

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 months and six months periods ended 30 June 2025

RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
For the three months and six months periods ended 30 June 2025

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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 30 June 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 30 June 2025;
- the condensed consolidated statement of profit or loss for the three-month and six-month periods ended 30 June 2025.
- the condensed consolidated statement of other comprehensive income for the three-month and six-month period ended 30 June 2025;
- The condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- The condensed consolidated statement of cash flows for the six-month period ended 30 June 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 30 June 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

Riyadh, 12 Safar 1447H
Corresponding to: 06 August 2025



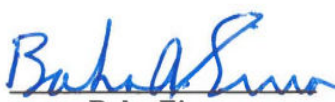
RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2025

(All amounts are expressed in Saudi Riyals unless otherwise stated)

		June 30 2025	31 December 2024
	<i>Note</i>	(unaudited)	(audited)
ASSETS			
Non-current assets			
Property, plant and equipment, net	7	1,384,156,438	1,336,038,944
Investment properties		10,030,841	10,030,841
Intangible assets, net		54,334,838	57,163,451
Right of use assets	8	69,259,388	7,073,017
Investments at fair value through other comprehensive income		17,032,126	26,347,118
Investment in a joint venture		31,464,223	31,409,377
Deferred tax assets		12,529,752	9,673,252
Total non-current assets		1,578,807,606	1,477,736,000
Current assets			
Inventories	9	2,323,336,816	2,126,036,688
Trade receivables	10	2,473,589,692	2,022,901,423
Contract assets		29,722,473	15,207,694
Advances and other current assets		146,090,115	73,989,450
Derivative financial instruments	12	99,262,553	5,040,118
Cash and cash equivalents		235,354,887	90,672,725
Total current assets		5,307,356,536	4,333,848,098
Total assets		6,886,164,142	5,811,584,098
EQUITY AND LIABILITIES			
Equity			
Share capital		1,500,000,000	1,500,000,000
Statutory reserve		288,326,294	288,326,294
Treasury shares		(21,097,836)	(21,097,836)
Retained earnings		1,050,054,482	814,601,950
Other reserves		97,252,224	42,523,242
Equity attributable to the shareholders of the Company		2,914,535,164	2,624,353,650
Non-controlling interests		(396,068)	(476,754)
Total equity		2,914,139,096	2,623,876,896
Non-current liabilities			
End-of-service benefit obligations		130,996,118	125,899,543
Lease liabilities		8,828,985	6,296,317
Deferred tax liabilities		6,428,253	6,526,171
Total non-current liabilities		146,253,356	138,722,031
Current liabilities			
Islamic financing facilities	11	877,137,247	433,053,112
Accrued expenses and other liabilities		564,213,292	381,082,442
Contracts liabilities		68,298,937	61,191,218
Derivative financial instruments	12	11,271,126	83,413,600
Trade payables		1,541,184,933	1,598,433,491
Provisions	13	701,788,570	423,305,127
Provision for Zakat and income tax	14	60,695,278	67,410,011
Lease liabilities		1,182,307	1,096,170
Total current liabilities		3,825,771,690	3,048,985,171
Total liabilities		3,972,025,046	3,187,707,202
Total equity and liabilities		6,886,164,142	5,811,584,098

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.


Khalid Abdulrahman Al-Gwaiz
Chairman

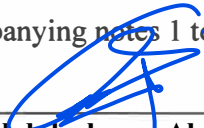

Baha Eissa
Chief Financial Officer


Borjan Sehovac
Chief Executive Officer

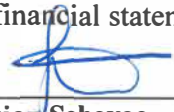
RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For the three-month and six-month periods ended 30 June 2025
(All amounts are expressed in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	For the three-month period ended 30 June		For the six-month ended 30 June	
		2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Revenue	18	2,714,843,097	2,046,144,781	5,203,893,532	4,077,691,262
Cost of revenue	15	(2,271,419,043)	(1,776,572,025)	(4,333,660,703)	(3,524,916,906)
Gross profit		443,424,054	269,572,756	870,232,829	552,774,356
Selling and distribution expenses		(31,971,683)	(30,242,106)	(64,100,423)	(59,157,197)
General and administrative expenses		(44,239,474)	(38,233,401)	(86,542,420)	(74,679,077)
Impairment losses on trade receivables, net	10	(41,679,239)	(5,978,498)	(100,392,586)	(10,365,558)
Impairment loss on investment property		-	-	-	(2,490,354)
Other income / (expenses), net	16	(1,852,425)	2,861,636	(2,576,554)	(3,995,963)
Profit from operations		323,681,233	197,980,387	616,620,846	402,086,207
Finance costs	17	(17,292,033)	(21,779,741)	(34,796,524)	(41,954,380)
Profit before zakat and income tax		306,389,200	176,200,646	581,824,322	360,131,827
Zakat and income tax	14	(29,219,321)	(16,817,247)	(49,167,926)	(32,770,932)
Deferred tax		2,207,281	-	2,954,418	1,016,800
Net income for the period		279,377,160	159,383,399	535,610,814	328,377,695
Attributable to:					
Shareholders of the Company		279,284,732	159,427,405	535,469,326	329,643,074
Non-controlling interests		92,428	(44,006)	141,488	(1,265,379)
Net income for the period		279,377,160	159,383,399	535,610,814	328,377,695
Earnings per share					
Basic and diluted earnings per share	19	1.87	1.06	3.58	2.20

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.


Khalid Abdulrahman Al-Gwaiz
Chairman


Baha Eissa
Chief Financial Officer


Borjan Sehovac
Chief Executive Officer

RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the three-month and six-month periods ended 30 June 2025
(All amounts are expressed in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Profit for the period		279,377,160	159,383,399	535,610,814	328,377,695
Other comprehensive income					
<u>Items that may be reclassified to profit or loss</u>					
Foreign currency translation differences		(164,024)	(3,265)	(28,593)	(3,265)
Cash flow hedges – effective portion of changes in fair value	12	37,684,070	30,084,744	60,072,567	47,155,034
		37,520,046	30,081,479	60,043,974	47,151,769
<u>Items that will not be reclassified to profit or loss</u>					
Investments at fair value through other comprehensive income - net change in fair value		(3,871,664)	1,226,662	(9,314,992)	1,993,327
Remeasurement of end-of-service benefit obligations		(872,691)	(345,746)	(581,794)	(691,492)
		(4,744,355)	880,916	(9,896,786)	1,301,835
Other comprehensive income for the period		32,775,691	30,962,395	50,147,188	48,453,604
Total comprehensive income		312,152,851	190,345,794	585,758,002	376,831,299
Comprehensive income attributable to:					
Shareholders of the Company		312,060,423	190,389,800	585,616,514	378,096,678
Non-controlling interests		92,428	(44,006)	141,488	(1,265,379)
Total comprehensive income for the period		312,152,851	190,345,794	585,758,002	376,831,299

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.


Khalid Abdulrahman Al-Gwaiz
Chairman


Baha Eissa
Chief Financial Officer


Borjan Sehovac
Chief Executive Officer

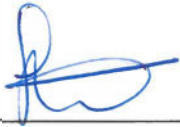
RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six-month period ended 30 June 2025
(All amounts are expressed in Saudi Riyals unless otherwise stated)

	Equity attributable to the shareholders of the Company												
	Other reserves											Non-controlling interests	Total equity
	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	Employees' share-based payment plan reserve	Cash flow hedge reserve	Foreign operations translation reserve	Total other reserves	Total		
For the six-month period ended 30 June 2024													
Balance 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	(645,883)	2,246,198,458
Net profit for the period	-	-	329,643,074	-	-	-	-	-	-	-	329,643,074	(1,265,379)	328,377,695
Other comprehensive income for the period	-	-	(691,492)	-	-	1,993,327	-	47,155,034	(3,265)	49,145,096	48,453,604	-	48,453,604
Total comprehensive income for the period	-	-	328,951,582	-	-	1,993,327	-	47,155,034	(3,265)	49,145,096	378,096,678	(1,265,379)	376,831,299
Share-based payments	-	-	-	-	-	-	4,000,000	-	-	4,000,000	4,000,000	-	4,000,000
Dividends	-	-	(224,576,250)	-	-	-	-	-	-	-	(224,576,250)	(60,901)	(224,637,151)
Balance at 30 June 2024 (Unaudited)	1,500,000,000	288,326,294	552,603,519	(21,097,836)	22,725,173	14,982,737	12,000,000	35,542,417	(817,535)	84,432,792	2,404,264,769	(1,872,163)	2,402,392,606
Six months period ended 30 June 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	-	-	535,469,326	-	-	-	-	-	-	-	535,469,326	141,488	535,610,814
Other comprehensive income for the period	-	-	(581,794)	-	-	(9,314,992)	-	60,072,567	(28,593)	50,728,982	50,147,188	-	50,147,188
Total comprehensive income for the period	-	-	534,887,532	-	-	(9,314,992)	-	60,072,567	(28,593)	50,728,982	585,616,514	141,488	585,758,002
Share-based payments	-	-	-	-	-	-	4,000,000	-	-	4,000,000	4,000,000	-	4,000,000
Dividends (note 22)	-	-	(299,435,000)	-	-	-	-	-	-	-	(299,435,000)	(60,802)	(299,495,802)
Balance at 30 June 2025 (unaudited)	1,500,000,000	288,326,294	1,050,054,482	(21,097,836)	22,725,173	12,727,972	20,000,000	42,767,989	(968,910)	97,252,224	2,914,535,164	(396,068)	2,914,139,096

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.


Khalid Abdulrahman Al-Gwaiz
Chairman


Baha Eissa
Chief Financial Officer


Borjan Sehovac
Chief Executive Officer

RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2025
(All amounts are expressed in Saudi Riyals unless otherwise stated)

	For the six-month period ended	
	30 June 2025	30 June 2024
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit for the period before zakat and income tax	581,824,322	360,131,827
Adjustments:		
Depreciation	35,864,252	32,455,915
Share in equity-accounted investees - joint venture	(54,846)	-
Depreciation of right-of-use of assets	1,312,387	541,650
Interest on lease liabilities	163,968	137,562
Expected adjustments of net realizable value of inventory	(11,226,329)	64,956,969
Impairment losses charge on trade receivables	100,392,586	10,365,558
Provisions during the period	278,483,443	174,056,792
Impairment losses of investment property	--	2,490,354
Employees' end-of-service benefits	8,532,998	8,833,134
Loss on disposal of property, plant and equipment	112,812	400,736
Share-based payments expenses	4,000,000	4,000,000
Losses on evaluation of financial derivatives	(106,292,342)	41,048,558
Finance costs	31,968,069	39,510,453
Changes in working capital:		
Inventories	(186,073,799)	(389,317,487)
Trade receivables	(551,080,855)	(447,859,745)
Contract assets	(14,514,779)	10,017,791
Contract liabilities	7,107,719	4,989,410
Advances and other current assets	(72,100,665)	(78,239,759)
Accrued expenses and other liabilities	183,130,850	19,891,319
Trade payables	(57,248,558)	315,810,771
Employees' end-of-service benefits paid	(4,018,217)	(4,022,031)
Net finance cost paid	(32,132,037)	(39,648,015)
Zakat and Income tax paid	(55,882,659)	(43,350,529)
Net cash flows from operating activities	142,268,320	87,201,233
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(81,468,776)	(45,101,064)
Proceed from sale of property, plant and equipment	202,831	7,839,655
Net cash flows used in investing activities	(81,265,945)	(37,261,409)
FINANCING ACTIVITIES		
Repayment of Islamic financing facilities during the period	(1,371,048,886)	(1,698,228,786)
Proceeds from Islamic financing facilities during the period	1,815,133,021	1,892,526,681
Additions to right-of-use assets	(60,136,601)	-
Lease liabilities under right-of-use assets	(743,352)	(548,090)
Dividends paid	(299,495,802)	(224,637,151)
Net cash flows generated from/ (used in) financing activities	83,708,380	(30,887,346)
Net change in cash and cash equivalents during the period	144,710,755	19,052,478
Cash and cash equivalents at the beginning of the period	90,672,725	150,051,628
Effect of exchange rate change on cash and cash equivalents	(28,593)	(3,265)
Cash and cash equivalents at the end of the period	235,354,887	169,100,841
NON-CASH TRANSACTIONS		
Remeasurement of employees' retirement benefits obligations	(581,794)	(691,492)
Change in the fair value of investments at fair value through other comprehensive income	(9,314,992)	1,993,327
Changes in the value of the hedging instruments recognized in other comprehensive income	60,072,567	47,155,034

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.


Khalid Abdulrahman Al-Gwaiz
Chairman


Baha Eissa
Chief Financial Officer


Borjan Sehovac
Chief Executive Officer

RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**
For the six-month period ended 30 June 2025
(All amounts are expressed in Saudi Riyals 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) that was amended by the Industrial License no. 36/R dated 5 Muharram 1418H (corresponding to 12 May 1997) and the 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 aluminum and copper.

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").

Subsidiary	Legal form	Country of incorporation	Shareholding percentage held by the Group (directly or indirectly)	
			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	100%	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	UAE	100%	100%
2.4 Iraqi National Company for Cables Industry	Limited liability company	Iraq	100%	100%
5- Saudi Modern Company for Cables Limited	Limited liability company	Kingdom of Saudi Arabia	100%	100%

* On 17 April 2025, the Group acquired the remaining share of 50% in Qatar Cables Co. (LLC) through the Saudi Modern Company for Metals, Cables and Plastic Industry (a subsidiary wholly owned by Riyadh Cables Group Company). There was no impact on the Group's control over the subsidiary since it still holds control over the subsidiary, and the subsidiary has not yet commenced operations. The capital value amounting to QR 100,000 was paid to the non-controlling interest. On 30 June 2025, and the Group's shareholding percentage in the subsidiary reached 100%.

RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**
For the six-month period ended 30 June 2025
(All amounts are expressed in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements for the six-month period ended 30 June 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 (“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 six-month period ended 30 June 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 Group’s interim condensed consolidated financial statements in accordance with IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by SOCPA require 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 results 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.
- Investment 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 functional currency and Group’s presentation currency.

6. MATERIAL ACCOUNTING POLICIES

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.

RIYADH CABLES GROUP COMPANY
(A Saudi Joint Stock Company)
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**
For the six-month period ended 30 June 2025
(All amounts are expressed in Saudi Riyals unless otherwise stated)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

There are several amendments and interpretations that are applied for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Pillar Two - Global minimum tax rate

The OECD/G20 inclusive framework addresses base erosion, profit shifting, the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two Model Rules) is applicable to the multinational entities with annual revenues exceeding EUR 750 million in accordance with its consolidated financial statements. These rules aim to ensure a minimum tax is applied on the income earned in the countries in which the entities operates.

The Group is subject to the global minimum tax under pillar two legislation and the Group has a subsidiary in the United Arab Emirates (UAE). The tax legislation came into effect on 1 January 2025. Accordingly, the Group shall record the potential impact of that tax on the subsidiary. The Group reviews this policy periodically, particularly when final legislation is issued in the Kingdom of Saudi Arabia that may require recognition of the potential impacts in accordance with Pillar Two Model Rules.

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

7. Property, plant and equipment, net

The total cost of property, plant and equipment as of 30 June 2025 amounted to 3.2 billion Saudi Riyal (31 December 2024: 3.16 billion Saudi Riyal). The accumulated depreciation amounted to 1.84 billion Saudi Riyal (31 December 2024: 1.82 billion Saudi Riyal). During the six-month period ended 30 June 2025, the Group made additions to the property, plant and equipment amounting to 81.4 million Saudi Riyal (31 December 2024: 194,98 million Saudi Riyal) which are mainly represented in new plants for the Group's companies.

8. RIGHT OF USE ASSETS

On 26 January 2025, the Group signed a contract with the Crown Paper Industries Company to waive a lease of a land leased from the Saudi Authority for Industrial Cities and Technology Zones (MODON) to purchase a building constructed on the leased land. The contract was concluded against a consideration of 74.8 million Saudi Riyal, divided into 14.8 million Saudi Riyal representing the portion related to the cost of the building, while 60 million Saudi Riyal was charged to the right of use assets as a consideration for waiving the lease. The lease was signed with the Saudi Authority for Industrial Cities and Technology Zones (MODON) on 17 March 2025. As per the terms of the contract, the lease term is 4 years. On the commencement date of the lease, the Group estimated whether it is reasonably certain to exercise the renewal options for an additional period of 20 years. The Group has estimated the incremental borrowing rate at 6,67%. For the purposes of applying International Financial Reporting Standard (IFRS) 16.

On 30 June 2025, the total interest expenses on lease liabilities of 163,968 Saudi Riyal was recognized in the statement of profit or loss, and the total depreciation charged to the right of use assets in the statement of profit or loss amounted to 1,312,387 Saudi Riyal on 30 June 2025.

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9. INVENTORIES

	30 June 2025 (unaudited)	31 December 2024 (audited)
Finished production	1,418,272,233	1,226,136,677
Inventory in progress	633,569,656	464,126,999
Raw materials	260,526,097	306,655,673
Spare parts	46,057,997	42,940,174
Packaging material	39,671,576	55,635,180
Goods in-transit	48,929,870	165,597,590
Projects' supplies	3,153,258	3,014,595
	2,450,180,687	2,264,106,888
Less: expected adjustments of net realizable value	(126,843,871)	(138,070,200)
	2,323,336,816	2,126,036,688

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

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Balance at the beginning of the period	138,070,200	68,305,439
(Reversal) / settlements during the period	(11,226,329)	64,956,969
Balance at the end of the period	126,843,871	133,262,408

10. TRADE RECEIVABLES

	30 June 2025 (unaudited)	31 December 2024 (audited)
Trade receivables	2,685,848,041	2,134,767,186
Provision for expected credit losses	(212,258,349)	(111,865,763)
	2,473,589,692	2,022,901,423

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

	30 June 2025 (unaudited)	30 June 2024 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period	111,865,763	88,439,772	88,439,772
Provision for impairment losses on trade receivables	102,488,044	10,365,558	23,425,991
Reversal of provision for impairment losses on trade receivables	(2,095,458)	-	-
Balance at the end of the period	212,258,349	98,805,330	111,865,763

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11. ISLAMIC FINANCING FACILITIES

The Group entered into credit facilities agreements with several local banks to support the working capital during the year with a total amount of 2.4 billion Saudi Riyal (2024: 2.4 billion Saudi Riyal). At variable Islamic Murabaha profit rates, which are based on short-term borrowings to (SIBOR), plus a variable margin throughout the year.

	30 June 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	433,053,112	722,123,178
Withdrawn during the period / year	1,815,133,021	3,721,460,272
Paid during the period / year	<u>(1,371,048,886)</u>	<u>(4,010,530,338)</u>
Balance at the end of the period / year	<u>877,137,247</u>	<u>433,053,112</u>

12. DERIVATIVE FINANCIAL INSTRUMENTS

Forwards and futures contracts

They are contractual agreements to either buy or sell a specified 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 raw materials prices to reduce its exposure to the risks of the variable prices to acceptable levels as determined by the Board of Directors.

The Group uses commodity futures to hedge against the risks of certain raw material prices, including the copper, aluminum and lead used in 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:

	The nominal value of hedging instruments	Carrying amount of hedging instruments	
<u>30 June 2025</u>		<u>Assets</u>	<u>Liabilities</u>
Commodity derivatives used for hedging	<u>1,012,216,138</u>	<u>46,996,958</u>	<u>1,309,002</u>
Other commodity futures	<u>240,759,107</u>	<u>52,265,595</u>	<u>9,962,124</u>
 <u>31 December 2024</u>			
Commodity derivatives used for hedging	<u>751,558,341</u>	<u>3,415,403</u>	<u>29,808,257</u>
Other commodity futures	<u>657,970,748</u>	<u>1,624,715</u>	<u>53,605,343</u>

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.

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12. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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 values of hedging instruments	30 June 2025
Copper	1,871,521	(29,724,064)	(27,852,542)
Aluminum	9,312,412	(27,543,375)	(18,230,963)
Lead	6,120,645	(2,805,128)	3,315,516
	<u>17,304,578</u>	<u>(60,072,567)</u>	<u>(42,767,989)</u>

13. PROVISIONS

	30 June 2025 (unaudited)	31 December 2024 (audited)
Provision for onerous contracts	<u>701,788,570</u>	<u>423,305,127</u>
	<u>701,788,570</u>	<u>423,305,127</u>

This represents the 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 ultra-voltage cables as well as overhead cables, in which the price of the raw material is hedged.

Movement in provision is as follows:

	30 June 2025 (unaudited)	30 June 2024 (unaudited)	31 December 2024 (audited)
1 January	423,305,127	197,175,347	197,175,347
Provisions made during the period	<u>278,483,443</u>	<u>174,056,792</u>	<u>226,129,780</u>
	<u>701,788,570</u>	<u>371,232,139</u>	<u>423,305,127</u>

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 and paid all Zakat and tax dues for the financial year ended at 31 December 2024.

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14. ZAKAT AND INCOME TAX (CONTINUED)

Zakat and Income Tax Status

During the period, the United Arab Emirates (UAE) issued new tax legislation to implement the Domestic Minimum Top-up Tax (DMTT) applicable from 1 January 2025. As a result, the subsidiaries of Riyadh Cables Group Company operating in the United Arab Emirates (UAE) are subject to the DMTT as of 2025. As of 30 June 2025, the Group recorded 6 million Saudi Riyal as a result of applying the DMTT on the subsidiary.

	30 June 2025 (unaudited)	31 December 2024 (audited)
Opening balance	67,410,011	41,946,426
Charge during the period/ year	49,167,926	71,884,690
Payment made during the period / year	<u>(55,882,659)</u>	<u>(46,421,105)</u>
Balance at	<u>60,695,278</u>	<u>67,410,011</u>

15. COST OF REVENUE

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Materials	2,162,359,145	1,669,964,210	4,114,635,539	3,314,728,798
Salaries and employees' benefits	59,846,739	64,727,158	122,927,168	125,636,706
Depreciation expense	17,235,365	14,139,475	32,723,515	28,892,237
Repairs and maintenance	11,343,709	8,526,395	23,163,267	18,773,898
Electricity and other benefits	17,535,128	14,222,843	30,438,969	27,740,480
Other	3,098,957	4,991,944	9,772,245	9,144,787
	<u>2,271,419,043</u>	<u>1,776,572,025</u>	<u>4,333,660,703</u>	<u>3,524,916,906</u>

16. OTHER INCOME / (EXPENSES) – NET

	For the three-month period ended 30 June		For the six-month ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Foreign currency losses	(1,917,859)	(1,600,210)	(2,584,351)	(9,366,600)
Gains/ (losses) on sale of property and plant	-	894,457	(112,812)	(400,736)
Sales of scrap	-	1,990,007	-	3,752,969
Other	65,434	1,577,382	120,609	2,018,404
	<u>(1,852,425)</u>	<u>2,861,636</u>	<u>(2,576,554)</u>	<u>(3,995,963)</u>

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17. FINANCE COSTS

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Bank interests	15,863,637	20,557,778	31,968,069	39,510,453
Interest on employees' benefits	1,332,243	1,153,186	2,664,487	2,306,365
Interest on lease liabilities	96,153	68,777	163,968	137,562
	17,292,033	21,779,741	34,796,524	41,954,380

18. SEGMENT REPORTING

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

Cables and wire segment: includes electrical cables

High voltage cables segment: includes ready-made projects (turnkey projects)

Other: includes telephone cables and services

<u>As at and for the period ended 30 June 2025</u>	<u>Cables and wires</u>	<u>High voltage</u>	<u>Other</u>	<u>Total</u>
Revenue	5,109,923,054	80,968,593	13,001,885	5,203,893,532
Cost of revenue	(4,251,750,896)	(78,770,345)	(3,139,462)	(4,333,660,703)
Expenses	(149,120,342)	(721,351)	(801,150)	(150,642,843)
Provision for impairment on accounts receivable	(101,745,142)	(742,902)	2,095,458	(100,392,586)
Other expenses / (income) - net	(4,619,213)	1,786,029	256,630	(2,576,554)
Finance costs	(34,342,932)	(78,516)	(375,076)	(34,796,524)
Profit before Zakat and tax	568,344,529	2,441,508	11,038,285	581,824,322
Total assets	6,482,793,105	296,266,113	107,104,924	6,886,164,142
Total liabilities	3,710,576,412	235,325,070	26,123,564	3,972,025,046

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18. SEGMENT REPORTING (CONTINUED)

<u>For the period ended 30 June 2024</u>	<u>Cables and wires</u>	<u>High voltage</u>	<u>Other</u>	<u>Total</u>
Revenue	3,871,937,057	196,031,357	9,722,848	4,077,691,262
Cost of revenue	(3,358,736,027)	(162,780,137)	(3,400,742)	(3,524,916,906)
Expenses	(132,575,673)	(442,747)	(817,854)	(133,836,274)
Impairment losses charge on trade receivables	(5,663,270)	(3,746,047)	(956,241)	(10,365,558)
Impairment losses on investment properties	-	-	(2,490,354)	(2,490,354)
Other expenses / (income) - net	(4,391,334)	376,873	18,498	(3,995,963)
Finance costs	(41,197,840)	(360,029)	(396,511)	(41,954,380)
Profit before Zakat and tax	<u>329,372,913</u>	<u>29,079,270</u>	<u>1,679,644</u>	<u>360,131,827</u>
<u>As at 31 December 2024</u>				
Total assets	<u>5,381,715,601</u>	<u>353,698,959</u>	<u>76,169,538</u>	<u>5,811,584,098</u>
Total liabilities	<u>3,019,596,338</u>	<u>142,028,844</u>	<u>26,082,020</u>	<u>3,187,707,202</u>

The information by geographical distribution is as follows:

<u>As at and for the period ended 30 June 2025</u>	<u>Inside the Kingdom of Saudi Arabia (KSA)</u>	<u>Outside the Kingdom of Saudi Arabia (KSA)</u>	<u>Total</u>
Revenue	<u>3,898,358,969</u>	<u>1,305,534,563</u>	<u>5,203,893,532</u>
Non-current assets	<u>1,344,021,097</u>	<u>234,786,509</u>	<u>1,578,807,606</u>
<u>For the period ended 30 June 2024</u>	<u>Inside Kingdom of Saudi Arabia (KSA)</u>	<u>Outside Kingdom of Saudi Arabia (KSA)</u>	<u>Total</u>
Revenue	<u>3,281,319,371</u>	<u>796,371,891</u>	<u>4,077,691,262</u>
<u>As at 31 December 2024</u>			
Non-current assets	<u>1,258,556,463</u>	<u>219,179,537</u>	<u>1,477,736,000</u>

***The majority of revenue generated outside KSA are the revenue generated in the United Arab Emirates (UAE), amounted to SR 930 Million.**

The Group's revenue from one of the customers of the cables and wires segment constituted 22% of the Group's total revenue as at 30 June 2025.

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19. EARNINGS PER SHARE – BASIC AND DILUTED

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

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net profit for the period for the Company's shareholders	<u>279,284,732</u>	<u>159,427,405</u>	<u>535,469,326</u>	<u>329,643,074</u>
Weighted average number of shares	<u>149,717,500</u>	<u>149,717,500</u>	<u>149,717,500</u>	<u>149,717,500</u>
Basic and diluted earnings per share	<u>1.87</u>	<u>1.06</u>	<u>3.58</u>	<u>2.20</u>

The diluted earnings per share is not significantly different from the basic earnings per share for the periods ended 30 June 2025 and 30 June 2024. The calculation of weighted-average of the ordinary shares and diluted shares is as follows:

	For the three-month period ended 30 June		For the six-month ended 30 June	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Outstanding ordinary shares	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
Treasury shares	<u>(282,500)</u>	<u>(282,500)</u>	<u>(282,500)</u>	<u>(282,500)</u>
Weighted average for ordinary shares	<u>149,717,500</u>	<u>149,717,500</u>	<u>149,717,500</u>	<u>149,717,500</u>
	For the six-month period ended 30 June			
	2025		2024	
	(unaudited)		(unaudited)	
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>149,717,500</u>		<u>149,717,500</u>	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>149,861,608</u>		<u>149,667,825</u>	

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20. FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

	Carrying amount		Fair Value			
		Investments at fair value through other comprehensive income	Level 1	Level 2	Level 3	Total
<u>30 June 2025 (unaudited)</u>						
Financial assets						
Derivative financial instruments	99,262,553	-	-	99,262,553	-	99,262,553
Investments at fair value through other comprehensive income	-	17,032,126	17,019,985	-	12,141	17,032,126
Financial liabilities						
Derivative financial instruments	11,271,126	-	-	11,271,126	-	11,271,126
<u>31 December 2024 (audited)</u>						
Financial assets						
Derivative financial instruments	5,040,118	-	-	5,040,118	-	5,040,118
Investments at fair value through other comprehensive income	-	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

21. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 30 June 2025, the Group has commitments amounting to 133 million Saudi Riyal (31 December 2024: 131 million Saudi Riyal) relating to the capital expenditures of the expansion works in the Group's factories.

Contingent liabilities

As at 30 June 2025, the contingent liabilities amounted to 1.2 billion Saudi Riyal (31 December 2024: 1 billion Saudi Riyal) 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. DIVIDENDS

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

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23. SUBSEQUENT EVENTS

There are no significant events since the period-end that require disclosure or adjustment in the interim condensed consolidated financial statements of the Group.

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by the Board of Directors on 06 Safar 1447H (corresponding to 31 July 2025).