaging material	**48,634,927**	55,635,180
Goods in-transit	**5,829,907**	165,597,590
Projects' supplies	**3,018,904**	3,014,595
	2,233,724,489	2,264,106,888
Less: adjustments of net realizable value	**(127,638,823)**	(138,070,200)
	2,106,085,666	2,126,036,688

Movement in adjustments of inventory's net realizable value is as follows:

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Balance at the beginning of the period	**138,070,200**	68,305,439
(Reversal) / settlements during the period	**(10,431,377)**	38,028,895
Balance at the end of the period	**127,638,823**	106,334,334

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

10- Trade receivables

	31 March 2025 (unaudited)	31 December 2024 (audited)
Trade receivables	**2,437,146,272**	2,134,767,186
Impairment losses on trade receivables	**(170,579,110)**	(111,865,763)
	2,266,567,162	2,022,901,423

The movement in the provision of expected credit losses on trade receivables is as follows:

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Balance at the beginning of the period	**111,865,763**	88,439,772
Impairment losses on trade receivables	**58,713,347**	4,387,060
Balance at the end of the period	**170,579,110**	92,826,832

11- Islamic financing facilities

The Group entered into credit facilities agreements with several local banks with variable Islamic Murabaha rates plus SIBOR rate to meet the working capital requirements during the period with a total amount of ⃁ 2.4 billion (2024: ⃁ 2.4 billion). All credit facilities were granted under promissory notes. The Murabaha rates of the short-term loans are based on the Saudi Interbank Offered Rate (SIBOR) plus a variable rate during the period.

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	**433,053,112**	722,123,178
Utilized during the period/ year	**735,836,225**	3,721,460,272
Repayment during the period / year	**(682,301,336)**	(4,010,530,338)
Balance at the end of the period / year	**486,588,001**	433,053,112

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

12- Derivative financial instruments

Forwards and futures

They are contractual agreements to either buy or sell a commodity or financial instrument at a specified price and date in the future. Forwards are customized contracts to meet specific needs.

The Group has adopted a comprehensive system for measuring and managing risks. Part of the risk management process is related to managing the Group's exposure to fluctuations in certain inventory raw materials prices to reduce its exposure to the risks of the variable inventory prices to acceptable levels as determined by the Board of Directors.

The Group uses commodity futures to hedge against certain inventory raw material prices risk on copper, aluminum and lead related to producing ultra-voltage cables. The hedging relationship and objective are documented, including details of the hedged items and the hedging instrument, and the transactions are accounted for as a fair value hedge.

The following table shows the details of nominal value and carrying amount as at the reporting date:

31 March 2025	The nominal value of hedging instruments	Carrying amount of hedging instruments	
	Current	Assets	Liabilities
Commodity derivatives used for hedging	**737,307,771**	**12,472,501**	**12,892,936**
Other commodity futures	**574,607,469**	**29,841,274**	**3,927,740**
	1,311,915,240	**42,313,775**	**16,820,676**
31 December 2024			
Commodity derivatives used for hedging	751,558,341	3,415,403	29,808,257
Other commodity futures	657,970,748	1,624,715	53,605,343
Total	1,409,529,089	5,040,118	83,413,600

The Group purchases copper, aluminum and lead on an ongoing basis as its operating activities require a continuous supply of these materials. The increased fluctuations of these materials prices led the management to decide to enter into forwards for materials related to high voltage cables and overhead cables.

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

12- Derivative financial instruments (Continuted)

The impact of the cash flow hedge for these items on the statement of financial position is as follows:

	31 December 2024	Change in fair value of hedging instruments	31 March 2025
Copper	**1,871,521**	**(23,586,539)**	**(21,715,018)**
Aluminum	**9,312,412**	**3,021,735**	**12,334,147**
Lead	**6,120,645**	**(1,823,693)**	**4,296,952**
	17,304,578	**(22,388,497)**	**(5,083,919)**

13- Provisions

	31 March 2025 (unaudited)	31 December 2024 (audited)
Provision for onerous contracts*	580,596,744	423,305,127
	580,596,744	423,305,127

* This represents provision for contracts that include a current obligation by the Group to supply cables, which may result in a change in the prices of raw materials after the date of contract. This is for all the Group's products, except for the extra-voltage cables as well as overhead cables, in which the price of the raw material is hedged.

Movement in provision is as follows:

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
1 January	**423,305,127**	197,175,347
Provisions made during the period	**157,291,617**	85,918,579
	580,596,744	283,093,926

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

14- Zakat and income tax

Zakat and Income Tax Status

Riyadh Cables Group Company obtained the final Zakat and tax assessment up to the financial year ended 31 December 2023. The Company also submitted the Zakat and tax return for the year 2024. The Zakat and tax payable were paid for the financial year ended 31 December 2024 in the subsequent period.

Management believes that there is no material impact on the Group's condensed interim consolidated financial statements as of 31 March 2025, in relation to the effect of applying Pillar Two requirements of international tax on certain subsidiaries operating outside the Kingdom of Saudi Arabia.

The movement in Zakat and provision for income tax is as follows:

	31 March 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	**67,410,011**	41,946,426
Charge during the period/ year	**19,948,605**	71,884,690
Repayment during the period / year	**(42,575)**	(46,421,105)
Balance at the end of the period / year	**87,316,041**	67,410,011

15- Cost of revenue

	For the three-month period ended	
	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Materials consumed	1,952,276,394	1,644,764,588
Salaries and employees' related benefits	63,080,429	60,909,548
Depreciation expense	15,488,150	14,752,762
Repairs and maintenance	11,819,558	10,247,503
Electricity and other benefits	12,903,841	13,517,637
Other	6,673,288	4,152,843
	2,062,241,660	1,748,344,881

16- Other (expenses) / income, net

	For the three-month period ended	
	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Foreign currency losses	**(666,492)**	(7,766,390)
income from sale of scraps	**-**	1,762,962
Loss on disposal of property, plant and equipment	**(112,812)**	(1,295,193)
Other	**55,175**	441,022
	(724,129)	(6,857,599)

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

17- Finance costs

	For the three-month period ended	
	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Bank Interests	**16,104,432**	18,952,675
Interest on employees' defined benefits obligations	**1,332,244**	1,153,179
Interest on lease liabilities	**67,815**	68,785
	17,504,491	20,174,639

18- Reportable segments

The Group's activities include a number of sectors as follows: -

Cables and wire segment: includes electrical cables
High voltage cables segment: includes turnkey projects
Other: includes telephone cables and services

As at and for the period ended 31 March 2025	**Cables and wires**	**High voltage cables (turnkey projects)**	**Other**	**Total**
Revenue	**2,446,972,993**	**35,865,493**	**6,211,949**	**2,489,050,435**
Cost of revenue	**(2,025,076,604)**	**(33,779,034)**	**(3,386,022)**	**(2,062,241,660)**
Expenses	**(73,606,764)**	**(418,761)**	**(406,161)**	**(74,431,686)**
Impairment losses on trade receivables	**(60,045,248)**	**324,480**	**1,007,421**	**(58,713,347)**
Other (expenses) / income	**(1,547,743)**	**743,361**	**80,253**	**(724,129)**
Finance costs	**(17,277,694)**	**(39,258)**	**(187,539)**	**(17,504,491)**
Profit before Zakat and tax	**269,418,940**	**2,696,281**	**3,319,901**	**275,435,122**
Total assets	**5,898,357,763**	**286,340,119**	**71,696,877**	**6,256,394,759**
Total liabilities	**3,138,987,333**	**190,960,832**	**26,994,960**	**3,356,943,125**

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

18-Reportable segments (continued)

As at and for the period ended 31 March 2024	Cables and wires	High voltage cables (turnkey projects)	Other	Total
Revenue	1,970,327,462	55,642,858	5,576,161	2,031,546,481
Cost of revenue	(1,700,265,048)	(48,480,154)	400,321	(1,748,344,881)
Expenses	(60,570,640)	(177,368)	(423,329)	(61,171,337)
Impairment losses on trade receivables	(5,668,136)	2,346,994	(1,065,918)	(4,387,060)
Impairment losses on investment properties	-	-	(2,490,354)	(2,490,354)
Other (expenses) / income	(6,511,643)	(343,884)	(2,072)	(6,857,599)
Finance costs	(23,943,696)	(217,037)	(203,336)	(24,364,069)
Profit before Zakat and tax	173,368,299	8,771,409	1,791,473	183,931,181
Balance as at 31 December 2024				
Total assets	5,381,715,601	353,698,959	76,169,538	5,811,584,098
Total liabilities	3,019,596,338	142,028,844	26,082,020	3,187,707,202

The information by geographical distribution is as follows:

As at and for the period ended 31 March 2025	**Within Saudi Arabia**	**Outside Saudi Arabia**	**Total**
Revenue	**1,882,830,893**	**606,219,542**	**2,489,050,435**
Total non-current assets	**1,343,462,117**	**223,815,658**	**1,567,277,775**
As at and for the period ended 31 March 2024			
Revenue	1,631,893,507	399,652,974	2,031,546,481
As at 31 December 2024			
Total non-current assets	1,258,556,463	219,179,537	1,477,736,000

* The majority of revenue generated outside the Kingdom of Saudi Arabia (KSA) represents revenue generated in the United Arab Emirates (UAE).

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

19- Earnings per Share – Basic and Diluted

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

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Net profit for the period attributes to the shareholders	**256,184,594**	170,215,669
Weighted average number of shares	**149,717,500**	149,717,500
Basic and diluted earnings per share	**1.71**	1.14

The diluted earnings per share is not significantly different from the basic earnings per share for the periods ended 31 March 2025 and 31 March 2024.
The calculation of the weighted average of the ordinary shares and diluted shares is as follows:

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Outstanding ordinary shares	**150,000,000**	150,000,000
Treasury shares	**(282,500)**	(282,500)
Weighted average for ordinary shares	**149,717,500**	149,717,500

	31 March 2025 (unaudited)	31 March 2024 (unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**149,717,500**	149,717,500
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**149,838,064**	149,743,631

(All amounts are in Saudi Riyal (⃁) unless otherwise stated)

20- Financial Instruments

Fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount reasonably approximates the fair value.

	Carrying amount			**Fair value**			
	Hedge instruments	**Investments at fair value through other comprehensive income**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
31 March 2025 (unaudited)				⃁			
Financial assets							
Derivative financial instruments	**42,313,775**	**-**	**42,313,775**	**-**	**42,313,775**	**-**	**42,313,775**
Investments at fair value through other comprehensive income	**-**	**20,903,790**	**20,903,790**	**20,891,649**	**-**	**12,141**	**20,903,790**
Financial liabilities							
Derivative financial instruments	**16,820,676**	**-**	**16,820,676**	**-**	**16,820,676**	**-**	**16,820,676**

	Carrying amount			**Fair value**			
	Hedge instruments	**Investments at fair value through other comprehensiv e income**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2024 (audited)				⃁			
Financial assets							
Derivative financial instruments	5,040,118	-	5,040,118	-	5,040,118	-	5,040,118
Investments at fair value through other comprehensive income	-	26,347,118	26,347,118	26,334,977	-	12,141	26,347,118
Financial liabilities							
Derivative financial instruments	83,413,600	-	83,413,600	-	83,413,600	-	83,413,600

21- Commitments and contingencies

Capital commitments

At 31 March 2025, the Group has commitments of ⃁ 136.9 million (31 December 2024: ⃁ 131 million) relating to the capital expenditures of the expansion works in the Group's factories.

Contingencies

The contingencies amounted to ⃁ 1.23 billion (31 December 2024: ⃁ 1 billion) against bank facilities in the form of letters of credit and letters of guarantee obtained by the Group from several local banks against a commission for granting facilities without any bank cover.

22- Subsequent events

On 19 Shawwal 1446H (corresponding to 17 April 2025), the ordinary general assembly approved the Board of Directors' recommendation to distribute cash dividends of ⃁ 299.4 million to the shareholders for the financial year ended 31 December 2024, at ⃁ 2 per share.

23- Approval of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements have been approved by the Board of Directors on 8 Dhul Qadah 1446H (corresponding to 6 May 2025).