**MIDDLE EAST SPECIALILZED CABLES COMPANY “MESC”**
**(A SAUDI JOINT STOCK COMPANY)**
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS**
**ENDED JUNE 30, 2026 (UNAUDITED)**
**TOGETHER WITH THE INDEPENDENT AUDITOR’S REPORT**

**MIDDLE EAST SPECIALILZED CABLES COMPANY "MESC"**
(A SAUDI JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMETS**
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**TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

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

To the **Shareholders of**
**Middle East Specialized Cables Company (MESC)**
(A Saudi Joint Stock Company)

**Introduction**
We have reviewed the accompanying interim condensed consolidated statement of financial position of **Middle East Specialized Cables Company** (“the Company”) and its subsidiary (together “the Group”), as at June 30, 2026, the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, interim condensed consolidated statements of changes in equity, and interim condensed consolidated statements of cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for preparing and presenting these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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 interim condensed consolidated 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 the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**Professional Consultants Company**

**Abdullah S. Al Msned**
**License No. (456)**

**Safar 30, 1448 H**
**August 13, 2026**

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**Middle East Specialized Cables (MESC)**
(A SAUDI JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**
**As at June 30, 2026**
(All amounts are in Saudi Riyals unless otherwise stated)

MESC

| | Note | June 30, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment, net | | **132,476,554** | 131,830,357 |
| Intangible assets, net | | **9,400,078** | 8,924,137 |
| Right of use assets, net | | **11,158,541** | 7,362,723 |
| Investment property | | **5,806,999** | 5,962,620 |
| Deferred tax assets | | **362,736** | - |
| Trade receivable, prepayments and other debit balances, net | | **58,181,125** | 47,196,487 |
| **Total non-current assets** | | **217,386,033** | 201,276,324 |
| **Current assets** | | | |
| Inventories, net | | **426,299,955** | 340,936,406 |
| Financial instruments - Derivatives | | **-** | 10,792,701 |
| Trade receivable, prepayments and other debit balances, net | | **815,459,329** | 587,987,395 |
| Due from a related party | 8-1 | **496,695** | 299,206 |
| Cash and cash equivalents | 5 | **55,382,820** | 39,541,542 |
| **Total current assets** | | **1,297,638,799** | 979,557,250 |
| **TOTAL ASSETS** | | **1,515,024,832** | 1,180,833,574 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 6 | **400,000,000** | 400,000,000 |
| Retained earnings | | **168,365,450** | 127,530,863 |
| (Deficit) / Reserve for cash flow hedges – effective portion | | **(3,667,667)** | 10,110,960 |
| Employee defined benefit obligations remeasurement reserve | | **1,161,360** | 1,161,360 |
| **Total equity** | | **565,859,143** | 538,803,183 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Long term loans – non-current portion | 7-1 | **36,044,350** | 40,294,059 |
| Lease liability – non-current portion | | **8,993,425** | 6,312,213 |
| Employees' defined benefits obligations | | **30,385,472** | 27,009,317 |
| Deferred tax liability | | **-** | 681,741 |
| **Total non-current liabilities** | | **75,423,247** | 74,297,330 |
| **Current liabilities** | | | |
| Long term loans – current portion | 7-1 | **11,242,931** | 11,242,931 |
| Short-term loans and bank facilities | 7-2 | **257,280,301** | 124,484,900 |
| Financial instruments - Derivatives | | **4,030,403** | - |
| Trade payable, accruals, and other credit balances | | **582,478,839** | 399,801,529 |
| Due to a related party | 8-2 | **1,397,080** | 3,340,754 |
| Lease liability – current portion | | **1,271,931** | 1,352,344 |
| Provision for zakat and income tax | | **16,040,957** | 27,510,603 |
| **Total current liabilities** | | **873,742,442** | 567,733,061 |
| **Total liabilities** | | **949,165,689** | 642,030,391 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,515,024,832** | 1,180,833,574 |

The accompanying notes from (1) to (15) form an integral part of these interim condensed consolidated financial statements.

**Middle East Specialized Cables (MESC)**
(A SAUDI JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026**
(All amounts are in Saudi Riyals unless otherwise stated)

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MESC

| | Note | For the three-month period ended June 30 | | For the six-month period ended June 30 | |
|---|---|---|---|---|---|
| | | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Sales revenue | 12 | **505,632,174** | 380,921,234 | **968,102,555** | 719,922,761 |
| Cost of sales | | **(429,363,741)** | (321,282,808) | **(815,179,677)** | (609,992,992) |
| **Gross profit** | | **76,268,433** | 59,638,426 | **152,922,878** | 109,929,769 |
| Selling and marketing expenses | | **(14,951,387)** | (9,018,995) | **(27,939,143)** | (16,821,061) |
| General and administrative expenses | | **(19,847,459)** | (14,909,166) | **(38,221,699)** | (29,081,983) |
| Impairment loss on trade receivable | | **(125,000)** | (951,000) | **(1,250,000)** | (1,596,000) |
| **Operating profit** | | **41,344,587** | 34,759,265 | **85,512,036** | 62,430,725 |
| Finance cost | | **(7,221,715)** | (4,332,621) | **(14,584,029)** | (8,584,806) |
| Other income | | **151,849** | 31,216 | **212,953** | 61,440 |
| **Profit before zakat and income tax for the period** | | **34,274,721** | 30,457,860 | **71,140,960** | 53,907,359 |
| Zakat and income tax expense | | **(2,015,136)** | (552,883) | **(6,306,373)** | (4,802,159) |
| **Net profit for the period** | | **32,259,585** | 29,904,977 | **64,834,587** | 49,105,200 |
| **Other comprehensive (loss) / income** | | | | | |
| **Item of other comprehensive income that may be subsequently reclassified to profit or loss:** | | | | | |
| Unrealized (loss) / gain of cash flow hedge – net off tax | | **(455,762)** | (1,755,278) | **(13,778,627)** | 5,432,841 |
| **Total other comprehensive (loss) / income for the period** | | **(455,762)** | (1,755,278) | **(13,778,627)** | 5,432,841 |
| **Total comprehensive income for the period** | | **31,803,823** | 28,149,699 | **51,055,960** | 54,538,041 |
| **Earnings per share** | | | | | |
| Basic and diluted earnings per share from net profit for the period (SAR / Share) | 9 | **0.81** | 0.75 | **1.62** | 1.23 |

The accompanying notes from (1) to (15) form an integral part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts are in Saudi Riyals unless otherwise stated)

MESC

| | Share capital | Retained earnings | (Deficit) / Reserve for cash flow hedges – effective portion | Employee defined benefit obligations remeasurement reserve | Total equity |
|---|---|---|---|---|---|
| **Balance as at January 1, 2025 (Audited)** | 400,000,000 | 65,867,773 | (1,797,628) | 183,360 | 464,253,505 |
| Net profit for the period | - | 49,105,200 | - | - | 49,105,200 |
| Other comprehensive income for the period | - | - | 5,432,841 | - | 5,432,841 |
| **Total comprehensive income for the period** | - | 49,105,200 | 5,432,841 | - | 54,538,041 |
| Dividends (Note 10) | - | (20,000,000) | - | - | (20,000,000) |
| **Balance as at June 30, 2025 (Unaudited)** | 400,000,000 | 94,972,973 | 3,635,213 | 183,360 | 498,791,546 |
| **Balance as at January 1, 2026 (Audited)** | **400,000,000** | **127,530,863** | **10,110,960** | **1,161,360** | **538,803,183** |
| Net profit for the period | - | **64,834,587** | - | - | **64,834,587** |
| Other comprehensive loss for the period | - | - | **(13,778,627)** | - | **(13,778,627)** |
| **Total comprehensive income for the period** | - | **64,834,587** | **(13,778,627)** | - | **51,055,960** |
| Dividends (Note 10) | - | **(24,000,000)** | - | - | **(24,000,000)** |
| **Balance as at June 30, 2026 (Unaudited)** | **400,000,000** | **168,365,450** | **(3,667,667)** | **1,161,360** | **565,859,143** |

The accompanying notes from (1) to (15) form an integral part of these interim condensed consolidated financial statements.

**Middle East Specialized Cables (MESC)**
(A SAUDI JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts are in Saudi Riyals unless otherwise stated)

MESC

| | Note | For the six-month period ended June 30 | |
|---|---|---|---|
| | | **2026 Unaudited** | 2025 Unaudited |
| **Cash flows from operating activities:** | | | |
| Profit before zakat and income tax expense for the period | | **71,140,960** | 53,907,359 |
| **Adjustments for non-cash items:** | | | |
| Depreciation and amortization | | **10,422,465** | 10,293,822 |
| Amortization of right of use assets | | **1,248,805** | 357,007 |
| Impairment loss in value of property, plant, and equipment | | **303,321** | 182,275 |
| (Reversal of impairment) / Impairment loss in value of inventory | | **(2,873,523)** | 1,062,654 |
| Impairment loss in value of receivables | | **10,770,108** | 2,446,000 |
| Finance cost | | **14,584,029** | 8,584,806 |
| Employees defined benefits obligations expenses of the period | | **4,544,849** | 2,229,892 |
| | | **110,141,014** | 79,063,815 |
| **Changes in working capital:** | | | |
| Inventories | | **(82,490,026)** | (15,701,068) |
| Trade receivables, prepayment, and other debit balances | | **(249,226,680)** | (146,610,185) |
| Due (from) / to related Parties | | **(2,141,163)** | 327,603 |
| Trade payable, accruals, and other credit balances | | **150,582,945** | (15,485,782) |
| Employee defined benefits obligations paid | | **(1,168,694)** | (1,542,900) |
| Zakat and income tax paid | | **(17,776,019)** | (18,849,838) |
| **Net cash flows used in operating activities** | | **(92,078,623)** | (118,798,355) |
| **Cash flows from investing activities:** | | | |
| Purchase of property, plant and equipment | | **(10,894,607)** | (10,719,008) |
| Purchase of intangible assets | | **(797,696)** | (228,378) |
| **Net cash flows used in investing activities** | | **(11,692,303)** | (10,947,386) |
| **Cash flows from financing activities:** | | | |
| Proceeds from short-term loans and bank facilities | 7-2 | **469,178,249** | 390,762,483 |
| Repayment of short-term loans and bank facilities | 7-2 | **(336,382,848)** | (253,298,939) |
| Repayment of long-term loans | 7-1 | **(4,249,709)** | - |
| Finance cost paid | | **(6,123,547)** | (2,061,299) |
| Payment of lease liabilities | | **(2,809,941)** | (62,996) |
| **Net cash flows generated from financing activities** | | **119,612,204** | 135,339,249 |
| Net change in cash and cash equivalents | | **15,841,278** | 5,593,508 |
| Cash and cash equivalents at the beginning of the period | 5 | **39,541,542** | 19,276,094 |
| **Cash and cash equivalents at the end of the period** | 5 | **55,382,820** | 24,869,602 |
| **Supplementary information for non-cash transactions:** | | | |
| Additions to right of use assets and lease liabilities | | **5,044,623** | - |
| Transfer from PPE to intangible assets | | **9,103** | - |
| Un-realized (loss) / gain from cash flow hedge | | **(13,778,627)** | 5,432,841 |
| Write-off inventory | | **547,475** | 657,764 |
| Accrued dividends | 10 | **24,000,000** | 20,000,000 |

The accompanying notes from (1) to (15) form an integral part of these interim condensed consolidated financial statements.

(All amounts are in Saudi Riyals unless otherwise stated)

## 1. THE COMPANY, ITS SUBSIDIARY AND ITS OPERATION MODEL

Middle East Specialized Cables Company (“MESC”) (“the Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010102402 dated 9 Jumada Al-Awal 1413H (corresponding to 4 November 1992), and under issued unified number 7001362115.

The company head office is located at Salahuddin Al-Ayoubi Street - King Abdulaziz District PO. Box 60536 Riyadh 11555.

According to its commercial registration, the group is engaged in the manufacture of fiber optic cables, steel insulated wires and cables, copper insulated wires and cables, and aluminum insulated wires and cables.

The Company had the following subsidiary and investments as at June 30, 2026

| Subsidiary/ Investments | Legal status | Legal ownership % | | Country of Incorporation |
|---|---|---|---|---|
| | | **June 30, 2026** | December 31, 2025 | |
| MESC - Ras Al-Khaimah | Limited Liability Company | **100** | 100 | United Arab Emirates |
| Middle East Specialized Cables Company- Jordan (MESC Jordan) * | Joint Stock Company | **19,9** | 19,9 | Jordan |

*On December 16, 2024, MESC Saudi Arabia received a clearance letter from the Syndication loan agent, confirming that the settlement agreement between the company and the banking consortium in Jordan has been executed. This includes the withdrawal of all lawsuits filed against the company, and a full release of the company and its Board of Directors from any current or future obligations related to its investments in Middle East Specialized Cables – Jordan (MESC Jordan) and MESC for Medium and High Voltage Cables.

Since the ownership of shares in MESC for Medium and High Voltage Cables has been transferred, this company has been removed from the list of subsidiaries owned by MESC Saudi Arabia.
As for Middle East Specialized Cables – Jordan (MESC Jordan), MESC Saudi Arabia still officially owns the shares; however, according to the terms of the settlement agreement between MESC Saudi Arabia and the banking consortium, the company has waived its ownership rights in these shares and is awaiting the formal transfer of ownership to the banking consortium. Accordingly, the investment value in this company has been fully written off.

After the company received the letter confirming the execution of the agreement and the release of MESC Saudi Arabia and its Board of Directors from any current or future financial obligations, and since all obligations stipulated in the agreement have already been fulfilled and reflected in the company’s financial statements in previous periods, there will be no financial impact on the company’s current or future financial statements.
Once the ownership of shares in Middle East Specialized Cables – Jordan (MESC Jordan) is formally transferred, the company will be removed from the list of subsidiaries owned by MESC Saudi Arabia.

Fair value for Middle East Specialized Cables Company – Jordan (MESC Jordan) in Jordan is zero.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

These interim condensed consolidated financial statements 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 issued by the Saudi Organization for Chartered and Professional Accountants.
These interim condensed consolidated financial statements don't include all the information and disclosures required to prepare a full set of the consolidated financial statements. Hence, these interim condensed consolidated financial statements should be read in conjunction with the group's last annual consolidated financial statements for the year ended December 31, 2025.

### 2.2 Preparation of the Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements have been prepared under the historical cost except for the following items included in the Statement of Financial Position
• Derivative financial instruments are measured at Fair Value through OCI.
• Employee defined benefit obligations is recognized at the present value of future obligations using the Projected Unit Credit method.

### 2.3 Functional and Presentation Currency

These Interim Condensed Consolidated Financial Statements are presented in SAR, which is the Company's functional and the Group's presentation currency, unless otherwise indicated.

### 2.4 Environmental, Social and Governance (ESG) and Climate-Related Considerations

The Group, a manufacturer of fiber optic cables, steel insulated wires and cables, copper insulated wires and cables, and aluminum insulated wires and cables in the Kingdom of Saudi Arabia and United Arab Emirates, recognizes that environmental, social, and governance (ESG) factors, including climate change, may affect its operations, supply chain, and long-term financial performance. Climate-related risks include increased energy demand due to rising temperatures, potential disruptions in the global supply of copper and insulation materials, and evolving environmental regulations aimed at reducing greenhouse gas emissions and improving resource efficiency.

Management has incorporated sustainability considerations into its operational and risk management processes. The Group continues to implement initiatives to improve energy efficiency across its manufacturing operations, optimize the utilization of raw materials, and enhance recycling of copper scrap and other metallic by-products generated during production. The Group also evaluates opportunities to adopt renewable energy solutions and reduce industrial waste in line with national sustainability objectives such as Saudi Vision 2030.

Based on the Group's current assessment, climate-related and broader ESG matters have not had a material impact on the Group's financial position or results of operations for the reporting period and upcoming period; however, management will continue to monitor related developments and regulatory requirements.

### 2.5 Geopolitical Developments

The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the majority of the Group's operations are conducted within GCC region. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's financial statements for the six-month period ended June 30, 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

## 3. BASIS OF CONSOLIDATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements comprising the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the interim condensed consolidated financial statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note (1).

## 3. BASIS OF CONSOLIDATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company and its subsidiaries are collectively referred to as the "Group". Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired and fair value of pre-existing equity interest in the subsidiary. The excess of the cost of acquisition and amount of Non – controlling interest ("NCI") over the fair value of the identifiable net assets acquired is recorded as goodwill in the consolidated Statement of Financial Position. NCI is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the consolidated statement of profit or loss. Inter-group balances and transactions, and any unrealized income and expenses arising from Inter-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

## 4. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025.

### 4-1 New Standards, Amendment to Standards and Interpretations

The new standards and amendments to standards disclosed in the Group's annual consolidated financial statements remain unchanged.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim financial statements; however, earlier application is permitted.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

### 4-1-1 Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat, income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are "operating profit" and "profit or loss before finance expenses, zakat and income taxes". However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following:

- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in the "net finance costs" subtotal. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories.
- Interest cost on employee benefit obligations, which is currently presented within employee costs, will be classified and presented within finance costs.
- Net foreign exchange losses are currently included in finance costs and presented in net finance costs. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.

(All amounts are in Saudi Riyals unless otherwise stated)

## 4. MATERIAL ACCOUNTING POLICIES (Continued)

### 4-1 New Standards, Amendment to Standards and Interpretations (Continued)

### 4-1-1 Structure of the Statement of Profit or Loss (Continued)

- Gains and losses on certain designated cash flow hedging instruments are currently included in cost of sales or finance costs and presented in cost of sales or net finance costs. Under IFRS 18, gains and losses on designated hedging instruments are required to be classified in the same category as the income and expenses affected by the hedged risks. The Group has determined that gains or losses on these hedging instruments will be classified in the operating or financing categories.

### 4-1-2 Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in disclosures accompanying to the financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

### 4-1-3 Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as "other" and will use more informative labels.

### 4-1-4 Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7 that require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows using the indirect method. The Group currently uses profit before zakat and income tax for the period as the starting point for the reconciliation of cash flows from operating activities. As a result of the new starting point, certain adjusting items in the reconciliation will change.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. Cash flows from interest paid will continue to be classified as financing activities. Cash flows from interest received, dividends received and dividends paid will continue to be classified as investing activities, investing activities and financing activities, respectively.

## 5. CASH AND CASH EQUIVALENTS

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| Cash at banks | **55,204,778** | 39,244,340 |
| Cash on hand | **178,042** | 297,202 |
| | **55,382,820** | 39,541,542 |

(All amounts are in Saudi Riyals unless otherwise stated)

## 6. SHARE CAPITAL

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| The Company has 40 million ordinary shares issued as at June 30, 2026 (December 31, 2025: 40 million ordinary shares) of SAR 10 each | **400,000,000** | 400,000,000 |

## 7. LOANS

### 7-1 Long-term loans

The Company obtained a long-term loan through its subsidiary in UAE from a local commercial bank, bearing interest at agreed rates EIBOR Plus. This loan was obtained to settle the loan previously provided to the group's Subsidiary by Parent Company. This loan is repayable in equal 20 quarterly payments as per the agreement. Loan has been secured by corporate guarantee and assignment of leasehold rights of the Land and registered mortgage over the constructed property (Factory & Office Building).

| | **June 30, 2026 (Unaudited)** | December 31,2025 (Audited) |
|---|---|---|
| Total loans | **47,287,281** | 51,536,990 |
| Less: current portion included in current liabilities | **(11,242,931)** | (11,242,931) |
| **Non-current portion included in non-current liabilities** | **36,044,350** | 40,294,059 |

The movement of long-term loans is as follows:

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| Balance at the beginning of the period / year | **51,536,990** | - |
| Proceeds during the period / year | **-** | 51,536,990 |
| Paid during the period / year | **(4,249,709)** | - |
| **Balance at the end of the period / year** | **47,287,281** | 51,536,990 |

### 7-2 Short-term loans and bank facilities

| | **June 30, 2026 (Unaudited)** | December 31,2025 (Audited) |
|---|---|---|
| Bank facilities | **206,288,032** | 98,984,900 |
| Bank Borrowing | **50,992,269** | 25,500,000 |
| | **257,280,301** | 124,484,900 |

The movement of short-term loans and bank facilities is as follows:

| | **June 30, 2026 (Unaudited)** | December 31,2025 (Audited) |
|---|---|---|
| Balance at the beginning of the period / year | **124,484,900** | 85,688,712 |
| Proceeds during the period / year | **469,178,249** | 678,483,214 |
| Paid during the period / year | **(336,382,848)** | (639,687,026) |
| **Balance at the end of the period / year** | **257,280,301** | 124,484,900 |

Bank facilities and bank borrowing bear interest at prevailing market rates being SIBOR, SOFR or EIBOR plus margin as stipulated in the various loan / facilities agreements and are secured by promissory notes, corporate guarantees.

(All amounts are in Saudi Riyals unless otherwise stated)

## 8. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, senior management personnel of the group, managers and entities under joint control or control, or over which a significant influence is exercised by these entities.
During the period, the Group entered into the following trading transactions with related parties:

| | **Relationship** | **Nature of the transactions** | **For the six-month period ended June 30, (Unaudited) 2026** | 2025 |
|---|---|---|---|---|
| Middle East Fiber Cables | Affiliate | Sales of goods | **98,118** | 88,392 |
| | | Purchases | **5,073,057** | 1,002,418 |
| Contractors Services Co. | Affiliate | Sales of goods | **-** | 272,279 |
| Water and Environmental Co. LTD. | Affiliate | Sales of goods | **809,400** | - |
| | | Purchases | **19,616** | - |

The following balances were outstanding with related parties at the reporting date:

| | **June 30, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| **8-1 Due from a related party:** | | |
| Water and Environmental Co. LTD. | **496,695** | 299,206 |
| | **496,695** | 299,206 |
| **8-2 Due to a related party:** | | |
| Middle East Fiber Cables | **1,397,080** | 3,340,754 |
| | **1,397,080** | 3,340,754 |

## 9. EARNING PER SHARE

The calculation of basic/diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding. Earnings per share as at June 30, 2026 has been calculated on the basis of the weighted average number of shares outstanding during the period amounting to 40,000,000 shares (June 30, 2025: 40,000,000 shares). There are no potential dilutive ordinary shares. The diluted earnings per share is the same as the basic earnings per share since the Group has neither convertible securities nor discounting financial instruments to exercise.

| | **For the three-months period ended June 30 (Unaudited)** | | **For the six-months period ended June 30 (Unaudited)** | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Net profit for the period | **32,259,585** | 29,904,977 | **64,834,587** | 49,105,200 |
| Weighted average number of shares | **40,000,000** | 40,000,000 | **40,000,000** | 40,000,000 |
| **Basic and diluted earnings per share from net profit for the period (SAR / Share)** | **0.81** | 0.75 | **1.62** | 1.23 |

## 10. Dividends

- **During 2026:**
  On June 17, 2026, the Company's Board of Directors, based on a prior authorization from the General Assembly in its meeting held on June 9, 2026, approved the distribution of cash dividends to the Company's shareholders for the first half of the financial year 2026, amounting to SAR 24 million distributed over 40 million shares, resulting in a dividend per share of SAR 0.6, representing 6% of the nominal value per share, payable to shareholders on July 9, 2026.
- **During 2025:**
  On June 29, 2025, the Company's Board of Directors, based on a prior authorization from the General Assembly in its meeting held on June 17, 2025, approved the distribution of cash dividends to the Company's shareholders for the first half of the financial year 2025, amounting to SAR 20 million distributed over 40 million shares, resulting in a dividend per share of SAR 0.5, representing 5% of the nominal value per share, payable to shareholders on July 8, 2025.

(All amounts are in Saudi Riyals unless otherwise stated)

## 11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had capital commitments of SAR 18 million (December 31, 2025: SAR 14 million) and contingencies in the form of letters of credit and guarantees of SAR 367 million (December 31, 2025: SAR 279 million) at the reporting date.

## 12. SEGMENT INFORMATION AND GEOGRAPHICAL INFORMATION

The Group operates in two operating segments in Saudi Arabia and UAE. Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. The directors of the Group have chosen to organize the Group around differences in internal reporting structure.
The Group's operating segments are as follows:

- Saudi Arabia
- United Arab Emirates

**Segment revenues and results**

| | For the six-month period ended June 30, (Unaudited) | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **Sales revenue** | **Profit before zakat and income tax** | Sales revenue | Profit before zakat and income tax |
| **Sales revenue and profit before zakat and income tax by segment** | | | | |
| Saudi Arabia | **561,307,921** | **69,226,176** | 426,572,633 | 54,011,540 |
| United Arab Emirates | **518,038,674** | **21,979,946** | 351,349,786 | 8,565,508 |
| Intersegment elimination | **(111,244,040)** | **(20,065,162)** | (57,999,658) | (8,669,689) |
| | **968,102,555** | **71,140,960** | 719,922,761 | 53,907,359 |

| | **June 30, 2026 (Unaudited)** | | December 31, 2025 (Audited) | |
|---|---|---|---|---|
| **Segment total assets and total liabilities** | **Total Assets** | **Total Liabilities** | Total Assets | Total Liabilities |
| Saudi Arabia | **1,060,739,519** | **494,310,229** | 878,272,759 | 345,821,674 |
| United Arab Emirates | **768,421,230** | **668,635,617** | 502,681,016 | 412,370,651 |
| Intersegment elimination | **(314,135,917)** | **(213,780,157)** | (200,120,201) | (116,161,934) |
| | **1,515,024,832** | **949,165,689** | 1,180,833,574 | 642,030,391 |

Segment revenues reported represent revenue generated from both external customers and related parties. All segments sell similar product ranges.

There is no customer who contributed more than 10% of the Group's total revenue.

Revenue is recognized in the Consolidated Statement of Profit or Loss when a performance obligation is satisfied, at the price allocated to that performance obligation. This is defined as the point in time when control of the products has been transferred to the customer, the amount of revenue can be measured reliably, and collection is probable. The transfer of control to customers takes place according to trade agreement terms. Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns, trade discounts and volume rebates.

A geographical segment is engaged in producing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. Since the Group operates in the Kingdom of Saudi Arabia and the United Arab Emirates, management has determined that the Group has geographical operations in these two economic environments. Accordingly, the geographical segments presented in these interim condensed consolidated financial statements comprise the Kingdom of Saudi Arabia and the United Arab Emirates.

## 13. COMPARATIVE FIGURES

Certain figures have been reclassified in comparative 2025 interim condensed consolidated financial statements to confirm with presentation in the current period.

## 14. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require adjustment of or disclosure in these interim condensed consolidated Financial Statements

## 15. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved on Safar 27, 1448H (Corresponding to August 10, 2026).