

Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three-month and nine-month periods ended 30 September 2025
Together with the Independent Auditor's Review Report

Riyadh Cables Group Company

(A Saudi Joint Stock Company)

**Condensed Consolidated Interim Financial Statements and Independent Auditor's Review Report
For the three-month and nine-month period ended 30 September 2025**

	<u>Page</u>
Independent auditor's review report on review of condensed consolidated interim financial statements	1
Condensed consolidated statement of financial position (unaudited)	1
Condensed consolidated statement of profit or loss (unaudited)	2
Condensed consolidated statement of other comprehensive income (unaudited)	3
Condensed consolidated statement of changes in equity (unaudited)	4-5
Condensed consolidated statement of cash flows (unaudited)	6-7
Notes to the condensed consolidated interim financial statements (unaudited)	8- 19



KPMG Professional Services Company

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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 consolidated interim financial statements

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

Introduction

We have reviewed the accompanying 30 September 2025 condensed consolidated interim 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 September 2025;
- The condensed consolidated statement of profit or loss for the three-month and nine-month periods ended 30 September 2025.
- The condensed consolidated statement of other comprehensive income for the three-month and nine-month period ended 30 September 2025;
- The condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2025;
- The condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025; and
- The notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim 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 consolidated interim 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 consolidated interim financial statements as at and for the period ended 30 September 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 Aldossari
License No. 469

Riyadh, 18 Jamad Al-Awwal 1447H
Corresponding to: 09 November 2025



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© ٢٠٢٥ شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية منقطة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠,٠٠٠,٠٠٠) ريال سعودي منقوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المسندة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية خاصة محدودة بالضمان. جميع الحقوق محفوظة

Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Condensed consolidated statement of financial position (unaudited)

As at 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,431,068,575	1,336,038,944
Investment properties		10,030,841	10,030,841
Intangible assets, net		52,960,790	57,163,451
Right of use assets	8	68,327,593	7,073,017
Investments at fair value through other comprehensive income		13,428,796	26,347,118
Investment in joint venture		31,464,223	31,409,377
Deferred tax assets		12,289,660	9,673,252
Total non-current assets		1,619,570,478	1,477,736,000
Current assets			
Inventories	9	2,305,979,125	2,126,036,688
Trade receivables	10	2,675,309,695	2,022,901,423
Contract assets		37,868,171	15,207,694
Advances and other current assets		99,356,800	73,989,450
Derivative financial instruments	12	67,544,318	5,040,118
Cash and cash equivalents		317,117,317	90,672,725
Total current assets		5,503,175,426	4,333,848,098
Total assets		7,122,745,904	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		1,031,818,280	814,601,950
Other reserves		110,088,119	42,523,242
Equity attributable to the shareholders of the Company		2,909,134,857	2,624,353,650
Non-controlling interests		(347,004)	(476,754)
Total equity		2,908,787,853	2,623,876,896
Non-current liabilities			
End-of-service benefit obligations		135,501,290	125,899,543
Lease liabilities		8,488,862	6,296,317
Deferred tax liabilities		5,821,831	6,526,171
Total non-current liabilities		149,811,983	138,722,031
Current liabilities			
Islamic financing facilities	11	779,067,125	433,053,112
Accrued expenses and other liabilities		522,359,714	381,082,442
Dividends payables	22	299,435,000	-
Contracts liabilities		62,138,739	61,191,218
Derivative financial instruments	12	8,041,273	83,413,600
Trade payables		1,574,246,462	1,598,433,491
Provisions	13	733,513,098	423,305,127
Provision for Zakat and income tax	14	84,073,033	67,410,011
Lease liabilities		1,271,624	1,096,170
Total current liabilities		4,064,146,068	3,048,985,171
Total liabilities		4,213,958,051	3,187,707,202
Total equity and liabilities		7,122,745,904	5,811,584,098


Chairman
Khalid Abdulrahman Al-Gwaiz


Chief Financial Officer
Mr. Baha Eissa


Chief Executive Officer
Mr. Borjan Sehovac

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

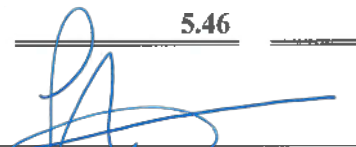
Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of profit or loss (unaudited)
For the three-month and nine-month periods ended 30 September 2025
(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	18	2,731,641,090	2,434,256,828	7,935,534,622	6,515,701,059
Cost of revenue	15	(2,285,331,384)	(2,031,678,332)	(6,618,992,087)	(5,556,595,238)
Gross profit		446,309,706	402,578,496	1,316,542,535	959,105,821
Selling and distribution expenses		(39,071,358)	(35,238,884)	(103,171,781)	(94,396,081)
General and administrative expenses		(43,809,062)	(36,426,919)	(130,351,482)	(111,105,996)
Impairment losses on trade receivables, net	10	(28,585,053)	(52,957,703)	(128,977,639)	(63,323,261)
Impairment losses on investment properties		-	-	-	(2,490,354)
Other (expenses) / income, net	16	(1,679,806)	2,289,985	(4,256,360)	(5,458,947)
Operating profit		333,164,427	280,244,975	949,785,273	682,331,182
Finance costs	17	(19,932,256)	(23,687,337)	(54,728,780)	(65,641,717)
Profit before Zakat and income tax		313,232,171	256,557,638	895,056,493	616,689,465
Zakat and income tax	14	(32,029,066)	(28,958,613)	(81,196,992)	(61,729,545)
Deferred tax		366,330	7,158,205	3,320,748	8,175,005
Net profit for the period		281,569,435	234,757,230	817,180,249	563,134,925
Attributable to:					
Shareholders of the Company		281,489,695	234,704,677	816,959,021	564,347,751
Non-controlling interests		79,740	52,553	221,228	(1,212,826)
Net profit for the period		281,569,435	234,757,230	817,180,249	563,134,925
Earnings per share					
Basic and diluted earnings per share	19	1.88	1.57	5.46	3.77


Chairman
Khalid Abdulrahman Al-Gwaiz


Chief Financial Officer
Mr. Baha Eissa


Chief Executive Officer
Mr. Borjan Sehovac

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

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of other comprehensive income (unaudited)

For the three-month and nine-month periods ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period		<u>281,569,435</u>	<u>234,757,230</u>	<u>817,180,249</u>	<u>563,134,925</u>
Other comprehensive income					
<u>Items that may be reclassified to profit or loss</u>					
Foreign currency translation differences		137,202	26,624	108,609	23,359
Cash flow hedges – effective portion of change in fair value	12	<u>14,302,023</u>	<u>4,442,683</u>	<u>74,374,590</u>	<u>51,597,717</u>
		<u>14,439,225</u>	<u>4,469,307</u>	<u>74,483,199</u>	<u>51,621,076</u>
<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		(3,603,330)	383,340	(12,918,322)	2,376,667
Re-measurement of end-of-service benefit obligations		<u>(290,897)</u>	<u>(345,743)</u>	<u>(872,691)</u>	<u>(1,037,235)</u>
		<u>(3,894,227)</u>	<u>37,597</u>	<u>(13,791,013)</u>	<u>1,339,432</u>
Other comprehensive income for the period		<u>10,544,998</u>	<u>4,506,904</u>	<u>60,692,186</u>	<u>52,960,508</u>
Total comprehensive income		<u>292,114,433</u>	<u>239,264,134</u>	<u>877,872,435</u>	<u>616,095,433</u>
Comprehensive income attributable to:					
Shareholders of the Company		<u>292,034,693</u>	<u>239,211,581</u>	<u>877,651,207</u>	<u>617,308,259</u>
Non-controlling interests		<u>79,740</u>	<u>52,553</u>	<u>221,228</u>	<u>(1,212,826)</u>
Total comprehensive income for the period		<u>292,114,433</u>	<u>239,264,134</u>	<u>877,872,435</u>	<u>616,095,433</u>


Chairman

Khalid Abdulrahman Al-Gwaiz


Chief Financial Officer

Mr. Baha Eissa


Chief Executive Officer

Mr. Borjan Sehovac

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

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of changes in equity (unaudited)
For the nine-month period ended 30 September 2025
(All amounts are in Saudi Riyals unless otherwise stated)

	Equity attributable to the shareholders of the Company										Total	Non-controlling interests	Total equity
	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	Employees' shares plan reserve	Cash flow hedge reserve	Foreign operations translation reserve	Total other reserves			
<u>For the nine-month period ended 30 September 2024</u>													
Balance at 1 January 2024 (audited)	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	-	-	564,347,751	-	-	-	-	-	-	-	564,347,751	(1,212,826)	563,134,925
Other comprehensive income for the period	-	-	(1,037,235)	-	-	2,376,667	-	51,597,717	23,359	53,997,743	52,960,508	-	52,960,508
Total comprehensive income for the period	-	-	563,310,516	-	-	2,376,667	-	51,597,717	23,359	53,997,743	617,308,259	(1,212,826)	616,095,433
Share-based payments	-	-	-	-	-	-	6,000,000	-	-	6,000,000	6,000,000	-	6,000,000
Dividends (Note 22)	-	-	(224,576,250)	-	-	-	-	-	-	-	(224,576,250)	(91,573)	(224,667,823)
Balance at 30 September 2024 (unaudited)	1,500,000,000	288,326,294	786,962,453	(21,097,836)	22,725,173	15,366,077	14,000,000	39,985,100	(790,911)	91,285,439	2,645,476,350	(1,850,282)	2,643,626,068

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

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Condensed consolidated statement of changes in equity (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

For the nine-month period ended 30 September 2025	Equity attributable to the shareholders of the Company											Non-controlling interests	Total equity
	Share capital	Statutory reserve	Retained earnings	Treasury shares	Acquisition reserve of a subsidiary	Other reserves					Total		
						Reserve for valuation of investments at fair value through other comprehensive income	Employees' shares plan reserve	Cash flow hedge reserve	Foreign operations translation reserve	Total other reserves			
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	-	-	816,959,021	-	-	-	-	-	-	-	816,959,021	221,228	817,180,249
Other comprehensive income for the period	-	-	(872,691)	-	-	(12,918,322)	-	74,374,590	108,609	61,564,877	60,692,186	-	60,692,186
Total comprehensive income for the period	-	-	816,086,330	-	-	(12,918,322)	-	74,374,590	108,609	61,564,877	877,651,207	221,228	877,872,435
Share-based payments	-	-	-	-	-	-	6,000,000	-	-	6,000,000	6,000,000	-	6,000,000
Dividends (note 22)	-	-	(598,870,000)	-	-	-	-	-	-	-	(598,870,000)	(91,478)	(598,961,478)
Balance at 30 September 2025 (Unaudited)	1,500,000,000	288,326,294	1,031,818,280	(21,097,836)	22,725,173	9,124,642	22,000,000	57,070,012	(831,708)	110,088,119	2,909,134,857	(347,004)	2,908,787,853



Chairman
Khalid Abdulrahman Al-Gwaiz



Chief Financial Officer
Mr. Baha Eissa



Chief Executive Officer
Mr. Borjan Sehovac

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


Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Condensed consolidated statement of cash flows (unaudited)
For the nine-month period ended 30 September 2025
(All amounts are in Saudi Riyals unless otherwise stated)


	For nine months period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Cash flow from operating activities:		
Profit for the period before Zakat and income tax	895,056,493	616,689,465
Adjustments:		
Depreciation	55,335,857	50,837,408
Share in equity-accounted investees - joint venture	(54,846)	(806,877)
Depreciation of right-of-use of assets	2,244,182	812,475
Interest on lease liabilities	260,122	206,345
Expected adjustments of net realizable value of inventory	(9,243,913)	87,957,052
Provision for impairment losses on trade receivables	128,977,639	63,323,261
Provisions during the period	310,207,971	187,231,069
Impairment losses on investment properties	-	2,490,354
Employees' end-of-service benefits	15,829,886	12,964,736
Loss on disposal of property, plant and equipment	734,817	1,089,076
Share-based payments expenses	6,000,000	6,000,000
Losses on evaluation of financial derivatives	(63,501,937)	38,699,890
Finance costs	50,471,929	61,975,820
Changes in working capital:		
Inventories	(170,698,524)	(481,016,155)
Trade receivables	(781,385,911)	(779,140,273)
Contract assets	(22,660,477)	2,861,518
Contract liabilities	947,521	(3,853,419)
Advances and other current assets	(25,367,350)	(23,826,751)
Accrued expenses and other liabilities	141,277,272	58,704,738
Trade payables	(24,187,029)	599,961,371
Employees' end-of-service benefits paid	(7,100,830)	(7,612,814)
Net finance costs paid	(50,732,051)	(62,182,165)
Zakat and income tax paid	(64,533,970)	(45,308,289)
Net cash flows from operating activities	387,876,851	388,057,835
Cash flow from investing activities		
Purchase of property, plant and equipment	(146,953,915)	(100,091,784)
Proceed from sales of property, plant and equipment	56,271	1,122,407
Net cash flows used in investing activities	(146,897,644)	(98,969,377)
Cash flow from financing activities		
Repayment of Islamic financing facilities during the period	(2,285,578,370)	(2,522,723,516)
Proceed from Islamic financing facilities during the period	2,631,592,383	2,642,010,338
Additions to right-of-use assets	(60,136,601)	-
Payment of lease liabilities under right-of-use assets	(994,158)	(822,129)
Dividends paid	(299,526,478)	(224,667,823)
Net cash flows used in financing activities	(14,643,224)	(106,203,130)
Net change in cash and cash equivalents during the period	226,335,983	182,885,328
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	108,609	23,359
Cash and cash equivalents at the end of the period	317,117,317	332,960,315

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

Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Condensed consolidated statement of cash flows (unaudited)
For the nine-month period ended 30 September 2025
(All amounts are in Saudi Riyals unless otherwise stated)

	For nine months period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
<u>Non-cash transactions</u>		
Re-measurement of end-of-service benefit obligatio	(872,691)	(1,037,235)
Unpaid dividends	(299,435,000)	-
Change in the fair value of investments at fair value through comprehensive income	(12,918,322)	2,376,667
Changes in the value of the hedging instruments recognized in other comprehensive income	74,374,590	51,597,717


Chairman
**Khalid Abdulrahman Al-
Gwaiz**


Chief Financial Officer
Mr. Baha Eissa


Chief Executive Officer
Mr. Borjan Sehovac

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

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

1- Reporting entity

Riyadh Cables Group Company (“the Company”) was formed as a Saudi Joint Stock Company in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia. The Company operates under the Commercial Registration no. 1010052927 issued on 24 Jumada II 1435H (corresponding to 24 April 2014). Unified number is 7013527861. The Company operates under the Industrial License No. 396/R dated 12 Jumada II 1416H (corresponding to 25 November 1995) amended by the Industrial License No. 36/R dated 5 Muharram 1418H (corresponding to 12 May 1997) and by 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 condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries listed below (collectively referred to as the “Group”).

Subsidiary	Ownership percentage held by the Group (directly or indirectly)			
	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	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 are 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%
4.2 Alrowad Company for Production of Electrical Cables Limited	Limited Liability Company	Iraq	100%	100%
5- Saudi Modern Company for Cables Limited	Limited Liability Company	Kingdom of Saudi Arabia	100%	100%

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

1- Reporting entity (continued)

* On 17 April 2025, the Group acquired the remaining 50% share in Qatar Cables Co. (LLC) through its subsidiary, the Saudi Modern Company for Metal, Cables and Plastic Manufacturing (a wholly owned subsidiary by Riyadh Cables Group Company). There was no impact on the Group's control over the subsidiary, as the Group continues to retain control over the subsidiary, and the subsidiary has not yet commenced operations. The share capital for the non-controlling interest amounting to QAR 100,000 was paid as at 30 June 2025, and the ownership percentage in the subsidiary reached 100%.

2- Basis of preparation and statement of compliance

These condensed consolidated interim financial statements for the nine-month period ended 30 September 2025 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as 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 condensed consolidated interim 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 nine-month period ended 30 September 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 condensed consolidated interim 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 condensed consolidated interim financial statements have been prepared on the historical cost basis and the going concern concept, except for the following:

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

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

5- Presentation and functional currency

These condensed consolidated interim financial statements are prepared in Saudi Riyals (“SR”) 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 condensed consolidated interim 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 condensed consolidated interim 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.

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

Pillar Two - Global minimum tax rate

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

The Group is subject to the global minimum tax rate under the Pillar Two legislation. The Group has a subsidiary in the United Arab Emirates, where the tax legislation came into effect on 1 January 2025. Accordingly, the Group will be required to 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 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.

7- Property, plant and equipment, net

The total cost of property, plant and equipment as at 30 September 2025 amounted to SR 3,2 billion (31 December 2024: SR 3,16 billion). The depreciation expense as at 30 September 2025 amounted to SR 51 million (30 September 2024: SR 46,6 million), and the accumulated depreciation amounted to SR 1,83 billion (31 December 2024: SR 1,82 billion). During the nine-month period ended 30 September 2025, the Group added property, plant and equipment amounting to SR 146,9 million (31 December 2024: SR 194,98 million) (30 September 2024: SR 100,1 million) which are mainly represented in new plant for the Group’s companies.

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

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 total consideration amounted to SR 74,8 million, of which SR 14,8 million relates to the cost of the building, while SR 60 million was charged to the right-of-use asset as a consideration for waiving the lease. The lease with MODON was signed on 17 March 2025. According to the terms of the lease, the lease term is 4 years. At the commencement date of the lease, the Group assessed whether it was reasonably certain that it would exercise the renewal options for an additional 20 years. The Group has estimated an incremental borrowing rate of 6.67% for the purposes of applying IAS 16.

The total interest expenses on lease liabilities recognized in the statement of profit or loss amounted to SR 260,122 at 30 September 2025. Total depreciation of right-of-use assets in the statement of profit or loss amounted to SR 2,244,182 at 30 September 2025.

9- Inventories

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Finished production	1,466,277,279	1,226,136,677
Work in progress	499,979,863	464,126,999
Raw materials	280,991,067	306,655,673
Goods in-transit	75,297,559	165,597,590
Packaging material	61,187,178	55,635,180
Spare parts	47,915,018	42,940,174
Projects' supplies	3,157,448	3,014,595
	2,434,805,412	2,264,106,888
Less: expected adjustments of net realizable value	(128,826,287)	(138,070,200)
	2,305,979,125	2,126,036,688

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

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period	138,070,200	68,305,439	68,305,439
(Reversal)/ adjustments during the period	(9,243,913)	87,957,052	69,764,761
Balance at the end of the period	128,826,287	156,262,491	138,070,200

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

10- Trade receivables

	30 September	31 December
	(Unaudited)	2024
	(Audited)	
Trade receivables	2,916,153,097	2,134,767,186
Provision for expected credit losses	(240,843,402)	(111,865,763)
	2,675,309,695	2,022,901,423

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

	30 September	30 September	31 December
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Balance at the beginning of the period	111,865,763	88,439,772	88,439,772
Provision for impairment losses on trade receivables	128,977,639	63,323,261	23,425,991
Balance at the end of the period	240,843,402	151,763,033	111,865,763

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 SR 2,4 billion (2024: SR 2,4 billion). At variable Islamic Murabaha rates, Murabaha rates for short-term loans are based on the Saudi Interbank Offered Rate (SIBOR) plus a variable rate during the year. All credit facilities are granted under promissory notes. The facility agreements include a number of covenants, including conditions requiring the maintain of certain financial ratios; otherwise, the facilities become repayable on demand.

	30 September	31 December
	2025	2024
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	433,053,112	722,123,178
Withdrawn during the period / year	2,631,592,383	3,721,460,272
Paid during the period/ year	(2,285,578,370)	(4,010,530,338)
Balance at the end of the period/ year	779,067,125	433,053,112

12- Derivative financial instruments

Forwards and futures

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.

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

12- Derivative financial instruments (continued)

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

<u>30 September 2025</u>	The nominal value of hedging instruments	Carrying amount of the hedging instrument	
		Assets	Liabilities
Commodity derivatives used for hedging	838,366,918	38,180,726	734,917
Other commodity forward contracts	281,090,905	29,363,592	7,306,356
<u>31 December 2024</u>			
Commodity derivatives used for hedging	751,558,341	3,415,403	29,808,257
Other commodity forward contracts	657,970,748	1,624,715	53,605,343

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.

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	30 September 2025
Copper	(1,871,521)	37,240,349	35,368,828
Aluminum	(9,312,412)	36,534,047	27,221,635
Lead	(6,120,645)	600,194	(5,520,451)
	(17,304,578)	74,374,590	57,070,012

13- Provisions

	30 September 2025 (Unaudited)	31 December 2024 (audited)
Provision for onerous contracts	733,513,098	423,305,127
	733,513,098	423,305,127

This represents a provision for contracts that include a current obligation by the Group to supply cables, which may result in a change in raw materials prices after the contract date. This applies to all Group products except for ultra-voltage cables and overhead cables, for which raw materials price is hedged.

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

13 Provisions

Movement in provision is as follows:

	30 September 2025	30 September 2024	31 December 2024
	(Unaudited)	(Unaudited)	(Audited)
1 January	423,305,127	197,175,347	197,175,347
Provisions made during the period	310,207,971	174,056,792	226,129,780
	733,513,098	371,232,139	423,305,127

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 repaid all Zakat and tax accruals for the financial year ended at 31 December 2024.

During the period, the United Arab Emirates issued new tax legislation to implement Domestic Minimum Top-up Tax ('DMTT'), which came into effect on 1 January 2025. As a result, the subsidiaries of Riyadh Cables Group operating in the United Arab Emirates will be subject to the DMTT from 2025. As at 30 September 2025, the Group recorded an amount of SR 6,5 million arising from the application of the a DMTT in the subsidiary.

	30 September 2025	31 December 2024
	(Unaudited)	(audited)
Opening balance	67,410,011	41,946,426
Charge during the period/ year	81,196,992	71,884,690
Payment made during the period / year	(64,533,970)	(46,421,105)
Balance at	84,073,033	67,410,011

15- Cost of revenue

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Materials	2,171,053,414	1,928,957,858	6,285,688,953	5,243,686,656
Employees' salaries and benefits	59,387,911	53,844,167	182,315,079	179,480,873
Depreciation expense	18,135,758	16,086,591	50,859,273	44,978,828
Repairs and maintenance	12,979,243	9,775,029	36,142,510	28,548,927
Electricity and other benefits	19,514,663	14,967,435	49,953,632	42,707,915
Other	4,260,395	8,047,252	14,032,640	17,192,039
	2,285,331,384	2,031,678,332	6,618,992,087	5,556,595,238

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

16- Other (expenses) / income – net

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Foreign currency gains/ (losses)	(2,331,820)	1,149,928	(4,916,171)	(8,216,672)
Losses on sale of property and plant	(622,005)	(688,340)	(734,817)	(1,089,076)
Other	1,274,019	1,828,397	1,394,628	3,846,801
	<u>(1,679,806)</u>	<u>2,289,985</u>	<u>(4,256,360)</u>	<u>(5,458,947)</u>

17- Finance costs

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Bank interests	18,503,860	22,465,367	50,471,929	61,975,820
Interest on employees' benefits	1,332,242	1,153,187	3,996,729	3,459,552
Interest on lease liabilities	96,154	68,783	260,122	206,345
	<u>19,932,256</u>	<u>23,687,337</u>	<u>54,728,780</u>	<u>65,641,717</u>

18- Segment reporting

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

Cables and wire segment: includes electrical cables.

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

Other: This includes telephone cables and services.

**As at and for the
period ended 30
September 2025**

	Cables and wires	High voltage	Other	Total
Revenue	7,791,348,845	121,835,393	22,350,384	7,935,534,622
Cost of revenue	(6,493,299,707)	(117,916,926)	(7,775,454)	(6,618,992,087)
Expenses	(230,903,641)	(1,365,356)	(1,254,266)	(233,523,263)
Impairment losses on trade receivables	(136,697,960)	4,516,557	3,203,764	(128,977,639)
Other (expenses) / income, net	(6,139,654)	2,250,622	(367,328)	(4,256,360)
Finance costs	(54,048,393)	(117,773)	(562,614)	(54,728,780)
Profit before Zakat and tax	870,259,490	9,202,517	15,594,486	895,056,493
Total assets	6,710,510,329	308,129,217	104,106,358	7,122,745,904
Total liabilities	3,927,197,714	259,454,039	27,306,298	4,213,958,051

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

18- Segment reporting (Continued)

<u>For the period ended</u> <u>30 September 2024</u>	<u>Cables and</u> <u>wires</u>	<u>High voltage</u>	<u>Other</u>	<u>Total</u>
Revenue	6,242,385,559	256,910,127	16,405,373	6,515,701,059
Cost of revenue	(5,329,036,287)	(226,891,235)	(667,716)	(5,556,595,238)
Expenses	(203,621,614)	(699,926)	(1,180,537)	(205,502,077)
Provision for impairment losses on trade receivables	(48,107,701)	(13,148,822)	(2,066,738)	(63,323,261)
Impairment losses on investment properties	-	-	(2,490,354)	(2,490,354)
Other (expenses) / income, net	(9,123,884)	3,639,702	25,235	(5,458,947)
Finance costs	(64,594,618)	(457,174)	(589,925)	(65,641,717)
Profit before Zakat and tax	587,901,455	19,352,672	9,435,338	616,689,465
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:

<u>As at and for the period ended 30</u> <u>September 2025</u>	<u>Inside the</u> <u>Kingdom of</u> <u>Saudi Arabia</u>	<u>Outside the</u> <u>Kingdom of</u> <u>Saudi Arabia</u>	<u>Total</u>
Revenue	5,882,226,800	2,053,307,822	7,935,534,622
Non-current assets	1,384,114,560	235,455,918	1,619,570,478
<u>For the period ended 30 September 2024</u>	<u>Inside the</u> <u>Kingdom of</u> <u>Saudi Arabia</u>	<u>Outside the</u> <u>Kingdom of</u> <u>Saudi Arabia</u>	<u>Total</u>
Revenue	5,121,349,886	1,394,351,173	6,515,701,059
As at 31 December 2024			
Non-current assets	1,258,556,463	219,179,537	1,477,736,000

*The majority of revenue generated outside KSA represents revenue from United Arab Emirates (UAE) amounting to SR 1.5 billion.

Revenue from a customer in the cables and wires segment represented 19% of the Group's total revenue as at 30 September 2025.

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

19- Earnings per Share – Basic and Diluted

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Net profit for the period for the Company's shareholders	281,489,695	234,704,677	816,959,021	564,347,751
Weighted average number of shares	149,717,500	149,717,500	149,717,500	149,717,500
Basic and diluted earnings per share	1.88	1.57	5.46	3.77

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Outstanding ordinary shares	150,000,000	150,000,000	150,000,000	150,000,000
Treasury shares	(282,500)	(282,500)	(282,500)	(282,500)
Weighted average for ordinary shares	149,717,500	149,717,500	149,717,500	149,717,500

	For the nine-month period ended 30 September	
	2025 (Unaudited)	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	149,885,410	149,667,825

Riyadh Cables Group Company
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements (unaudited)
For the nine-month period ended 30 September 2025
(All amounts are in Saudi Riyals unless otherwise stated)

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			
	Hedging instruments	Investments at fair value through other comprehensive income	Level 1	Level 2	Level 3	Total
Financial assets						
Derivative financial instruments	67,544,318	-	-	67,544,318	-	67,544,318
Investments at fair value through other comprehensive income	-	13,428,796	13,416,655	-	12,141	13,428,796
Financial liabilities						
Derivative financial instruments	8,041,273	-	-	8,041,273	-	8,041,273
31 December 2024 (audited)						
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

Riyadh Cables Group Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements (unaudited)

For the nine-month period ended 30 September 2025

(All amounts are in Saudi Riyals unless otherwise stated)

21- Commitments and contingencies

Capital commitments

As at 30 September 2025, the Group has commitments amounting to SR 174 million (31 December 2024: SR 131 million) relating to the capital expenditures for the expansion works in the Group's factories.

Contingent liabilities

As at 30 September 2025, the contingent liabilities amounted to SR 1,35 billion (31 December 2024: SR 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- 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 SR 299,4 million to the shareholders for the second half of 2024 at SR 2 per share.

On 17 Rabi' Al-Awal 1447H (corresponding to 9 September 2025), the Board of Directors resolved to distribute cash dividends of SR 299,4 million to shareholders for the first half of 2025 of SR 2 per share.

Movement in Dividends Payable is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
Dividends declared during the period/year	598,961,478	(224,667,823)	449,152,500
Dividends paid during the period/year	(299,526,478)	(224,667,823)	(449,152,500)
Balance at end of period/year	299,435,000	-	-

23- Subsequent events

On 5 Jumada I 1447H (corresponding to 27 October 2025), Riyadh Cables Group Company announced the signing of an agreement to purchase 51% of the shares of Artikel Aziya Kabel Company in the Republic of Uzbekistan through one of its 100% owned subsidiaries (Riyadh Cables Company) of SR 147,697,586 million.

This process is subject to the fulfillment of several conditions for completion, including obtaining approvals for the merger and transfer of ownership from the Competition Committee of the Republic of Uzbekistan, completing the legal requirements of the sellers, and obtaining regulatory approvals from the current financing entities of Artikel Aziya Kabel Company.

On 11 Jumada I 1447H (corresponding to 2 November 2025), Riyadh Cables Group Company announced that its subsidiary, Riyadh Cables Company, had signed a non-binding Memorandum of Understanding (MoU) with the Syrian Sovereign Fund. The purpose of the MoU is to establish strategic partnership with the Syrian Sovereign Fund to manage, operate, and develop the facilities of Syrian Modern Cable Company in Syria, to localize technical expertise, and to enhance local capabilities in the energy and electrical cables sector. This MoU is effective from the date of signing and shall remain valid for six months, extendable by mutual agreement between the parties. It is not expected that the MoU will have any material financial impact on the consolidated financial statements of Riyadh Cables Group Company as at 30 September 2025.

24- Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements have been approved by the Board of Directors on 11 Jumada Al-Awwal 1447H (corresponding to 02 November 2025).